

# Geneva WATCH

An overview of the bilateral, plurilateral and multilateral trade negotiations

Charles Akande, Editor

## New Market Access and Domestic Support Proposals

**World Trade Organization (WTO) Members tabled several proposals on various agricultural issues ahead of the week of November 6<sup>th</sup> agriculture negotiating group meeting called by its Chair, Ambassador Dr. Stephen Karau, from Kenya. The chair himself submitted a matrix of all proposals circulated thus far to direct discussions.**

Among the new submissions, Argentina circulated what it called a middle-ground proposal on domestic support, one that is half-way between the proposal tabled by some Cairns Group Members outlining three options to cut Members' overall trade distorting support (OTDS) and the one tabled by China and India which seeks to eliminate developed countries' aggregate measure of support (AMS) first.

Argentina said its proposal aims to force convergence of positions for an outcome next month at the Ministerial being held in Buenos Aires (Argentina). It suggested limiting Members' OTDS by establishing a monetary cap (base cap) by revisiting the three options scenario, first floated by Cairns Group Members:

“The base cap shall be no greater than the larger of:

- Option A: Double the Member's *de minimis* percentage of its average value of total agricultural production in the period [2011–2015];
- Option B: [110%] of the average Articles 6.3 and 6.4 support notified by the Member for [the most recent three notified years at the date of adoption];  
or
- Option C: For developing country Members, [US\$2.0 billion] or equivalent in local currency.”

In order to have China and India on board, Argentina then suggested a tiered formula to reduce AMS:

“The Final Bound Total AMS shall be reduced in accordance with the following tiered formula:

- a) where the Final Bound Total AMS is greater than US\$40 billion, or the equivalent in the monetary terms in which the binding is expressed, the reduction shall be [30]%;
- b) where the Final Bound Total AMS is greater than US\$15 billion and less than or equal to US\$40 billion, or the equivalents in the monetary terms in which the binding is expressed, the reduction shall be [21]%;
- c) where the Final Bound Total AMS is less than or equal to US\$15 billion, or the equivalent in the monetary terms in which the binding is expressed, the rate of reduction shall be [15]%. ”

Sources said initial reactions were rather negative. The U.S. rejected the proposal outright, as it does not take into account article 6.2 support granted to developing countries such as India. The U.S. also criticized the omission of Blue Box support in the OTDS as it is left for future reforms. The EU said they will be the biggest contributor under this proposal while both China and India repeated their request to have AMS for developed countries tackled first. The G-10 also voiced concerns about the proposal.

### Market Access

Three proposals were tabled on market access, although the issue is said not to be ripe enough for resolution in Buenos Aires.

Argentina, Brazil, Paraguay, Thailand, and Uruguay suggested that Members agree to a work programme that would seek the continuation of market access reform in agriculture. Without providing any specific areas of the negotiations, the group suggests a ministerial decision that would urge Members to commit to reduce their level protection and achieve tangible market access outcome at the MC12 (2019) and beyond through incremental steps.

The Philippines tabled a proposal on the special safeguard (SSG), joining Russia and others on the issue, requesting developed countries to eliminate their SSG entitlement through equal annual instalments over [10] years. Developed countries, The Philippines said, may retain the measure for no more than [3]% of their total tariff lines.

Finally, in a draft ministerial decision, Tunisia suggests that developed countries' complex tariffs be converted into *ad valorem* 12 months following the ministerial decision in Buenos Aires.

Ambassador Karau has convened an open-ended session on November 10<sup>th</sup> to discuss the latest submissions.

**Geneva Watch is published by Dairy Farmers of Canada, Chicken Farmers of Canada, Egg Farmers of Canada, Turkey Farmers of Canada and Canadian Hatching Egg Producers to report on the various events occurring in Geneva, particularly on the WTO negotiations on agriculture.**

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