



Geneva WATCH

An overview of the bilateral, plurilateral and multilateral trade negotiations

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Members Discuss Reform and Status of WTO Negotiations

Canada will be hosting an informal ministerial meeting to brainstorm about the reforms needed at the World Trade Organization (WTO) on October 24-25 in Ottawa. The objective, Canada said, will be to “identify concrete and tangible ways the operation and functioning of the WTO could be enhanced and improved over the short, medium, and long term.”

In its discussion paper circulated to Members at the end of September, Canada outlined three “pragmatic and realistic actions and confidence-building measures” to be considered by Ministers next week:

- 1) *Improve the efficiency and effectiveness of the monitoring function*; through a comprehensive review of the notification requirements.
- 2) *Safeguard and strengthen the dispute settlement system*; by bringing Ministers “to acknowledge the concerns expressed by some Members,” namely the U.S., and indicate their willingness to work with the U.S. to address those concerns and “find mutually agreeable solutions”.
- 3) *Lay the foundation for modernizing the substantive trade rules when the time is right*. Canada said various elements of these can be pursued immediately through “open” (Most-favoured-nation (MFN)) or “closed” plurilateral agreements within or outside the WTO framework.

At the informal heads of delegation meeting held earlier this week, delegates said they were ready to engage in the WTO reform discussions, but cited the need for the process to be transparent and inclusive. However, some Members such as India and South Africa warned against the weakening of the basic principles such as self-designation for developing country status and the consensus principle of the WTO.

The self-designation issue represents one of the major differences between China and the U.S. The EU, which has also tabled a concept paper on the modernization of the WTO, stressed that Members should be “actively encouraged to ‘graduate’ and opt-out of SDT (special and differential treatments), whether horizontally or agreement by agreement.”

Both Canada and the EU agree that reforming the institution could go as far as revisiting the single undertaking concept and make sure that a more efficient process be established to allow the negotiations to move forward at a faster pace. It has to be noted that the MC10 Ministerial Declaration in Nairobi already provided ways to circumvent the consensus principle by allowing Members to pursue plurilateral negotiations at the WTO.

The U.S. – which notified its Congress on October 16th of its intent to negotiate three separate trade agreements with Japan, the European Union, and the United Kingdom – stressed that it was encouraged that Members were talking about reform to increase the WTO’s effectiveness, but warned that they must avoid falling into the trap of letting talk become a substitute for concrete action.

China, meanwhile, suggested fixing specific problems instead of undermining the WTO’s core values, whereas some like Brazil believed that talking about reform doesn’t make sense when the existing rules are not being respected and the dispute settlement system is about to collapse.

Canada mentioned that the Ottawa ministerial gathering should be viewed as “a discussion-starter, not the end of the process.” The outcome there is intended to be a catalyst for identifying ways forward.

For his part, WTO Director General, Roberto Azevêdo, thinks the reform talks were clearly gathering momentum,

urging Members to make their voices heard in the discussions.

State of Play in the Negotiating Groups

The meeting also saw negotiating group chairs providing updates on the state of play in their respective talks. Other than fisheries subsidies, which still seeks to secure a deal by the end of 2019, little progress was reported in the other negotiation areas.

The chair of the agriculture negotiating group, Ambassador Deep Ford from Guyana, said he was satisfied with the level of engagement Members have demonstrated at the very first thematic session he convened on September 20-21 and which was dedicated to domestic support, public stockholding, and cotton. Discussions there were focused and fruitful with two presentations by Australia and Canada on the trends in trade-distorting domestic support and the Green Box.

“The divergent points of views generated a genuine debate and injected new energy into the debate on domestic support,” Ford said. “I believe that we advanced our understanding of the evolution of domestic support; and appreciated the different approaches that can be used to analyse and interpret data with different conclusions being drawn,” he added.

The September 20-21 meetings were the first of four thematic sessions the chair has planned for this year. Other dedicated sessions are expected in October (market access and special safeguard mechanism (SSM)), in November (export competition and export restrictions) and in December (stocktaking and the way forward). Before the December break, Ambassador Ford plans to return to some of the issues addressed in September and October.

Ford said his objectives are twofold:

- 1) continue to pursue the technical exchange that can help informing the negotiations
- 2) facilitate a transition to a process whereby Members can table probable options for incremental outcomes

The plan is that by December Members can at least signal, if not start, a transition from situational analysis to position evaluation leading towards an assessment of opportunities for outcomes, Ford told the full Membership, adding that “the ultimate goal of these technical discussions is to help Members to take decisions grounded on solid information so that proposals can be more definitive in seeking common ground for an outcome.”

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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