



Geneva WATCH

An overview of the bilateral, plurilateral and multilateral trade negotiations

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Fisheries Subsidies to Enter ‘Real Negotiating Mode’ Early Next Year

Negotiations on fisheries subsidies are seen by many as the first big test World Trade Organization (WTO) Members will have to pass next year in order to re-establish some trust in the multilateral trading system.

This is because delegates were given a clear mandate by Ministers at the December 2017 Ministerial Conference in Buenos Aires (Argentina, MC11) to engage constructively with a view to reach an agreement on comprehensive and effective disciplines that prohibit certain forms of fisheries subsidies that contribute to overcapacity and overfishing, and eliminate subsidies that contribute to illegal, unreported and unregulated (IUU) fishing by the next Ministerial Conference which has now been delayed to June 2020.

Nevertheless, Members have set their sight on moving to text-based negotiations early next year after exploring various ideas – such as how to operationalize requirements for assessments of fish stocks or how experts would be consulted in the monitoring and dispute settlement processes – in smaller groups dubbed “incubator groups’ brainstorming sessions.” Those sessions have helped prepare for “real negotiating mode” the Negotiating Group on Rules chair, Mexican ambassador to the WTO, Roberto Zapata Barradas said.

It’s now time to turn these ideas into negotiating proposals, said the U.S., urging Members to emulate the Trade Facilitation Agreement (TFA) process by building convergence on some issues before sharing the outcome with the larger group.

Argentina, Australia, Brazil, Canada, Colombia, Costa Rica, the EU, New Zealand, Norway, Panama, Peru, the Philippines, Russia, Senegal, and Vanuatu also supported the idea of moving into text-based negotiations, given the December 2019 deadline.

Transparency & Notification

The WTO’s Council for Trade in Goods, led by Canadian Ambassador to the WTO, Stephen De Boer, met on November 12-13 to discuss various issues including the latest proposal by a group of countries (including the EU, Japan, and the U.S.) on how to improve Members’ notification compliance.

The U.S. argued that improved transparency and notification is the kind of institutional reform necessary to facilitate negotiations across negotiating topics. It’s even “indispensable” for the rules-based multilateral trading system which was founded on transparency and predictability, added Japan.

The proposal received support from some countries who called it a good starting point for further discussions. However, China – one of the countries targeted by the improved transparency measures – noted that none of the other WTO Members had fully fulfilled all the notification obligations as required by WTO agreements, describing the proposed penalties to punish Members that failed to comply with their notifications as a poor choice. Others said this punitive approach would have an impact on developing and least-developed countries struggling with capacity constraint.

One of the suggested solutions to improve transparency is the possibility for a given country to produce counter-notifications of another Member notification obligations. The U.S. did it early this year with India’s domestic support programmes for rice and wheat.

On November 9, 2018, the U.S. filed a second counter-notification in the WTO Committee on Agriculture on India’s market price support for cotton, citing “several areas of potential concern with India’s notification of its market price support for cotton” including “issues with

the quantity of production used in market price support calculations, exclusion from India's notifications of information on the total value of production of cotton (information necessary to assess compliance with WTO commitments), and issues with currency conversions."

"Based on U.S. calculations, it appears that India has substantially underreported its market price support for cotton. When calculated according to WTO Agreement on Agriculture methodology, India's market price support for

cotton far exceeded its allowable levels of trade distorting domestic support," the USTR stated in a communiqué.

India described the U.S.'s first counter-notification as "unnecessary" and only an "exercise of futility" based on incorrect assumption and flawed methodology. The U.S., meanwhile, urged India to explain how it implements and notifies its policies at the November 26-27 Committee on Agriculture meeting.

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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