



Geneva WATCH

An overview of the bilateral, plurilateral and multilateral trade negotiations

Charles Akande, Editor

The work towards MC11 continues

The full WTO Membership gathered twice this past week to discuss the state of the multilateral trade negotiations and the preparations for the 11th Ministerial Conference (MC11) being held this December in Buenos Aires.

During the informal heads of delegation on May 8 and the General Council on May 10, Director General Roberto Azevêdo urged Members to build momentum behind their ideas as the organization's biennial conference is fast approaching. "By the summer our preparations for Buenos Aires should be advancing with a much greater sense of clarity and purpose," Azevêdo told the informal heads of delegation meeting.

Since the impasse in the selection of the agriculture chair has been resolved, Members have tabled several proposals on a variety of subjects. In addition to proposals addressing issues such as the reduction in trade distorting domestic support, the special safeguard mechanism, and the need to find a permanent solution to the issue of public stockholding programs for food security, new proposals have surfaced on matters pertaining to the trade facilitation agreement in services, trade remedies, and investment facilitation.

"[A]t this moment in time, none of the issues that we are collectively discussing is ripe for any sort of decision," EU Ambassador Marc Vanheukelen warned the full Membership. One of the main concerns is how United States President Trump's trade policy will impact the negotiations as it is commonly acknowledged that very little happens when the US sits on the sidelines. Therefore many questions remain, including what position the US will adopt in the coming months as it has been saying very little since the new administration took office.

However, officials believe this will change with the likely confirmation of US Trade Representative nominee Robert Lighthizer on May 15.

In the meantime, Members plan to use the time between now and the summer break to table proposals that will help move the MC11 agenda forward. The hope is that the negotiation dynamic will change for the better in the fall.

That being said, some Members have made it clear that they are not ready to consider new issues before the "old DDA topics" are dealt with - especially in agriculture. Newly selected agriculture negotiation chair, Kenyan Ambassador to the WTO Stephen Karau, has started consulting delegates on various issues, and is planning to convene an informal open-ended meeting in the second half of May to discuss progress on MC11 issues.

While there have been some discussions on issues such as trade distorting domestic support, public stockholding for food security purposes, and the special safeguard mechanism, there has been very little action on agriculture market access. However, countries like Paraguay and other Latin American agricultural exporters have been very active in tabling ideas for the MC11.

Paraguay has asked that Members consider tackling tariff peaks, tariff escalation and tariff simplification. The country has suggested that Members consider harmonizing their tariff systems by converting all specific duties into ad-valorem. The proposal has yet to receive support from all Members but its proponents still hope that something on market access will be harvested in Buenos Aires alongside a reduction in trade-distorting domestic support.

At the informal heads of delegation meeting, Paraguay reemphasized the importance of tackling market access matters in Argentina. Others like Japan and Brazil said they stand ready to discuss everything at the MC11. Most developed countries, including Canada and the EU, continue to push for an outcome in trade distorting domestic support where informed sources say Brazil and the EU have resumed their collaboration. Meanwhile, the US continues to caution against raising expectations for the MC11, reminding Members that there has been no significant progress on any of the issues thus far.

When it comes to the potential outcomes for the MC11, some of the more optimistic Members are looking to make incremental progress on Doha Round issues in Buenos Aires. The most pragmatic suggest using the MC11 as an opportunity to recommit to the multilateral trading system, which has recently been on the receiving end of criticism from various countries, most notably from the US since Donald Trump's arrival in the White House.

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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Legal Deposit: National Library of Canada, ISSN 1496-9254

