

Geneva WATCH

An overview of the bilateral, plurilateral and multilateral trade negotiations

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Agriculture Negotiating Group Meets, Discusses Way Ahead

The agriculture negotiating group held its first informal open-ended meeting since the 11th Ministerial Conference in Buenos Aires (MC11). The objective of the gathering was to exchange views on the way forward and lay the groundwork for restarting the agriculture negotiations.

Newly-appointed chair of the negotiating group, Guyana Ambassador to the WTO, John Ford, suggested, based on the consultations he had undertaken since being elected chairman, that Members focus first on the process while avoiding falling into a debate over which topics to consider a priority.

Members broadly agreed with the Chair. Most called for an incremental approach in tackling the remaining issues through seminars and workshops as useful means to complement the official negotiation tracks which some say should be driven by data-based technical analysis performed by the World Trade Organization (WTO) secretariat.

However, it's when the debate came down to substance and timeline that some sharp differences emerged. While certain Members, like China pressed for the Nairobi mandates – including the need to find solution for the issues of public stockholding for food security purposes (PSH) and the special safeguard mechanism (SSM) – to be on top of the agenda, others like the U.S. rejected the idea of putting an end to the current reflection period and jumping directly to the negotiating phase.

Speaking on behalf of selected Cairns Group Members¹, Australia underscored the necessity of restarting the negotiations and to introduce a timeline in order to provide focus for the upcoming work. Although seminars and workshops can help deepen the technical engagement between Members on agriculture, Australia said “they can never be seen as a substitute for negotiations.”

As such, the group called for the establishment of a work programme for the negotiations, one that includes realistic milestones in the lead-up to MC12 (December 2019).

The Cairns Members rejected the U.S.'s suggestion of maintaining the current period of reflection without jumping directly into the negotiations, stressing that “reflection is not a process that needs occur in isolation.”

“It is now five months since MC11, and there is no need to stall our work further,” the group wrote in their communication. Agriculture, they added, remains the most important unfinished business from the Uruguay Round (1994). Members must tackle new disciplines on trade-distorting domestic support to prevent the “devastating effect on world markets in years to come.”

No progress has been achieved on agricultural market access since the last round, and some unfinished business is still left in the export competition pillar on which Members need to build on the Nairobi achievements (MC10) to make progress across the full suite of agricultural negotiating areas, the group wrote.

“For MC12, we should be looking for a concrete step forward in the reform process which sets the scene for comprehensive action at MC13 across agriculture”, the Cairns Members stressed.

On the other hand, the U.S. stated that it was looking at a “reset” of the agricultural talks. It has undertaken some work to identify the difficulties that American farmers are faced with and is looking to share its analysis to spur further discussions at the next agriculture negotiating group meeting in June. This will allow Members to have a common understanding on the agricultural challenges and how to better address them, the U.S. said.

The U.S., meanwhile, supports the idea of holding agriculture symposiums and other seminars to precede the negotiation and lay the ground for the latter. “You cannot put the cart before horse and expect to reach the destination,” the U.S. said playing down calls for a clear timeline for the talks.

¹ Argentina, Australia, Brazil, Canada, Chile, Colombia, Costa Rica, Guatemala, Malaysia, New Zealand, Pakistan, Paraguay, Peru, Thailand, Uruguay, and Viet Nam

The EU meanwhile called on Members to tackle domestic support, PSH and cotton together as they are intricately linked. The EU stressed the importance of transparency in export restrictions, an unfinished business in the export competition pillar. The EU also agreed with the incremental approaches and sided with the U.S. on not putting any artificial deadlines on the negotiations.

Speaking on behalf of the G-10 (Coalition of countries lobbying for agriculture to be treated as diverse and special because of non-trade concerns (not to be confused with the Group of Ten Central Bankers)), Switzerland called for better understanding of Members' agricultural policy before resuming negotiations, particularly on sensitive agricultural sectors.

To ensure agriculture sensitivities are duly taken into account in future negotiations, the group sought a balanced agenda to reflect all Members' interests, both for net-food importers and net-food exporters. The Swiss went on to ask that market access not be isolated from other issues in negotiations such as non-agriculture market access (NAMA) and export competition.

To sum up, the chair said he will organize dedicated sessions on all the priority topics raised in the brainstorming: domestic support, market access, export competition, export restriction, cotton, PSH, and the special safeguard mechanism (SSM).

"A difficult environment should not discourage our engagement," Ambassador Ford told the full Membership.

"With hard work, dedication, flexibility on all sides, we should be able to agree on how we proceed, close the gaps on negotiating issues and will certainly give ourselves a fair chance of achieving an outcome at MC12 and beyond."

APEC Ministers Discuss Multilateral Trading System

Meanwhile, Trade Ministers from the 21 APEC (Asia Pacific Economic Cooperation) countries met in Port Moresby, Papua New Guinea, on May 25-26 to discuss how to support the multilateral trading system (MTS).

There, WTO Director General, Roberto Azevêdo, called on APEC countries to "step up efforts" to advance current work in several areas of the WTO.

"I urge ministers to stay active and engaged, and to play their part – both in resolving the critical issues before us today and in finding ways to continue strengthening and improving the multilateral trading system," Azevêdo told the gathering.

Azevêdo also insisted on the need to address the rising trade tensions. After President Trump's proclamation on steel and aluminum earlier this year, the U.S. Administration is again contemplating another increase in tariffs under section 232, citing national security implications. This time the duty investigation under consideration targets auto and auto parts imports.

As for the negotiations, Azevêdo told APEC Members that new ideas are essential to advance post-MC11 talks on all issues. "The work on fisheries subsidies is a notable bright spot," he said, adding that discussions in Geneva "are proceeding with a real sense of urgency following the decision taken by Members in Buenos Aires."

Meanwhile, the U.S., which was represented by Deputy U.S. Trade Representative Jeffrey Gerrish, (instead of USTR Robert Lighthizer), only mentioned its engagement in strengthening its bilateral trade relationships throughout the Asia-Pacific region.

"We are committed to working with APEC economies to drive positive outcomes that meaningfully open markets, advance high standards, and address trade distorting policies and practices," said Ambassador Gerrish.

The U.S., which saw its goods trade deficit with APEC countries soaring to \$620.3 billion in 2017, could have improved its competitiveness in the region through improved market access in goods and services and other areas had the Trump Administration elected to remain in the Trans-Pacific Partnership (TPP) agreement concluded in 2015.

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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