



Geneva WATCH

An overview of the bilateral, plurilateral and multilateral trade negotiations

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Getting Ready for 2019

The full World Trade Organization (WTO) Membership gathered December 9th in an informal heads of delegation meeting, the last prior to the December 12th General Council gathering which will effectively close the organisation's work for the Christmas break.

The discussion touched on many of the challenges the organization is currently facing starting with the future of the Dispute Settlement Body (DSB) and the stalemate in the nomination of new Appellate Body (AB) members.

DSB/AB

Virtually all Members voiced their concern with respect to the AB situation as there is no sign of a breakthrough on the issue as yet. If no solution is found in the coming months, the AB will find itself with only a single judge a year from now.

Two weeks ago, the EU circulated two proposals to address the U.S.'s concerns with the AB and help convince the U.S. to cease its blockage of the selection of new judges.

The first proposal submitted jointly with a group of 11 countries (Australia, Canada, China, Iceland, India, Korea, Mexico, New Zealand, Norway, Singapore, and Switzerland) seeks to clarify the rules for outgoing judges by outlining scenarios in which these AB Members can stay on to complete the appeal proceedings they were tasked for. It also provides additional clarification pertaining to the meaning of domestic legislation; the fact that AB needs to focus only on issues necessary to resolve the dispute and the need for an annual meeting between

WTO Members and the Appellate Body to discuss systemic issues or trends in jurisprudence.

The other proposal jointly submitted with China and India looks to reinforce the AB's "independence and impartiality and to improve its efficiency" by increasing both the number of judges (from 7 to 9) and the length of their term (to 6 to 8 years).

If many thought the first proposal has a legitimate chance to please the U.S. (the second remains a long shot), the latter has thus far remained silent which is consistent with the position it has adopted in past DSB meetings. The U.S. did not speak at the informal heads of delegations but has always said it was looking for others to come up with ideas to reform the system, which is what the EU has done with its two proposals. Observers believe the U.S. will come up with a statement on the issue at the December 12th General Council meeting.

Renewed Hope for Multilateral Negotiations

Members appeared much more upbeat/optimistic on the work in two negotiating groups, i.e. the negotiating group rules dealing with fisheries subsidies and the agriculture negotiating group. The chairs of these two negotiating groups – Mexican Ambassador Roberto Zapata (Rules) and Ambassador Deep Ford from Guyana (Agriculture) – have both developed detailed work programmes for 2019.

The workplan for fisheries subsidies – approved by the entire Membership, although some voiced concerns as to whether an outcome could be achieved at the end of 2019 – seeks to intensify the

negotiation from January to July 2019 using the week of January 14–18, 2019 as a test.

Members have also been encouraged by the progress made in the agriculture negotiating group where the chair, Ambassador Ford, developed a comprehensive proposal to discuss key topics from the agriculture three pillars trade distorting domestic support, market access, and export competition.

Encouraged by the positive feedback he got from the thematic sessions held throughout the fall, Ambassador Ford suggested to “steer the bus” to “gear 2” and intensify the talks early next year with an ambitious programme running from January to April 2019 which would serve as a trial period for the new process. At the end of April, Members will decide whether to continue with the programme or modify it.

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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