

## **Enormous Problems with the December Mini-Package**

Members are pointing out “enormous problems” with the December mini-package, the WTO’s Director General, Pascal Lamy conceded this past week in an interview with a German newspaper, but insisted, meanwhile that the Doha Round negotiations are blocked but not dead.

The negotiations have indeed hit a new roadblock this past week with small-group discussions held on duty-free quota-free (DFQF), cotton and fisheries. Lamy had convened a Green Room meeting with the usual key players to continue discussions on elements of the December package on June 12. According to diplomats who attended the closed-door gathering, the meeting lasted about four hours and focused mostly on DFQF and cotton. Officials say the odds of reaching a deal on both subjects have seriously declined.

On the DFQF issue, one delegate explained that the U.S. continues to play hardball, arguing that even though a deal might be achievable, it is hard to see it coming together in December as Congress is unlikely to ratify it by then. The concern with the U.S. providing DFQF for 97% of least-developed countries’ (LDC) products is whether or not this would be subject to a congressional vote, the diplomat said.

In effect, paragraph 47 of the Doha Ministerial Declaration states that “agreements reached at an early stage may be implemented on a provisional or a definitive basis.” The question here is whether a December agreement on DFQF market access agreement could be directly implemented ahead of the remaining subjects under negotiations.

On cotton, the issue is even more complicated. Sources said the June 12 meeting put emerging economies – China in particular – on the hot seat. The Chinese were pressured to do more on cotton subsidies, which they refused prompting the U.S. to loudly blame China from preventing discussions from moving forward.

On fisheries, the U.S. negotiators are being pressed by some members of Congress back home – including former USTR Rob Portman, now a Republican Senator from Ohio – to seek an end to fisheries subsidies. In a letter sent to Ron Kirk, a group of Congressmen asked Kirk to ensure a timely and ambitious agreement on fisheries, one that calls for strong provisions to reduce and control global fisheries subsidies. The group calls this request a “must have” for the U.S. as the sector supplies more than 2 million jobs in the country. This adds to an already difficult discussion as some countries continue to resist its inclusion in the December mini-package.

The likelihood of seeing a package emerging at the end of the year is rather bleak. According to observers, of all nine issues composing the December mini-package (i.e. DFQF, rules of origin services waivers, cotton, S&D monitoring, trade facilitation, export competition, fisheries subsidies, liberalized trade in environmental goods and services), only four stand a reasonable chance for a deal in December: DFQF (despite the above); Services waivers and S&D monitoring and trade facilitation (if well managed and negotiated). A deal on the other five remain fairly remote.

## Upcoming Events

- Third Global Review of Aid for Trade July 18-19, 2011
- WTO General Council, July 27-28, October 12-13, December 1-2, 2011
- Regular Agriculture Committee, September 29, and November 2011
- Cairns Group Ministerial Meeting, September 7-9, 2011 Saskatoon (Canada)
- WTO Public Forum, September 19-21, 2011
- G20 Summit, November 3-4, 2011 Cannes, (France)
- APEC Ministerial Meeting, November 11, 2011
- WTO Ministerial Conference (MC8), December 15-17, 2011

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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