

## **Editorial: Senior Officials Continue MC8 Brainstorming**

WTO's ambassadors met outside Geneva on September 30-October 1 to continue brainstorming the December 15–17 Ministerial Agenda (MC8). The G-11 ambassadors (Australia, Argentina, Brazil, Canada, China, the EU, India, Japan, Mauritius, South Africa, and the U.S.) were among the officials who met in Chexbres – a small village located outside Geneva – to contemplate options for both the MC8 and post-MC8 period.

Sources familiar with the “retreat” meeting said Members continue to disagree over the core elements that would compose the MC8 outcome. Several options were under consideration, such as the so-called “stop and reboot” alternative – originally advocated by the U.S. and which will formally suspend the negotiations for a year – which is said to no longer be an option.

In the same vein, the pursuit of plurilateral deals is also creating problems as it would entail abandoning the principle of the single–undertaking, a suggestion vigorously opposed by most developing countries.

Sources say the only real agreement that emerged from Chexbres was the agreement on what was not possible for December; i.e. that a Doha deal is unlikely to be reached under the principle of the single-undertaking and that Members could not continue with “business as usual” and expect landing a different result.

However, the group agree that a possibility of reaching an agreement on an “early harvest” under paragraph 47 of the Doha Declaration still exists. That said, what, if anything, can be identified for possible early harvest, is unlikely to be decided at MC8.

Everything else is still up in the air, said one official who attended the gathering. Indeed, in Chexbres, Members did not discuss the non-DDA (Doha Development Agenda) initiatives, such as the Indian proposal for WTO reform or the U.S. proposal for a standstill in tariffs.

Ambassadors are expected to continue their discussions in the coming weeks.

### **Lamy to Play a More Active Role**

So far the WTO Director General has been rather quiet, but Lamy wants to play a more active role in elaborating a more precise agenda for the Ministerial Conference, e.g. prioritisation of issues, an active work plan and a list of issues to target for early harvest.

It is said that in demanding greater Ministerial precision of the task ahead, Lamy expects a Declaration to emerge from MC8, which some Members find rather challenging, as it would entail serious negotiations.

At MC8, discussion on the DDA will be limited to the formal opening in the afternoon, source said. Half a day will be reserved for consideration of the final document which is unlikely to take the form of a Ministerial Declaration but rather as a chair's statement so as to avoid any controversy, informed source said.



## Russia and Standstill

Russia continues its march toward a possible successful outcome at the MC8. The Russians floated last week that they were ready to accept to cap their Aggregate Measurement of Support (AMS) at \$4.4B per year, down from the previous request to fix it at \$9B. Russia said it will also accept product-specific support limits and eliminate all export subsidies. The domestic support numbers were a major concern for countries like Brazil. Even though some other (dubbed minor) differences still persist (i.e. agreement with Georgia on international monitors on the Russian-Georgian border; and disagreement with the EU on industrial assembly of vehicles), most Members seem to agree that Russia's accession should be dealt with before Vladimir Putin becomes president (March 2012). Putin has openly criticised Russia's bid to enter the WTO.

On the suggestion for a standstill, the U.S. and other developed countries are seeking an agreement on tariff standstill as per the G-20 declaration. However, there seems to be uncertainty on the scope said one delegate, i.e. should it be limited to tariffs or extended to subsidies? On subsidies, would this be limited to absolute numbers and programmes? The difference between developed countries' bound and applied tariffs tends to be zero. Developing countries, in contrast, have water in their tariffs and would therefore find this proposal more problematic, the delegate said.

## Upcoming Events

- WTO General Council, October 12-13, December 1-2, 2011
- G-20 Summit, November 3-4, 2011, Cannes (France)
- APEC Ministerial Meeting, November 11, 2011
- Regular Agriculture Committee, November 17, 2011, March 21-22, June 20-21, September 26-27, November 15-16, 2012
- 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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