

## **WTO Members to Focus on Early Harvest, Trade Facilitation**

The May 1<sup>st</sup> General Council meeting allowed WTO Director General Pascal Lamy to debrief the full Membership on recent activities, and more specifically, since last February's General Council meeting where delegates agreed to tackle issues on a step-by-step basis in order to capitalize on the low hanging fruits and rethink those where substantial divergences still remain.

At the meeting, the chairmen of all negotiating groups were requested to recalibrate their respective work programmes in order to reflect the new streamlined approach. The Negotiating Group on Trade Facilitation (NGTF) and special session on Dispute Settlement Understanding (DSU) were exceptions as these groups have already developed detailed work programmes.

Lamy also touched on the recent G-20 Trade Ministers in Puerto Vallarta (Mexico), which focused on global value chains and their importance in evaluating growth and jobs creation. There, he added, participants insisted on the importance of trade facilitation, services and trade finance to enhance global value chains.

Speaking of Trade Facilitation – which has been described as a win-win issue for both developed and developing countries – Members successfully concluded the first phase of their work plan by agreeing on new language that will be incorporated in a new version of the draft consolidated negotiating text, Lamy said. However, some issues still remain and Members will continue to work intensively towards the NGTF's next meeting in July, at which point the consolidated text will be updated.

Lamy went on to report on activities that took place in several negotiating groups. In the area of agriculture, he said “the ten outstanding issues which were identified by the previous Chair remain key political issues and (...) will need to be resolved before any overall agreement can be reached.” Agriculture chair, John Adank, “plans to continue to consult with delegations on possible further technical work or early harvest approaches.”

Lamy admitted however that the overall the situation has not evolved much since his February report. Nevertheless, he sensed that “Members wish to continue to explore any opportunities to gain the necessary traction and try to make tangible progress as soon as possible.” This was also the feeling expressed in Mexico, where G-20 trade ministers agreed to “give fresh impetus” to the Doha Development Agenda (DDA) and capitalized on “areas with potential for prompt resolution – such as trade facilitation – while intensifying efforts to find creative ways and approaches to overcome the most critical and fundamental stalemates in specially challenging areas.”

### **Multi-stakeholders Panel**

Lamy's multi-stakeholders panel of experts who will define “the future of trade” and analyze current and future trade patterns was also addressed. On this, Lamy insisted that whatever will be derived from this consultative group will be under his own responsibility. This clarification came in response to several Members (Argentina, South Africa) who requested that the report not be considered as a WTO document.

The panel was tasked with reviewing the drivers of trade and identifying obstacles to increased trade and will meet on May 16<sup>th</sup>, and again in the fall when experts are expected to solicit the views of Members. A report is anticipated to be delivered in early 2013.

### **Reactions**

Overall nobody really opposed the Lamy's report. Most countries supported the push to conclude trade facilitation this year as well as the issues listed as early harvest at the 8<sup>th</sup> Ministerial Conference (MC8), i.e. LDCs (least-developed countries) Services waiver, LDCs Accession among other issues.

Kenya noted that nothing tangible has emerged since the conclusion of MC8. In order to resolve the current impasse, Members should focus on low hanging fruits (all of which are LDC issues) and then move towards other issues that are rich in development content. Kenya proposed that discussions centre on five areas, namely, LDCs, Agriculture, Trade Facilitation, and Services & Development with a view to securing provisional outcomes. India noted that Trade Facilitation must be seen as a part of an overall package of trade negotiations and warned against cherry picking issues outside the pursuit of the full DDA package.

The EU and the U.S. agreed with the need to proceed with small steps. Nevertheless, for the EU progress on DDA remains slow. The U.S. for its part claimed that the MC8 succeeded in two respects – honest assessment of the state of negotiations and need to review approaches. China noted that while the current global macroeconomic situation is not encouraging, the DDA should be concluded as quickly as possible with LDC issues such as TRIPs, Services and Accession to be prioritized and completed by July 2012.

Australia supported the need to make progress incrementally and advance LDC issues but remains concerned that MC8 guidance was lacking, particularly in the market access areas and also pointed out that there needs to be progress in Agriculture as this remains central importance to overall DDA process.

## Breakfast Club

The meeting of key ambassadors in Corfu was not mentioned during the General Council meeting but officials confirmed that Members of the so-called breakfast club started brainstorming the DDA among other issues in Corfu as of May 3. Sources say the group - which includes ambassadors from the US, Brazil, China, India, Australia and Canada – discussed early harvest issues including the need to accelerate work on trade facilitation. Lamy attended the meeting on Friday for a one day working session with ambassadors.

## Upcoming Events

- TPP Negotiations, May 8–18, 2012 Dallas (U.S.)
- Multi-stakeholders Panel May 16, 2012, Autumn (TBD)
- OECD Forum, May 22–24, 2012, Paris (France)
- APEC Ministers Responsible for Trade, June 4-5, 2012, Kazan (Russia)
- G-20 Summit, June 18-19, 2012, Los Cabos, Baja California Sur (México)
- Trade Facilitation Negotiating Group, July 9–12, 2012
- WTO General Council, July 25-26, October 3-4, December 19-20, 2012
- APEC Leaders Summit, September 2–9, 2012, Vladivostok, (Russia)
- Regular Agriculture Committee, September 20-21, November 14-15, 2012
- WTO Public Forum, September 24–26, 2012

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