

# Geneva Watch

*An overview of the WTO negotiations on agriculture*

## Review of Work Post MC8

In advance of next week's General Council meeting – the last before the WTO's summer recess – Director General Pascal Lamy debriefed the heads of delegation on the status of work since the 8<sup>th</sup> December's Ministerial Conference (MC8) during an informal meeting held on July 17.

The DG passed on review the work undertaken in the areas of trade facilitation (TF), special and differential treatment (S&DT), dispute settlement reform, rules, agriculture, services, trade and environment, industrial products market access (NAMA) and least developed countries' accessions to the WTO.

Contrary areas such as rules (where some Members told the chair they had little interest in resuming negotiating activities in the short term) and NAMA (where the chair, Swiss Ambassador to the WTO, Luzius Wasescha, intends to circulate a report to Members on July 18 before retiring at the end of the month), delegations have been quite busy lately on trade facilitation. The group met throughout the week of July 9 to try to close the gaps on various areas of the consolidated text which was due to be revised in July. Instead, Members decided to give themselves more time to continue working in September with the aim to have a revised draft text tabled in October when the negotiating group gathers the week of October 8<sup>th</sup>.

“Negotiations are continuing to make progress,” Lamy said on Tuesday. “Members adopted several new texts and received new submissions that will be sent forward to the next round of facilitator activities,” he added. However, though TF is believed to be a win-win agreement for both developed and developing countries, differences still remain as to whether Members should adopt the text on a standalone basis. Emerging countries want TF to be accompanied by agreement on export competition and duty free quota free market access among other issues.

In the agriculture field, Members, Lamy said, believe that the so-called “10 outstanding issues” (Blue Box, Cotton, Sensitive Products, Tariff Cap, TRQ Creation, Tariff simplification, Special Products, Special Safeguard Mechanism, Tropical Products, and Preferences Erosion) still remain the key political questions that have to be dealt with before an agreement on modalities can be reached. In addition, there is still no consensus on issues that would be considered for possible “early harvest” i.e. whether to agree on issues such as export competition or cotton in advance of the whole agriculture package. “It had not yet been possible to reach any concrete outcome on cotton,” Lamy stressed, encouraging key players (essentially, the US and the C-4 countries – Chad, Benin, Mali and Burkina Faso) involved on this important DDA issue to “try to get a sense of how the commitments on cotton can be progressed” in the months to come.

Meanwhile, the chair of the agriculture negotiating group, New Zealand's Ambassador to the WTO, John Adank, is expected to continue consulting with delegations on the way forward with the agriculture talks. Some delegations have already informed him of their desire to submit proposals on specific issues this upcoming fall.

Services constitute another area where Members have been active. Although some work has taken place in the negotiating group, most of the noise in that area of the DDA came from the so-called “Really Good Friends of the Services” coalition, which regroups 18 Member (Australia, Canada, Chile, Colombia, Costa Rica, the EU, Hong Kong, Israel, Japan, Mexico, New Zealand, Norway, Pakistan, Peru, Singapore, South Korea, Switzerland, Taiwan, and the US). The group commits to further liberalize trade in services and recently released a joint statement on July 5 announcing that, starting this fall, they will enter a new phase of talks toward a services agreement that they ultimately hope can provide the foundation for multilateral consensus on services liberalization.

The bright spot of this first half of 2012 has to be the agreement Members reached on the guidelines to ease LDC's accession to the organization. The agreement features acceding LDCs to bind 100% of their agricultural tariff lines at an overall average rate of 50%. For non-agricultural tariff products, LDCs will commit to bind 95% of their NAMA tariff lines at an overall average rate of 35%. However, if country chooses to bind more than the proposed 95% of its NAMA lines, it would be granted a 10 year transition period for up to 10% of its tariff lines. This agreement "will pave the way for a number of acceding LDCs including Ethiopia, Afghanistan, Comoros and Equatorial Guinea," said Lamy.

The LDC Accession guidelines is expected to be adopted at next week's General Council along with the adoption of Indonesia's offer to host the MC9 in Bali during the first week of December 2013. Lamy will also outline the challenges and opportunities facing Members in the second half of 2012, when they gather at the July 25-26 General Council meeting.

## Upcoming Events

- TPP Round XIV, September 6-15, 2012, December, 2012 (TBC)
- Trade Facilitation Negotiating Group, October 8-12, 2012
- CETA, Week of July 15, 2012; September, 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

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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