

NAMA Chair Circulates Report; Suggests New Negotiating Approaches

Swiss ambassador to the WTO and Non-Agricultural Products Market Access' (NAMA) chairman, Luzius Wasescha, who is set to retire at the end of this month, submitted his last report to Members on July 18, suggesting that since 2008 he had seen little enthusiasm from Members to follow a reform agenda, either because they simply believed that the market would resolve issues by itself or because the forces opposing any changes were simply too strong for the reforms to take place.

Since he took over the NAMA negotiating group in 2008, Wasescha said several attempts have been made to break the stalemate in the tariff negotiations but without success. His last report aims to explore what areas of the industrial products talks would be candidates for an 'early harvest'. The departing Swiss official also provide different negotiating approaches that could be pursued to advance the stagnant negotiations since it was clear that, for some Members, the draft modalities in its present shape, is not acceptable as the basis to move the negotiations forward.

Wasescha offered his soon to be appointed replacement, some ideas on how to move things ahead while asking Members to bridge the big gaps among themselves.

In the NAMA tariff negotiations area which he described as dormant for most of his chairmanship, Members, he suggested, could combine the three main elements of the talks i.e., adjusting the "level of ambition" in tariff reductions, with the "flexibility" and the "implementation period". This, he claimed, would provide a "safety valve" – much like the safeguard agreement – so Members could be more receptive to bound tariff reductions. A pragmatic approach might be to shift to a traditional request/offer negotiation limited in duration, the chair added.

On Non-Tariff Barriers (NTBs) Wasescha believes there are plenty of "low-lying fruit" (Horizontal Mechanism for solving NTB disputes, textile labelling, transparency in technical regulations and standards, remanufactured goods and the idea to further promote the use of international standards) that could be harvested if Members are willing to look at the potential benefits and not only focus on the risks. In some situations the NAMA draft modalities show great flexibility, the chair wrote.

Wasescha reminded Members that the "traditional mechanic" used during the GATT years only work if governments are committed to an economic reform process. "While this mood existed until 2006, this avenue appears to be blocked at this stage," he added.

China and the GPA

On July 18, China, announced that it will make a new revised offer by the end of this year which will take into account GPA Members' proposed suggestions to improve its previous offer to enter the Government Procurement Agreement (GPA).

China submitted its second revised offer in November 2011 in which for the first time it included sub-central government entities in a number of its most economically advanced regions. However GPA countries continue to maintain that the offer has yet to satisfy their expectations

On July 18, the United States, Switzerland, the European Union, Norway, Japan, Singapore, Korea and Hong Kong asked China to make significant improvements in its revised offer. They specifically want China to lower the thresholds that would trigger the need for international competition to its public procurement projects, to include more entities, state-own enterprises and public utilities, to scale back exemptions and to align its legislation with the GPA requirements as well as use clear language that would not leave room for misunderstandings. Japan and the EU made special emphasis on the need for China to reciprocate their respective government procurement coverage.

The outgoing chair, Swiss diplomat, Nicholas Niggli, stressed that five years into the process of China's accession to the GPA, there is "some distance to go before a meeting of minds is achieved" and "positions are still quite apart", although the process is moving in the right direction.

The GPA is a plurilateral agreement with 42 members (including the EU and its 27 states). The Committee invited Malaysia to become its 23rd observer. Of the 23 observers, 9 are in negotiations to become full parties, and 14 others have yet to start their negotiations. Canadian official, Bruce Christie, was elected as the GPA's next chairman.

Upcoming Events

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