

Geneva Watch

An overview of the WTO negotiations on agriculture

Members Optimistic about Negotiation Progress

The tone of the October 3rd General Council meeting was reasonably optimistic as it does appear that Members have identified a group of issues that are coming forward without roadblocks or “poison pills” as the U.S.’s Ambassador to the WTO, Michael Punke, put it.

There seems to be an understanding where the red lines are in each of the proposals put forward by delegates who acknowledged that there were a handful of issues where progress can be achieved.

WTO Director General, Pascal Lamy was encouraged to see some “signs of momentum” which he said confirmed Members’ collective desire to re-engage in the negotiations. He urged them to accelerate work in areas where there is room for progress by taking small steps that would help rebuild the “credibility of the rule-making capacity” of the organization, while at the same time continue testing new approaches on issues that has so far been elusive.

Members agreed on the importance of the step-by-step approach, reiterating their belief that none of the issues currently discussed would be agreed on a standalone basis. Among these issues is trade facilitation (TF) which many delegations believe is aimed to make trade more efficient especially in developing countries. Also included are a group of development-oriented issues, such as flexibilities in special and differential treatment for developing countries (S&DT), as well as proposals from the G-20 group on TRQ administration and export competition.

Many countries threw their support behind the G-20 proposals. Some stressed that TRQ administration – considered one of the rare issues inside the draft ‘08 modalities text that doesn’t contain square brackets – as a good starting point for discussion. The proposal seeks to address the problems of persistent under-filled TRQs (i.e. when the fill rates are below 65% for 3 consecutive years) and find solutions to resolve them.

On export competition, Brazil said it would like to see more studies done in this area of the agriculture negotiations to enhance the overall level of understanding of the Hong Kong Declaration and requested that the secretariat update Members on the use of export competition (export subsidies, export credits, export credit guarantees and insurance programmes, state’s trading enterprises and food aid). Brazil said it will table other proposals in the areas of agriculture (SPS) and trade facilitation.

“I see the beginning of much-needed work to deliver on a basket of issues on which work is advancing. I believe what we now need is to seriously engage in bridging gaps on these issues,” Lamy told the full Membership, echoing Brazil’s ambassador to the WTO, Roberto Azevedo’s call for a pragmatic approach. “This has to be done in a pragmatic and constructive manner, without setting a priori red lines and without pushing for unattainable levels of ambition. The key word must be to work on “deliverables,” said Lamy.

There were some concerns expressed about the plurilateral negotiations and more specifically the work of the 19 countries (Australia, Canada, Colombia, Costa Rica, European Union, Hong Kong, Israel, Japan, Mexico, New Zealand, Chile, Norway, Peru, South Korea, Switzerland, Taiwan, Turkey, the United States and Panama) who are currently negotiating a plurilateral deal in services away from the DDA. The group met on October 2 and 3 to discuss the architecture of a services plurilateral agreement and looks to intensify its discussion in the coming months. At the General Council, many delegations said they would like to know the shape of this services agreement which will be closed to the 19 participating countries.

Timeline for the DG Selection Process

General Council chairperson and Norwegian Ambassador to the WTO, Elin Johanson, confirmed at a meeting of the General Council on October 3 that Lamy's term as WTO Director General will come to an end the 31st of August, 2013.

The appointment process for the new DG will then start on the 1st of December, providing Members with the whole month (from the December 1 to 31, 2012) to nominate their candidates.

Potential candidates will start campaigning as early as January 2013 for a three month period (January to end of March). Each of them will be invited to speak the full Membership at a General Council meeting toward the end of January, most likely before the traditional WTO Mini-Ministerial meeting held on the sidelines of the World Economic Forum in Davos.

The objective is to have the new DG chosen three months prior to the expiry of Mr. Lamy's term i.e. May 31, 2013. Although this process has yet to officially start, names of potential candidates have started to surface. That's the case of the current New Zealand's Trade Minister, Tim Groser, or former Ghanaian Trade Minister, Alan Kyerematen, who is likely to face competition from fellow South African Trade Minister, Rob Davies, or candidates from Kenya and Egypt.

Sources also cited former Mexican Ambassador to the WTO, Mr. Eduardo Perez Motta as well as Brazil's current ambassador to the WTO Roberto Azevedo or former Trade Minister Celso Amorim.

Lamy won the nomination in 2005 when he ran against three developing countries' candidates from Mauritius, Brazil and Uruguay. He was re-appointed in 2009 for a second term.

Upcoming Events

- Trade Facilitation Negotiating Group, October 8–12, 2012
- CETA, Weeks of October 15–24, 2012, Mid-November, 2012 (TBC)
- Services Plurilateral, November, 2012
- Regular Agriculture Committee, November 14-15, 2012
- TPP Round XV, December 3–12, 2012, Auckland (New Zealand)
- WTO General Council, December 19-20, 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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