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Geneva Watch

An overview of the WTO negotiations on agriculture

Agriculture Talks Slowly Picking Up Steam

Agriculture talks are slowing picking up steam, Members say. The chair, New Zealand Ambassador to the WTO, John Adank, has conducted small group meetings with the aim of collecting views on the G-20 proposals on TRQ administration and export competition.

According to one official, the Chinese who were consulting with their capital as to whether or not to endorse the G-20 paper on TRQ administration, have finally decided not to support the proposal. The official said this decision was probably due to China's under filled quota on wheat, which has a fill rate of only 10%. As written, China fears the TRQ administration proposal may provide the U.S. with the opportunity to target its TRQ administration method by shooting down the special & differential treatment (S&DT) provision related to Annexe E (TRQ administration), the official said.

The G-10 members are also concerned as it is unclear how the TRQ administration proposal will relate to in-quota duties, one source said. A number of proposals are expected to be tabled in weeks to come. Switzerland is anticipated to table a proposal on export restriction, while India is expected to table proposals on agricultural issues that they see as related to food security.

Ambassador Adank is expected to pursue his small group consultations in the coming weeks leading up to another informal meeting of the negotiating group toward the mid-November.

Committee on Market Access

At a meeting of the WTO Committee on market access on October 16, Canada, the European Union and the United States voiced concern over Ukraine's request to invoke GATT article XXVIII with the aim to renegotiate about 350 of its tariff lines that were already approved during its accession negotiations.

To justify itself, Ukraine said other WTO Members have also used article 28 in the past and that its request to modify its tariff concession was legitimate under WTO rules, rejecting critics that viewed the move as a protectionist measure.

About 58 Members – including Canada, the 27 EU member-states, Brazil, the U.S., Malaysia (on behalf of ASEAN countries), Argentina, New Zealand, Japan, Switzerland, Australia, Norway and China – have all expressed strong "systemic and commercial" concerns over the Ukrainian desire to adjust its trade policy. Some said Ukraine's request goes beyond the spirit of Article XVIII, which as described by the EU, is not meant for renegotiating a significant part of Members' accession commitments.

The move, the EU said, has the potential to undermine "the credibility of Members' commitments to their WTO obligations," damaging at the same time the multilateral trading system while affecting "trade in key agricultural and industrial goods".

Concerns were also expressed over the lack of transparency and information. In addition, the unusual amount of tariff lines suggested for changes and the unknown way in which Ukraine plans to compensate other Members as a consequence, have raised eyebrows. Officials said no other Members provided support to Ukraine, asking instead for the country to reconsider its request.

Ukraine, however, maintained that "today's reality makes the adjustment necessary." It insisted on the fact that the country has in fact a very liberal trade regime with very low tariffs which was put in place in anticipation of the promises of the Doha Development Agenda, which has not yet happened.



Upcoming Events

- <u>CETA</u>, Weeks of October 15–24, 2012, November 22-23, 2012 (TBC)
- Services Plurilateral, November, 2012
- Agriculture Special Session, mid-November (TBC)
- Regular Agriculture Committee, November 14-15, 2012
- <u>TPP Round XV</u>, 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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