

Comprehensive Economic & Trade Agreement (CETA)

The November 22nd ministerial meeting between the European Union's Commissioners Karel De Gucht, Dacian Ciolos and Canadian Ministers Ed Fast, Gerry Ritz did not produce the breakthroughs many were predicting to help conclude the negotiations this year as there are still differences in several areas of the talks in which Ministers were unable to close the gaps during the one day gathering. However, the two parties have decided to maintain the pace and to meet again in the coming weeks.

European sources said the EU Commission is now likely to request additional time to finalize the negotiations. EU Trade Commissioner Karel De Gucht is expected to present a state-of-play in the negotiations at the November 29th Trade Council in Brussels and later seek Member-states' appreciation and guidance on the way forward.

Ministers were unable to close the gaps on what has been described as the most sensitive issue; i.e. market access for agriculture products. On this, the meeting really only permitted both parties to remind each other of their sensitivities in that area of the CETA talks. According to sources, the EU stressed that the time was not ripe to table numbers at this point of the talks.

Sources said the two sides have nevertheless been able to achieve encouraging steps on the other stumbling issues outside agriculture – pharmaceutical patents, services, government procurement and automobiles – on which the Commission said Canada showed additional flexibility. For instance, in the area of intellectual property rights, Canada is said to be ready – “for the first time” – to explore potential scenarios to reach a deal on pharmaceutical patents, European sources said. In addition, both sides were able to move on geographical indications (GIs), which include a list which has gone from 36 GIs down to 22. The sources also said Canada showed willingness to pursue constructive discussions on government procurement and automobiles.

Neither side was expecting a deal at the end of the November 22nd ministerial meeting. However, both still believe the end of 2012 deadline is still doable, even though chances are they may decide to extend the deadline to early 2013. There may not be huge pressure on the EU to conclude this by the end of the year, one European official said. However, with Ireland set to overtake the EU rotating presidency, the dynamic may change and the trade file could be accelerated early next year with the aim to close ongoing FTAs like CETA and EU/Singapore and launch the upcoming free trade talks with the U.S., the source added.

East Asia Summit & Trade

The November 18–20 East Asia Summit in Cambodia featured discussions on a number of regional trade agreements on its sidelines, including the Trans-Pacific Partnership (TPP) and the Regional Comprehensive Economic Partnership (RCEP), two initiatives seen as rivals since they are being led by the two biggest economic powers (U.S. for the TPP and China for RCEP).

As expected, on November 20th leaders of the RCEP countries (Indonesia, Malaysia, the Philippines, Singapore, Thailand, Brunei, Myanmar, Cambodia, Laos, and Vietnam, Australia, New Zealand, India, Japan, South Korea, and China) officially launched their regional trade negotiations, which is set to begin next year and conclude by the end of 2015.

U.S. President Obama and RCEP's leaders which were also involved in the TPP (Malaysia, Singapore, Brunei, Vietnam, Australia and New Zealand) met on the sidelines of the summit to discuss the state of play in the TPP talks, with the aim to accelerate work in the upcoming year. New Zealand will host the next TPP round set to start the week of December 3 in Auckland. Observers believe the newly launched RCEP initiative would force the U.S. to engage more on the TPP with the objective to hammer out a deal by the end of 2013.

The Obama administration may request a Trade Promotion Authority (TPA) from the U.S. Congress in order to facilitate moving forward on trade talks the administration is engaged in. Also known as “fast track” the TPA gives authority to the president to negotiate trade agreements without Congress being able to amend or stall on. Congress is still able to approve or disapprove them though.

Among those talks are the upcoming U.S./EU bilateral talks, which await the conclusions of a working group led by both EU trade Commissioner Karel De Gucht and U.S. Trade Representative, Ron Kirk, in December. According to De Gucht, these transatlantic talks would likely start sometime during the first quarter of 2013 and hopefully conclude by the end of 2014.

WTO

Some observers in Geneva are galvanized by the U.S. renewed interest in trade, which they see as positive for the multilateral talks taking place at the WTO. Members in Geneva have become somewhat more active, officials said, as they have started brainstorming what could be delivered at next year’s ministerial meeting in Bali, which they want to be meaningful for the WTO. So far sources are citing issues such as trade facilitation, services and other agriculture related topics – which have all been relatively active lately and are expected to remain so in the New Year – as part of the early harvest package for Bali.

Meanwhile, WTO Director General, Pascal Lamy, is expected to convene a Green Room meeting ahead of the organization’s last General Council meeting of the year to lay out a game plan for next year. The meeting, informed sources said, would review the state-of-play in each the negotiating groups in order to establish a detailed agenda for discussion on the sidelines of the traditional end of January WTO mini-ministerial meeting held on the margins of the World Economic Forum, in Davos, Switzerland.

Upcoming Events

- CETA, Week of December 3, 2012
- TPP Round XV, December 3–12, 2012, Auckland (New Zealand)
- Services Plurilateral, December, 2012
- WTO General Council, December 11-12, 2012
- Regular Agriculture Committee, March 26, September 4, November 12, 2013
- World Economic Forum, January 23-27, 2013, Davos-Klosters (Switzerland)
- MC9, December 2013, Bali (Indonesia)

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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