

## **Informal Trade Negotiations Committee**

On December 7<sup>th</sup>, WTO Director General Pascal Lamy convened an informal meeting of the Trade Negotiations Committee (TNC) to take stock of progress made so far in the negotiations, but also to discuss the preparatory work for the December 2013 Ministerial Conference in Bali (MC9).

The meeting was the first informal gathering since October 2011. Lamy wanted to collect Members' views on what can be "realistically" achievable to ensure a successful MC9. Lamy said he sensed that Members were committed to "re-energising the WTO talks in a pragmatic and practical manner and to ensuring that 2013 is a productive year for the Organization."

A basket of issues on which agreement could be achieved on a short term has emerged and Lamy urged Members to seriously engage in closing the gaps in those areas before December 2013. These issues include trade facilitation, agriculture, special and differential treatment, including least developed countries (LDC) topics, dispute settlement and services.

The agriculture negotiations chair, John Adank, from New Zealand, said he was encouraged by Members' willingness to engage in the discussions which have been sparked by several proposals tabled lately by the G-20 (TRQ administration; export competition) and the G-33 (domestic support and food security). The consultations on those proposals have been constructive and pragmatic, Adank told the full Membership. However, he warned against isolating these proposals, as some delegations believe it may alter the balance of the 2008 draft modalities text.

The chair will continue consulting with delegations between the end of 2012 and the beginning of next year with the goal of improving the common understanding of the proposals. To help achieve that, the WTO Secretariat will compile factual information on TRQs, export competition, export prohibitions and restrictions in the coming weeks. In addition, some Members are expected to table additional proposals that could also be considered for an early agreement. The chair has urged those Members to submit their proposals as soon as possible to ensure sufficient time for discussion.

## **Three Guidelines**

In order to avoid any surprises, Lamy has suggested that Members follow three guidelines:

1. The need to work towards what is reasonably doable and necessary, calling for Members to remain realistic in their demands by taking into account others' red lines and avoiding well-known, unattainable objectives.
2. Members tabling proposals are responsible for building consensus around them.
3. Avoid confrontations by framing proposals as a take-it-or-leave-it position. Members should remain flexible and work around others' sensitivities to achieve a common understanding.

"Of course, we should be under no illusion about the breadth of what we can achieve in the short timeframe between now and MC9. Nor should we create unrealistic expectations. The main stumbling blocks of the DDA [Doha Development Agenda] are still standing and many of the toughest nuts will likely not be cracked by the time Ministers meet in Bali," Lamy told the full Membership adding that "one more housekeeping Ministerial Conference in Bali would not suffice to keep the Doha house alive."

## **Members' Reaction**

The general atmosphere was rather positive, one official who attended the informal TNC meeting said. There was a good support for the G-20 proposals; a common acknowledgement that trade facilitation – which some described as the topic that stands the best chance of being achieved by the Bali meeting – should be done by December 2013. There is level of general support for LDC issues although duty free quota free and cotton continue to remain problematic – the official added.

Although Members generally refrained from inflammatory talks, Switzerland, the EU, Japan and Korea hint at unspecified agricultural difficulties which, according to the official, were related to export competition.

The U.S. panned the G-33 stockpiling proposal as an “open-ended, WTO-authorized” means of subsidizing farmers while Barbados, Argentina, Bolivia were negative on trade facilitation though with varying degrees of intensity, the official said.

Members called for a horizontal process to be set up in the spring to look at all that is on the table, but before that can happen, proposals need to be put forward, analyzed and weighed as to their “doability.”

Most delegates insisted on the notion that whatever agreement was reached in Bali, this would not be the end of the road. On that, China called on Members to make a collective commitment at MC9 that they will continue to negotiate the remaining issues and achieve the full conclusion of the single-undertaking when the political and economic atmosphere is ripe.

To achieve this, Ministers would need to give directions on how to tackle the remaining bulk of the work programme. No specifics were offered on this front, one WTO official said, while hailing the outlines of a modest package that have emerged and which may need to be topped up or pared back.

## Upcoming Events

- TPP Round XV, December 3–12, 2012, Auckland (New Zealand)
- CETA, Weeks of December 10, 2012
- Services Plurilateral, December 2012
- WTO General Council, December 11-12, 2012
- World Economic Forum, January 23–27, 2013, Davos-Klosters (Switzerland)
- Regular Agriculture Committee, March 26, September 4, November 12, 2013
- MC9, December 2013, Bali (Indonesia)

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Legal Deposit: National Library of Canada, ISSN 1496-9254

