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An overview of the WTO negotiations on agriculture

Selection of the Next WTO DG: Brazil and Mexico Go Head to Head in the Final Round

On April 26, the selection committee comprised of the General Council's chair, Pakistan's Ambassador to the WTO, Shahid Bashir; the Dispute Settlement Body's chair, Canadian ambassador Jonathan Fried and the Trade Policy Review Body's chair, Sweden's ambassador Joakim Reiter, reported on the results of the second round of the race for the WTO top position.

This latest round saw candidates – Indonesia's Mari Elka Pangestu, New Zealand's Tim Groser, and Republic of Korea's Taeho Bark – eliminated from the race leaving Mexico's Herminio Blanco and Brazil's Roberto Carvalho de Azevêdo, the last two candidates for the 3rd and final round.

Indonesia, New Zealand and Korea's respective delegation have all expressed disappointment but have accepted to withdraw from the race unlike Kenya's candidate, Amina Mohamed, who, according to WTO officials, has yet to officially withdraw from the competition even though she has been recently appointed Minister of Foreign affairs in the new Kenyan government.

Various trade observers say the EU (28 countries including Croatia) voted for the two Latin American candidates and that Mexico Herminio Blanco may end up being the surprise winner as he may enjoy support from developed countries and in particular the US. However, others counter that Azevedo may have the upper hand given its deep knowledge of the negotiations and his likely support from developing countries including the BRICS.

The final round of consultations will start on May 1st for about a week. The selection committee should be in position to unveil the name of Mr Lamy's replacement on May 8 which will later be made official at the May 31st General Council meeting.

Obama Administration Notifies Congress of its Intent to Include Japan in Trans-Pacific Partnership Negotiations

On April 24th, the Obama Administration notified Congress of its intent to include Japan into the TPP. This notification automatically triggered a 90-day consultation period with Congress on the objectives pursued by the U.S. with respect to Japan. Acting United States Trade Representative Demetrios Marantis noted in a letter to congressmen that Japan's entry into the TPP will help deliver significant economic benefits for the US, Japan and the Asia-Pacific region.

"The participation of Japan, a major U.S. trading partner as well as close ally, further increases the economic significance of a TPP Agreement. With Japan's entry, TPP countries would account for nearly 40 percent of global GDP and about one-third of all world trade," wrote Ambassador Marantis.

Furthermore, the U.S. will continue to conduct bilateral, parallel negotiations with Japan to address concerns in the automotive sector and non-tariff measures in other sectors, the USTR said adding that it will also consult closely with the US Congress and stakeholders on the details of these issues during the 90-day period.

If everything goes well, Japan should officially become the TPP 12th member toward the end of July.

The Challenges of Convergence

The panel of experts mandated by Pascal Lamy on April last year to "examine and analyze challenges to global trade opening in the 21st century," released its report on April 24, 2013 featuring a set of 24 recommendations the WTO should focus on in the coming years.

The results of the study, Lamy said in an opening statement of the meeting, are not meant to provide specific solutions to conclude the Doha negotiations, as many would have thought. Yet, some of the recommendations provide perspectives on how to move the DDA forward.



“The panel does not offer specific recommendations to deal with the Doha Round, other than noting that the issues in the Doha agenda will not disappear and that not fulfilling this collective undertaking could put at stake the multilateral trading system itself,” the study states.

Among the 24 recommendations meanwhile, the panelists suggest the maintenance of the WTO’s “consensus decision-making” process, although mentioning that any country desiring to veto a decision should provide a reasonable explanation for doing so. Critics of the WTO have in the past blamed the organization’s decision making process as the main obstacle for reaching a deal on the DDA.

In addition, in order to facilitate consensus, the panel said, the WTO Secretariat should be allowed to table proposals and ideas, which isn’t currently the case as the negotiations remain Members driven.

Regarding existing WTO provisions, the panelists suggest “managing tensions between good subsidies and any adverse affects they may have on third parties”; eliminating tariff peaks and escalation; engaging discussions on export restrictions; as well as seriously address agriculture opening and agreed on trade facilitation by the MC9.

The panel also suggests looking at the relationship between trade and exchange rate, a subject Brazil has been promoting lately following the appreciation of its currency. The group urges greater “cooperation between the IMF and the WTO in order to avoid the risk of a clash of regimes.” And speaking of international institutions, the panelists recommend that the WTO establishes a forum for in-depth exploration of coherence among international treaties.

“We see the need for greater coherence among international policy regimes in order to benefit from synergies among policies that often operate in isolation.”

In the end, the key advice advanced by the 12 panelists is to find “convergence”, whether that be among Members’ trade regime; between trade and Members’ domestic policies or convergence between preferential trade agreements – like the TPP – and the multilateral trading system. On the latter, the group of experts suggests that Members “engage explicitly in an exploration of ways in which preferential trade agreements and the principles underlying them could increasingly converge with the multilateral system.”

Upcoming Events

- WTO Director General Selection; Round 3, May 1-7, 2013
- Green Room, every fortnight starting May 1, 2013,
- General Council, May 1-2, July 24-25, Oct. 8-9, Nov. 5-6, 2013
- TPP Round XVII, May 15–24, 2013, Lima (Peru)
- OECD Annual Forum, May 27–31, 2013, Paris (France)
- Informal Trade Negotiations Committee, May 31, 2013
- Regular Agriculture Committee, June 13-14, September 4, November 12, 2013
- Deadline for Bali Deliverables, August, 2013
- WTO Public Forum, October 1–3, 2013
- APEC Leaders’ Summit, October 1–8, 2013
- WTO 9th Ministerial Conference (MC9), December 3–6, 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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