

Geneva Watch

An overview of the WTO negotiations on agriculture

About to Enter the Red Zone

The WTO's full membership gathered on June 3rd and 4th to discuss the new work plan endorsed by trade ministers on the sidelines of the OECD ministerial gathering in Paris on May 29th.

Virtually all delegations acknowledged that time was running out, and that Members needed some urgent progress on some of the "low hanging fruits" under consideration for the 9th Ministerial Conference (MC9) in Bali on December 3–6, 2013.

The meeting was a frank assessment of where Members stand with respect to Trade Facilitation (TF), agriculture issues (G-20 proposal on Export competition and TRQ administration, G-33 proposal on public stockholding for food security) and several least-developed countries (LDCs) matters considered "significant, substantive and credible" to avoid any damaging implications for the future of the Doha Developing Agenda (DDA) and by extension, the credibility of the WTO.

Members appear more optimistic on the chances of finding a solution on the food security issue. Several options are now being explored by officials and some progress has been reported on the issue, although much work still remains. As for the two G-20 proposals, one – Export Competition – has yet to be addressed, although already facing great opposition by the EU and the U.S. and the other – TRQ administration – is said to be in reasonably good shape for Bali.

But the one issue where Members look to increase their effort is TF, described as the central piece of the Bali Package. Officials expect ambassadors to be more involved in the negotiations alongside technical experts to quickly reduce the 550 square brackets still contained in the text in order to find a breakthrough before the summer break.

"There are three ways of removing brackets: agreement on substance; agreement to disagree and papering over disagreement with ambiguous or with best endeavour language," WTO Director General Pascal Lamy said, calling negotiators to focus on the first two options.

LDCs Table New Proposal

On May 31st, the LDCs put together a proposal for consideration by the Members for inclusion in Bali. However, the group did not manage to reach consensus as two members – Lesotho and Haiti – refused to endorse it because of concerns about preference erosion.

The proposal calls for WTO Members to agree to implement duty-free, quota-free (DFQF) access for at least 97% of LDCs exports into rich countries' market as agreed at the Hong Kong Ministerial Conference in 2005. The two countries above fear fierce competition from countries like Bangladesh in the area of textiles.

DFQF remains a sensitive issue for the U.S., which has rejected past attempts to include it among the outcome of the MC8 two years ago, citing the need for emerging countries – Brazil, India and China – to do the same.

The LDCs proposal also calls for developed countries to provide preferential treatment to LDCs services providers (services waiver for LDCs), as well as simplifying rules of origin for LDCs. In addition, the group said it was looking for a solution on cotton subsidies – a sensitive issue for the U.S. – to also be included in the Bali deliverables. However, details on the cotton proposal are still being elaborated by the C-4 countries (African cotton producers: Benin, Burkina Faso, Chad and Mali – led by Benin) and it is expected to be submitted in the coming days, officials said.

Upcoming Events

- Regular Agriculture Committee, June 13-14, September 4, November 12, 2013
- G8 Summit, June 17-18, 2013, Belfast (Ireland)
- TPP Round XVIII, July 15–25, 2013, Kuala Lumpur (Malaysia)
- General Council, July 24-25, Oct. 8-9, Nov. 5-6, 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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