

Geneva Watch

An overview of the WTO negotiations on agriculture

Some Progress reported on Trade Facilitation

The Chair of the Trade Facilitation (TF) negotiations, Guatemala's ambassador to the WTO, Eduardo Ernesto Sperisen-Yurt, reported some progress in the TF discussion lately. However, Members are still behind the pace needed to close the remaining gaps by the time of the WTO 9th Ministerial Conference in Bali on December 3–6, 2013.

At their last meeting in Paris, trade officials claimed that a deal on TF alone would represent about 44% of the total benefits available from the Doha Round, by reducing the cost at the border (and beyond the border) on importing and exporting firms. At the Davos mini-ministerial late January, this year, Members were told that the TF text contained about 600 square brackets (not finalized) and that the goal was to substantially reduce these brackets before the summer break. At the end of May, only 50 of those square brackets have reportedly been removed, leaving the text with about 550 square bracketed paragraphs. Brazil, in Paris, suggested reducing the number by 50% (i.e. to 275) by the end of June.

Even though negotiations the past weeks have produced some progress, it remains difficult to assess the number of square brackets that have been removed, officials said. However, Members have been encouraged by the recent positive stance displayed by the Indians – who have previously taken a tough position on TF – and who have lately shown flexibility, according to one official.

On the other items of the Bali package, officials also reported some progress on the G-33 proposal on public stockholding for food security. On export competition, the G-20 group of developing countries – led by Brazil – suggested that developed Members accept to reduce their ceilings on export subsidies by 50% this year and phase in a 540-day limit – instead of the targeted benchmark of 180 days – in the repayment period for export credit. The proposal, at the time, did not mention any figures for developing countries. At the end of June, the G-20 added a paragraph on developing countries' commitment, specifying that currently, developed Members "subsidize their agricultural exports at an amount that is 5 times higher than that of developing countries" which are only 10 to have scheduled export subsidies reduction commitments.

"Even assuming that the proposal of the G-20 is accepted as it now stands, the subsidies allowed for developed countries would continue to represent nearly 75% of total WTO export subsidies commitments, an amount three times higher than that allowed for developing countries," the group mentioned adding that it would nevertheless compromise and further limit the amount of export subsidies allowed for developing countries.

As such, the G-20 suggests adding that "developing country Members shall reduce their export subsidy entitlements, scheduled as budgetary outlay and quantity commitment levels in Section II of Part IV of their schedules, by 25 percent by the end of 2016." However, developed countries, starting with the U.S. and the EU, have completely rejected the G-20 export competition proposal.

A stocktaking meeting on the Bali package is scheduled to take place at the end of July but officials already anticipate work on all the remaining Bali deliverables to really intensify in the fall. So far, there has been some progress reported, but not enough to be confident about delivering something concrete in December. The closer we get to Bali, the more we'll see if Members are serious about reaching a successful outcome in December, and by the same token, keeping the Doha Round alive.

Upcoming Events

- TPP Round XVIII, July 15–25, 2013, Kota Kinabalu (Malaysia)
- General Council, July 24-25, Oct. 8-9, Nov. 5-6, 2013
- Deadline for Bali Deliverables, August, 2013
- Regular Agriculture Committee, September 4, November 12, 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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