

The Clock is Ticking on the Latest Deadline!

The latest round of consultations on the Bali package, which ended on September 30th with an informal trade negotiations committee (TNC), has produced little in terms of progress besides the continuous high level of engagement being shown by delegates in trying to push the negotiations towards a deal by the end of October.

With about 20 working days remaining, WTO Director General, Roberto Azevedo, warned yet again that the current pace of the negotiations would simply not be enough to reach the goal set for the end of next month. Thus, in a letter sent to each Member on September 30th, the Brazilian diplomat called for an increased engagement at the political level, urging trade ministers to be actively involved in the process.

“Ministers and Senior Officials need to give you the additional room you need to genuinely look for convergence in each of the three areas [trade facilitation (TF), agriculture and development/least developed countries issues].”

The past week has featured two types of consultations to try to advance the Bali package. Azevedo continued to chair the Room E meetings with about 50 delegations on trade facilitation; monitoring mechanism and the G-33 food security proposal, while the chairs of the negotiating groups held their own consultations to complement the Room E process. Ambassador John Adank, New Zealand’s representative to the WTO and the current agriculture negotiations Chair, held consultations on export competition and tariff rate quota (TRQ) administration.

On export competition, Members continue to diverge on whether this could be included as part of the Bali package. The G-20 proposal requested that developed countries accept to reduce their export subsidies by 50% as a “down payment” before the full implementation of the 2005 Hong Kong Ministerial Declaration, which calls for the end of all forms of agricultural export subsidies. The EU and the U.S., meanwhile, have rejected the suggestion claiming that there was not enough time to hold in-depth negotiations on the issue before the 9th Ministerial Conference (MC9) in Bali this upcoming December.

In addition, the elimination of export subsidies is linked to parallel disciplines of export credits, export credit guarantees or insurance programs, state-trading enterprises and food aid. How this whole pillar would be addressed in Bali remains a question mark, which delegates will have to tackle in the coming days.

TRQ administration, meanwhile, looks less controversial given the apparent consensus on the inclusion of the topic in the Bali package. The G-20 proposal seeks to address the problems of persistent under-filled TRQs (i.e. when the fill rates are below 65% for three consecutive years). However, some Members are still questioning the special and differential provision for developing countries stipulated in Annex E of the draft modalities text. They said this should not be applied to all developing Members, and particularly emerging ones such as India and China, who otherwise won’t have to do much to change their administration methods for certain commodities for which the TRQ features very low fill rates.

Ambassador Adank will continue to hold consultations on all three agriculture topics; i.e. food security, TRQ administration and export subsidies, while Azevedo is attending the APEC summit in Bali.

Azevedo convened Room E consultations on food security, focusing on two aspects of the peace clause solution; transparency and reporting, on one hand, and safeguards “to minimize the distortive effects” on the other. The first element showed the need for additional information on developing countries’ food security programs that would be covered by the peace clause. For that, a template was circulated to Members to provide a description of their program, along with statistical information, reporting requirement and the measures they seek to implement to ensure that it won’t be trade distorting.

Trade facilitation has been the most difficult issue Members had to deal with this past week, as there are part of the text that are clearly less advanced than others. Azevedo asked the trade facilitation chairs to maintain the intensive Room E process ongoing during his absence. The Director General intends to stand by the October deadline and told the full Membership to consider each day of October as “a working day” and consult on “a continuous basis” over the next two weeks.

“We will then be in the final countdown mode from the week of the 14 October to the end of the month,” he told the full Membership.

Upcoming Events

- WTO Public Forum, October 1–3, 2013
- Agriculture open-ended, October 7, 2013
- Informal TNC, October 14, 2013
- Deadline for Bali Package, October 31, 2013
- TPP Chief Negotiators Meeting, October 1–8, Bali (Indonesia)
- APEC Leaders’ Summit, October 1–8, 2013, Bali
- General Council, Oct. 8–9, Nov. 5–6, 2013
- WTO 9th Ministerial Conference (MC9), December 3–6, 2013, Bali

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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