

Editorial: New Year, Same Resolutions

A new year has begun, and WTO members are still looking to cement the progress achieved through 2008's intensive negotiations. However, given the number of events taking place during the first part of the year, it appears impossible to convene the ministerial meeting required to do so before July 2009. The new US administration will soon be taking office, India will be holding its national elections in May, and the European Union elections are scheduled to take place in June – all of which is making it hard for the Director General to schedule ministers to travel to Geneva to secure modalities on agriculture and non-agricultural market access (NAMA). DG Lamy may have a window of opportunity for another shot at modalities between mid-June, when all key players should be in place, and the end of July. But should efforts be made to ensure that technical discussions are well advanced by then, or should more time be devoted to preparing for this likely mid-year attempt? These are few of the questions that DG Lamy will have to answer at the end of the month at the gathering of ministers which traditionally takes place alongside the World Economic Forum (Davos, January 28-February 1, 2009).

Lamy to Be Appointed as WTO's Director General for a Second Term

When the deadline for the submission of candidates for the WTO's top position expired on December 31st, 2008, there was little surprise that no other contenders were put forward to challenge Pascal Lamy for the organization's director general position. Lamy, whose term is coming to an end in August this year, is looking to be reappointed for another four-year term. Members must now consider whether to ratify this before the May 31st deadline originally set to formally appoint a new DG.

Defending President Bush's Trade Legacy

On January 7, outgoing US Trade Representative Susan Schwab paid one last visit to Geneva as part of her farewell tour to solidify the Bush administration's trade legacy. She reported that President Bush's administration has provided new opportunities for US firms by, for instance, more than quadrupling the number of Free Trade Agreements in effect. On the multilateral front, she said that the US made good use of the WTO's dispute settlement body by being one of the first to successfully challenge China's trade practices. On the negotiations front, Schwab claimed that the onus is still on the emerging developing countries such as India, Brazil and China to show flexibilities to successfully conclude the Round. "There is a big difference between what we should expect of a Brazil, or China, or India, and what we should expect of a Kenya, for example," Schwab stated.

A "Step Back" Required

When asked whether she agrees with those trade observers who believe that the talks should take a one-year break, Schwab replied that she does not think suspension is the solution to the current situation. She would rather support "quiet behind-the-scenes kind of work, bottom-up kind of activities." In her opinion, the coming months should be used to "step back" and conduct a full review of the state of negotiations. Schwab added that members now have the opportunity to take the time to focus on the preparatory work required to move things forward. She emphasized the importance of duplicating the kind of approach that led to the G-4 (the US, the EU, Brazil and India) meeting in Potsdam in June 2007, which permitted developed countries to outline how they intended to deal with the sensitive products issue. In effect, it was in Potsdam that the big four considered going up to a 70% cut in the upper band of the general tariff reduction formula, to an average tariff cut of about 52%, and to a difference of 5% between the bands. There, the parties also agreed to limit sensitive products to 4% or 5% of a country's tariff lines, and to subject them to a 2/3 deviation which would slash tariffs in this category by 23.3%.

Upcoming Events

- World Economic Forum, Davos-Klosters, Jan. 28-Feb.1, 2009
- General Council, Feb. 3-4, May 27-28, July 28-29, Oct. 13-14, Dec. 17-18, 2009
- G-20's Second Meeting, London, April 2, 2009
- India General Elections, May, 2009 (at the latest)
- WTO's DG Official Appointment, May 31, 2009
- EU elections, June 7, 2009

Geneva Watch is published by Dairy Farmers of Canada, Chicken Farmers of Canada, Canadian Egg Marketing Agency, Canadian Turkey Marketing Agency 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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