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An overview of the WTO negotiations on agriculture

TPA & TPP

Trans-Pacific Partnership (TPP) chief negotiators have recently been pressured to conclude the talks this year after missing their self-imposed 2013 deadline. The Obama administration wants to finalize a deal as soon as possible as part of its strategy to speed up the U.S. economy growth, create jobs and increase its influence in the Asia-Pacific region, which up until now, has been dominated by China.

In his state of the union speech delivered on January 28, U.S. President, Barack Obama, vowed to make 2014, "a year of action." This strategy, he said, requires setting up a set of concrete and practical proposals that would require congressional action: i.e. the need to work on a bipartisan trade promotion authority (TPA) to help finalize the TPP and the Transatlantic Trade and Investment Partnership (TTIP), and open up new markets to goods stamped "Made in USA."

TPA has become a huge priority for the U.S. Trade Representative (USTR), Micheal Froman who, at the January 22–25 World Economic Forum in Davos, reiterated the need for his president to secure the authority in order to move fast on TTIP and TPP. The administration is fighting an uphill battle though as Republicans have expressed concerns about currency manipulation within the context of the TPP and even some Democrats have not indicated their support for granting the president with TPA.

For U.S. Congress to accept a bipartisan TPA, trade observers say it will require a higher degree of transparency from USTR on what is currently being negotiated in the TPP, a concern being expressed in many of the countries that are negotiating, otherwise expect any signed deal to face some problems with negotiating its way through Congress. From also said in Davos that the debate the U.S. is having internally is "about the consultation process and what role Congress should play."

Nonetheless, the TPP talks are bound to accelerate this year since the Obama administration believes that with both TTIP and TPP deals, "the U.S. will have free trade with about 2/3 of the world" which, in a geopolitical world where the U.S. is still trying to prove its dominance over China, will make the country "the production platform of choice for manufacturing" luring investments from a number of companies which will be scouting the U.S. to site their next production plant.

Another Ministerial Meeting in Singapore?

As for the progress in TPP, Froman said the group has made tremendous advancements over the last six months and are looking to gather negotiators and ministers together in the near future. However, the USTR stopped short of revealing firm dates for the next ministerial meeting. Nonetheless, informed sources say TPP chief negotiators will meet in Singapore the third week of February (February 17–22) to prepare a potential ministerial gathering late February (tentatively from February 22–25, 2014).

Asked whether the group will be able to conclude the talks soon, Froman said "we want to make sure to take the time necessary to get it right. The goal is to have a high standard comprehensive ambitious agreement"; i.e. "raising labour standards, environmental standards, striking the right protection of innovation as well as access to medicine but also taking on new issues like access to SOEs and what kind of disciplines should be put around SOEs when they compete with private firms."

The issues Froman listed above (along with the inclusion of market access for goods) are what are considered difficult and are likely to be tackled in Singapore.

"Our view is that we should let the substance drive the timetable and the key thing is to make sure we achieve that high standard/ high level of ambition; we'll take the time necessary to do it. I would say that all the countries are actively involved. They are very focused on this, and are highly motivated. There is a lot of momentum, and we are going to build on that momentum to try to get this done as soon as possible," Froman said in Davos.



The issues that are currently under negotiations are very complex and complicated and this is part of the reason many observers think it is unlikely that the group will accept additional participants at this point. Both Korea and Taiwan have been showing interest in joining the TPP negotiations.

With respect to the deadline, observers see President Obama's trip to Asia in April as a possible venue to announce a potential agreement on TPP. But for that to happen, TPP negotiators will have to close the gaps in some of the key issues in the coming weeks.

Upcoming Events

- <u>Informal Trade Negotiations Committee</u>, February 6, 2014
- TPP Chief Negotiators Meeting, Week of February 17–22, 2014, Singapore (TBC)
- TPP Ministerial Meeting, February 22–25, 2014, Singapore (TBC)
- Regular Agriculture Committee, March 14, June 6, November 13, 2014
- WTO General Council, March 14, May 8-9, July 24-25, Oct.7-8, Dec. 10–12, 2014
- <u>OECD Forum 2014</u>, May 5–6, 2014, Paris (France)
- G-20 Trade Ministers Meeting, July 19, 2014, Sydney (Australia)
- G-20 Leaders Summit, November 15-16, 2014, Brisbane (Australia)

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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