



Geneva WATCH

An overview of the bilateral, plurilateral and multilateral trade negotiations

Charles Akande, Editor

U.S.–Japan Resume Bilateral Talks

Acting Deputy U.S. Trade Representative, Wendy Cutler, met with her counterparts Ambassador Hiroshi Oe (agriculture) and Deputy Director General of the Economic Affairs of the Foreign Ministry Takeo Mori (autos) July 9-10 in Tokyo.

She said she was encouraged that the two parties were able to further narrow the distance between them on the remaining issues, including autos and agriculture, and have identified a pathway toward reaching an agreement. She added that she was leaving Tokyo with a sense of optimism and was looking forward to working with Japan “to lay the groundwork toward a successful ministerial meeting in Hawaii later this month.”

That being said, Cutler acknowledged that there were a range of issues that are important for the U.S. as negotiators head towards the ministerial meeting in Hawaii. Some of these issues of key interest to the U.S. include autos, agriculture, industrial market access, state owned enterprises (SOEs), intellectual property (IP), investment, and labor, she said at the end of the meeting. These are believed to be areas with major outstanding issues the U.S. is looking to see resolved with its TPP partners.

Asked about the issue of rice, which remains one of the toughest market access items still being discussed between the two countries, Cutler admitted that when Japan joined the talks, the U.S. knew that rice would be one of the most difficult issues to solve in the negotiations due to the sensitivity of product in the Japanese market. “That has proven to be the case. We are making progress with respect to exchanging views on what the potential landing zone may be on rice, but this issue still remains outstanding and probably an issue that our respective Minister would need to discuss in Hawaii,” she stressed.

When asked if she was optimistic that all the market access issues (and rice in particular) would be resolved

in Hawaii, Cutler responded that she and her Japanese counterparts plan to stay in close touch from now until the Hawaii meetings.

The two sides also plan to meet in Hawaii to continue working bilaterally and with others on market access. “Many of the outstanding issues are also linked to our discussions with other countries as well as the overall TPP negotiations so as we work with Japan in the lead up to the ministerial we will also be consulting with other countries as well on issues that are also being discussed between the U.S. and Japan,” she added. The issue of dairy comes to mind as the U.S. is trying to solve a complex Gordian knot that involves Canada, New Zealand, Japan, and themselves.

“I am not going to assign a number to my level of confidence, but we will be working very hard between now and the ministerial with Japan and our other TPP partners to lay the ground work for a successful ministerial meeting in Hawaii,” the Acting Deputy USTR said when asked how confident she was that the next ministerial meeting will end up being the last for the TPP.

While acknowledging the strong progress achieved the past two days and sharing Cutler’s strong will to conclude the TPP negotiations, Japanese negotiators Oe and Mori warned against expectations of a quick agreement, stressing that everything will depend on what happens in the last minutes of the negotiations.

U.S. to Host Trans-Pacific Partnership Trade Ministers’ Meeting in Maui

The USTR confirmed on July 7th that it will host a meeting of TPP Trade Ministers in Maui, Hawaii from July 28–31. The ministerial gathering will be preceded by a meeting of TPP Chief Negotiators from July 24–27.

Despite the focus put on the trade promotion authority, the USTR said the group has been “working continuously” since the last TPP session in May and has, as a result, made considerable progress in closing gaps on remaining issues while continuing to address specific issues bilaterally.

“The upcoming ministerial provides an important opportunity to build on this progress as we work to conclude the negotiation,” the USTR stressed in its statement.

Several observers however believe that the TPP talks are still months away from being concluded (i.e. to be initiated by Trade Ministers). These observers claimed that there is still lots of work needed, even outside areas that are usually considered outstanding (IP, SOE, market access, or investment). They wonder whether the forthcoming ministerial meeting would be the last to conclude the TPP, even with the addition of an extra two days, as it still might not be enough time to iron out all the problematic areas.

That being said, the duration of the Ministerial has been extended to four days and Trade Ministers are now scheduled to meet until very late (11:55 PM) on July 31st, which may signal a genuine attempt to close every remaining political issue during what are anticipated to be long and intensive negotiating sessions in Maui.

If a deal is not announced in Maui, sources say TPP Chief Negotiators and Trade Ministers will pursue their work throughout the summer leading up to yet another ministerial Mid-September in New York where the absolute final political issues will be presented to leaders on the sidelines of the United Nations’ General Assembly, which opens on September 15th. The plan is to have President Obama close the remaining issues with his TPP counterparts so that the final TPP deal can be presented to U.S. Congress for its approval by December 2015.

WTO Members to Shoot Past July Deadline

At an informal meeting of the Trade Negotiation Committee on July 8th to discuss the progress concerning the Doha Development Agenda’s (DDA) work programme, WTO Director-General Roberto Azevêdo, told Members that although they have recorded some progress in

understanding each other’s positions, they still remain far from agreeing on a clear roadmap that will lead to a successful WTO Ministerial Conference (MC10) in Nairobi.

“Considering everything I have heard from Members over the last three weeks, I see very little prospect of delivering a detailed and substantive work programme by the end of July,” Azevêdo told the full Membership, urging them to keep working on the best path to success in Nairobi.

“Whether we can deliver a work programme is in the hands of the Members and their ability to bring forward new proposals in the coming days which will pave the way to find consensus.”

The negotiations, meanwhile, have been very difficult, officials say, given the strong divergences between developed and developing countries on how to deal with the proposed cuts to Members’ domestic support. Finding an alternative to the agriculture market access’ tiered formula has also been an issue. Nevertheless, Members intend to pursue their intense consultations in the coming weeks as Azevêdo encouraged them to keep on building on the progress that has been made to date.

The WTO head said that success at the Ministerial Conference in Nairobi this December “remains the ultimate target” of Members’ work.

“Nairobi is about showing real and definite progress in implementing the Bali decisions, delivering for developing and least-developed countries, and delivering outcomes that allow us to conclude the DDA. This must be the focus of our work during the second semester,” Azevêdo stressed on July 8th.

With very slim chances to reach a deal by the end of July, Members will continue their work throughout the fall with the hope to find convergence on a work programme for the remainder of the DDA.

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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