

## Editorial: Bumpy Road Ahead

The WTO is well known for its slow restart following the Christmas break, and this year members are certainly keeping with tradition. No agriculture negotiation sessions are expected to take place until after the gathering of ministers which customarily takes place alongside the World Economic Forum in Davos (January 28-February 1, 2009). Crawford Falconer, who is no longer New Zealand's Ambassador to the WTO but a "Special Envoy" in Geneva specifically to chair the agricultural negotiations, is not expected to return to Geneva before the end of the month, thus assuring that technical consultations will not recommence before early February.

## Slow Restart Expected

Given that the format of the consultations has yet to be agreed upon, officials believe that the slow restart of negotiations may drag on into February. There seems to be an agreement that for several reasons, including the necessity to provide sufficient time for the US Trade Representative to prepare to engage in the negotiations, consultations in the coming months will not be as intensive as they were last year. The question here remains how quickly President-elect Barack Obama's choice for USTR, Ron Kirk, will be confirmed by the US Senate and how fast will he put together his USTR team to take on WTO issues. There seems to be a consensus among trade observers that this will not be fastest of all processes as trade is not Obama's top priority.

Lamy admitted last week that the negotiating picture is very much blurred as he has yet to receive any signals from the Obama Administration. Officials believe that nothing substantial in terms of negotiations will happen until Mr. Kirk and his team are ready. For Lamy, the pivotal date will be April 2, when the G-20 meets again in London to discuss the global economic downturn. There, the DG hopes that Obama will clarify his position on trade and especially the Doha Round. Many predict that the new administration will first focus on finalizing pending FTAs with Colombia, Panama and South Korea before engaging on the multilateral front. It must be understood that the Americans, both industry groups and the government, do not see much for them in the current negotiating package – and the feeling that the US is not being rewarded for their commitment to cut their overall trade distorting domestic support to \$14.46 billion is not helping revitalize the process.

## Back to Protectionism?

At the November 15's G-20 meeting in Washington, countries pledged not to raise trade barriers over the next 12 months; however some participants broke that promise within a few weeks of the gathering: India increased its import duties on steel, the EU imposed new import tariffs on China's screw and bolts, and aspiring WTO member Russia approved new duties on imported vehicles. These actions, combined with the slowdown forecasted in key developed and developing countries like China, India, Japan, the US and the EU member-states, have served to increase the belief that many countries, including the US, are likely to shift toward protectionism in 2009. This is among the concerns that are prompting the WTO's Director General to travel to London on January 22 to meet with the UK Prime Minister to discuss the need to advance the Doha Round and to advocate for its inclusion on the April 2 G-20's agenda.

## 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, Egg Farmers of Canada, 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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