



# Geneva WATCH

An overview of the bilateral, plurilateral and multilateral trade negotiations

Charles Akande, Editor

## WTO Members Look to Capitalize on Nairobi Success

As per tradition, key WTO Members met on the sidelines of the World Economic Forum in Davos, Switzerland on January 23. The informal mini-ministerial meeting, which was attended by 22 delegations<sup>1</sup> including the WTO's General Council Chair, Ambassador Fernando De Mateo, and Director General, Roberto Azevêdo, as well as 16 Trade Ministers launched the WTO's work plan for 2016 following the successful outcome reached at its 10th Ministerial Conference (MC10) held in Nairobi last December.

Switzerland's State Secretary for Economic Affairs, Marie-Gabrielle Ineichen-Fleisch, who chaired the informal gathering, said that ministers are looking to build on the successes achieved at the last two WTO Ministerial Conferences – MC9 in Bali and MC10 in Nairobi. She urged Members to engage in an in-depth discussion on “how to advance the WTO's negotiating agenda and deliver further meaningful results in the future.”

Ineichen-Fleisch emphasized the group's consensus concerning the importance of “maintaining the WTO's negotiating function operational” by continuing to deliver further negotiated outcomes in the future, focusing first on the remaining Doha Development Agenda (DDA) issues in order to make room for taking on the new issues that some Members would like to see addressed at the WTO.

There is a “need for open-minded and pragmatic approaches as well as flexibility in the work ahead,” the Swiss trade envoy stressed in her concluding remarks.

Officials who attended the meeting said all Members were satisfied with the Nairobi outcome and agreed to pick up the remaining Doha issues.

### India Isolated

Aside from China's Vice Minister of Commerce, Shouwen Wang, who insisted on the need to pursue negotiations based on the current framework, most Members agreed to remain open-minded about the way forward.

The group agreed to tackle new issues, such as investment, e-commerce and global value chains, but to do it on the broadest possible way. Brazil's Assistant Minister for Economic and Financial Affairs, Alexandre Parola, said his country remains open to new issues so long as agricultural matters are also seriously negotiated. Brazil does not really care about which framework Members adopt to finish the remaining DDA subjects, and is ambivalent as to whether this is done under Article 20 or through plurilateral negotiations.

Indonesia, whose Minister, Thomas Lembong, pushed for a deal in Nairobi, is also ready to explore new approaches to advance the talks. The same can be said for some other countries, such as Argentina, which was previously labeled as difficult and which is now showing a readiness to tackle new issues.

<sup>1</sup> Argentina, Australia, Brazil, Canada, China, Costa Rica, the E.U., Hong Kong, Indonesia, Japan, Kenya, Korea, Lesotho, Mexico, Norway, Pakistan, Russia, South Africa, Switzerland, Thailand, Turkey and the U.S.

India, which was the notable absentee in Davos, appears even more isolated than it was in Nairobi where very few developing countries sided with its Minister on export competition.

Lesotho's Trade and Industry Minister, Joshua Setipa, who chaired the MC10 agriculture negotiations, spoke on behalf of the African Group, reminding others of the importance of the WTO for Africa given the continent's exclusion from current Regional Trade Agreements. Setipa said the African Group is ready to address all issues, including new ones, so long as the basic development principles are taken into account.

### The Rise of Plurilaterals

Officials who attended the meeting said Members were keen to consider new approaches to advance the negotiations. Nobody ruled out the idea of exploring plurilateral negotiations in some sectors. In fact, Brazil, Thailand, China and Lesotho were all in favour of trying out this approach.

Sources say the U.S. and others are looking to advance plurilateral talks in various areas of the negotiation including fisheries. In Davos, ministers from the Trade in Services Agreement (TiSA) group<sup>2</sup> met informally to discuss progress in their plurilateral negotiations and reaffirm their commitment to concluding an ambitious agreement this year.

"The negotiations to conclude a Trade in Services Agreement have accelerated over the past several months and I'm pleased we had an opportunity to support further progress today," said U.S. Trade

Representative Michael Froman. "All participants are motivated because they recognize the potential of a high-quality services agreement to support jobs," the USTR added.

The TPP negotiating format – where a number of bilateral agreements were negotiated under the same basket – was even brought up as one idea to consider for the way forward. Azevêdo advised Members to maintain an open-mind on both the new approaches and the new issues.

### More Mini- Ministerial Meetings?

Ministers also addressed questions surrounding the Geneva process and considered why issues progressed slowly there. It was recognized that most of the time ambassadors must wait for their ministers to reach decisions, as was the case before the MC10. The group consequently called for greater and stronger political engagement to back the Geneva process. They are hoping to take advantage of the coming year's ministerial meetings – whether that is in Paris on the sidelines of the OECD annual meeting, or in Hangzhou where China will be hosting the eleventh G-20 summit in September – to advance the WTO negotiations.

Azevêdo urged Members to show flexibility on both substance and the negotiating process going forward. The full Membership is expected to discuss the Davos outcome at the WTO's General Council meeting, which is scheduled to take place on February 24. In the meantime, discussions on what should be done next will take place under various formats over the next few weeks, officials say.

<sup>2</sup> Australia, Canada, Chile, Chinese Taipei, Colombia, Costa Rica, the E.U., Hong Kong, Iceland, Israel, Japan, Korea, Liechtenstein, Mauritius, Mexico, New Zealand, Norway, Pakistan, Panama, Peru, Switzerland, Turkey, and the U.S.

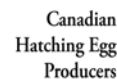
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