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Geneva Watch

An overview of the WTO negotiations on agriculture

Editorial: Awaiting Kirk's Confirmation

It remains unclear when agriculture chairman Crawford Falconer will recommence his informal Room E and open-ended consultations. The chair's plans appear to be hobbled by the delay in the nomination of the new US Trade Representative and the formation of his team; this process may be further impeded by the Obama administration's current focus on their stimulus package. WTO members generally agree that there is no point in recommencing intensive technical work before all the key players are ready. Until then, Falconer is likely to continue his informal consultations with various coalitions (SVEs, ACP, Cairns, G-33 etc). There are however firm expectations that trade will be a key agenda item at the G-20's April 2 Summit, and that decisions will be taken there to reignite members' intensive technical consultations.

USTR Team Unlikely to be Ready before Late March

Despite some countries' requests for a number of mini-ministerial gatherings to be held before July 2009 when the DG is expected to invite trade ministers to Geneva to try to hammer out modalities on agriculture and non-agricultural market access (NAMA), it is clear that there will be no such meetings convened before the April 2 G-20 Heads of States meeting in London. The major reason for this is that fact Ron Kirks' confirmation as US Trade Representative will likely be delayed until after February 20; once the new USTR is finally confirmed, the new administration will likely require a minimum of two weeks to review the Doha negotiations and reevaluate the US's position. Trade observers agree that this delay will mean that the US is unable to take part in any Doha negotiation sessions before mid to late March – just in time for the scheduled April 2 G-20 meeting.

General Council

February 3's General Council provided Director General Pascal Lamy with the opportunity to debrief the entire membership on his trip to Davos and the ministerial lunch that took place there. He reported that trade has become one of the casualties of the economic crisis, citing the sharp decreases which have already taken place, and emphasizing the need "to ensure trade is part of the solution as opposed to aggravating an already serious crisis which risks making the recession longer and deeper."

Lamy continued, saying that "world growth projections today are at 0 per cent, with developed countries posting a negative growth of -2% and developing countries a positive one of around 5%. The positive growth," he stressed, "comes from the emerging countries which are highly dependent on trade."

The DG urged members to consider that "the fundamental reasons why this Round is needed are now even more compelling and urgent than they were at the end of last year. Trade with its multiplier effect must be an integral part of the stimulus packages that are being adopted. A successful outcome of the Doha Development Round can therefore be part of the solution to the economic downturn. It will also send the political signal that in harsh and difficult times, governments are capable of working together to provide the kind of global answer which is so desperately needed."

Lamy repeated what he had stressed to those gathered in Davos: a lot of work remains to be done. Although he acknowledged that both the US and India will need some time to settle in following their elections, "this cannot be a reason to sit on our hands." Lamy's plan remains securing a swift conclusion to the agriculture and NAMA modalities before tackling the single undertaking. "We must, as of right now, prepare everything we can, so that when the moment is right for political decisions, we are ready." Members, he stressed, "are working not only under time pressure, but also under the pressure of the need to make a positive difference to the global economy."



New Chairmen appointed

During the February 3 General Council, the newly selected chairs of various WTO bodies were introduced to the full membership. Most notably, Chile's Ambassador to the WTO, Mario Matus, became the new General Council chairman, and Canadian Ambassador John Gero became the new chair of the WTO Dispute Settlement Body.

Lamy's Second Term

The question of the reappointment of Pascal Lamy as WTO Director General was also addressed during the General Council. Members agreed to truncate the 3-month period traditionally allocated to candidates to present their credentials. This time, given the special situation that Lamy is the sole candidate, members agreed to set up a special General Council meeting where, by request from Argentina, India, Venezuela and Cuba, the current DG will provide the membership with an outline of his vision for the next four years. WTO officials reported that although no dates have yet been put forward for this special General Council, it will have to take place "sometime before May 31st".

Upcoming Events

- General Council, May 27-28, July 28-29, Oct. 13-14, Dec. 17-18, 2009
- <u>G-20's Second Meeting</u>, April 2, 2009 (London, England)
- Official Appointment of the WTO's DG, May 31, 2009
- India General Elections, May, 2009 (at the latest)
- EU elections, June 7, 2009
- OECD Ministerial Meeting, June 24-25, 2009 (Paris, France)
- APEC Meeting of Ministers Responsible for Trade, July 21-22, 2009 (Singapore)
- <u>G-8 Summit</u>, July 8-10, 2009 (La Maddalena, Italy)

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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