

Editorial: Selling the Importance of a Completed Doha Round

Director General Pascal Lamy is continuing his crusade to sell the Doha Round as part of the solution to the economic downturn. This week, the DG will meet with the South Korean and Japanese governments where he is expected to discuss the inclusion of trade in the G-20 Heads of State Summit in London on April 2.

It has been often said that trade will not be among the Obama administration's top priorities this year; however, during his recent visit to Canada – his first outside of the US as president – Barack Obama declared that “now is a time where we've got to be very careful about any signals of protectionism. As obviously one of the largest economies in the world, it's important for us to make sure that we are showing leadership in the belief that trade ultimately is beneficial to all countries.” Such a statement ought to please WTO Director General Pascal, as it assures him that the Obama Administration will somehow support the conclusion of the Doha negotiations this year in order “to demonstrate its pro-trade bona fides.”

Ag Talks? No Rush

On February 18, US Agriculture Negotiator Joe Glauber confirmed that “it is going to take time” for the US to become ready to reengage in the WTO talks. This statement echoes US Agriculture Secretary Tom Vilsack's February 9 assertion that, at least in the short term, most of the US's attention will be devoted to setting the economy in the right direction. Vilsack said that he did not expect the Obama administration to focus on the Doha Round before the USTR is comfortably in place, and the stimulus bill has been passed and in implementation. “Once that happens, I think you'll see an aggressive effort on trade,” he assured. It has been reported that the hearing of USTR nominee Ron Kirk will take place on February 26. It is also expected that the new Administration will take some time to review what is currently on the table.

“Buy America” saga continues

Brazilian Foreign Minister Celso Amorim said that Brazil may challenge the “Buy American” clause that was recently approved by the US Congress and signed into law by President Obama. Even though the language of the provision has been somewhat watered down, it still manages to sideline emerging developing countries' ability to benefit from the stimulus package. The bill stipulates that the Buy American provision be “applied in a manner consistent with the US obligations under international agreements” (which refers to the WTO's Government Procurement Agreement¹ as well as NAFTA and various US FTAs) and that products from Least Developed Countries (LDCs) be treated in the same manner as those originating from countries under US FTAs; the problem is that countries like China, Brazil, India and Russia, which have neither signed on to the WTO's Government Procurement Agreement, nor signed an FTA with the US, and which are not listed as LDCs, are excluded from the clause

News from the Negotiating Groups

The chairman of the Negotiating Group on Market Access for Non-agricultural products (NAMA), Swiss Ambassador Luzius Wasescha, said that delegates are exploring a new approach suggested by Canada to deal with the problematic issue of sectorals. Rather than engaging on all 14 sectors at stake, Canada's ambassador John Gero has proposed tackling the negotiations on a sector-by-sector basis, where participation and results will be different for each sector. The approach has been supported by the US, the EU and other developed and developing countries, however emerging developing countries such as China, India and Brazil have not given their blessing to this “vertical” negotiation.

¹ Countries that have signed the GPA are: US, EU (27), Aruba, Canada, Hong Kong, Iceland, Israel, Japan, Liechtenstein, Norway, Singapore, South Korea and Switzerland

Intensive technical work is anticipated on this area of the negotiations. Sources claim that it is imperative that the US be assured of a certain volume of access into emerging developing countries markets “through disguised formulas.” The US has previously identified 3 sectors it wants emerging developing countries to participate in: chemical products, industrial machinery and electronic goods. China, Brazil and India have refused to promise to sign on to a future agreement, claiming that they could not commit beyond participating in “good faith” in the negotiations and arguing that their participation should remain on a voluntary basis without the obligation of indicating which sectors they will engage in, and that they should not be forced to promise to accept the outcome in advance.

Upcoming Events

- General Council, May 27-28, July 28-29, Oct. 13-14, Dec. 17-18, 2009
- G-20's Second Meeting, 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)
- G-8 Summit, 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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