

Editorial: Gearing Up for another July Ministerial Meeting

This week, WTO Director General Pascal Lamy made it quasi-official that he will most likely call ministers back to Geneva to finish the job undertaken last July. “I want to outline the ways in which the WTO is responding to the current economic crisis and ask you all to keep pushing for the most positive action the trade community can take in the short term — finishing the Doha Round,” Lamy told the audience in Auckland, New Zealand. The DG outlined the three conditions required for this to happen: first of all, the G-20 Heads of State must reiterate their November 15, 2008 political support for a swift agreement on modalities; secondly, the Indian general election must take place; and lastly, the US administration must decide on the broad contours of its trade policy. Although the first two conditions may not be perceived as problematic, the third is becoming increasingly complicated.

Lamy Addressed Doha-Friendly Crowds

WTO Director General Pascal Lamy, this week headed to pro-Doha countries to plea for the need to quickly conclude a deal on the Doha round this year. The DG spoke before an audience sold on his cause in both Australia and New Zealand during the week of March 2. There, Lamy repeated that protectionism measures such as “buy domestic” shouldn’t be the answer to the economic downturn, while praising at the same time both Brazil’s President Lula and in some extent, US’s President Barack Obama for their respective stance on avoiding protectionism.

“We all know that protectionism creates only losers,” Lamy declared, claiming that Members biggest challenge today is to ensure trade is part of the solution and not part of the problem. “The WTO negotiations offer the only possibility of cutting agricultural subsidies across the board in a permanent and legally binding way. These subsidy cuts will produce a more level playing field and improve competitive conditions for countries and over time this should be at least as valuable as the direct improvements in market access that the Round also offers,” the DG said.

“We have accomplished around 80% of our set targets in the Doha Round. To a large degree, this is due to an efficient and focused Geneva negotiating process which continues to work away on the technical and substantive issues that have to be in place before political masters become involved. With the necessary political guidance, willingness to compromise and realistic expectations, I am convinced that we can conclude these negotiations rapidly.”

While previously cautious about setting specific dates for the next ministerial meeting, the DG is now seeming confident that, with the help of a strong political backing from the G-20 Heads of States summit this April, he will be able to call ministers to Geneva this July to finish the job started last July. “The G20 Leaders Summit in November last year was an important first step in designing a global front to fight the current economic crisis and reject protectionism. The next G20 Summit in London in early April will be a test of the capacity of major economies to work together, hand in hand, in searching for solutions to pull the world economy out of a deeper recession. It will be a test of political will and their ability to transform it into action.”

Lamy reminded his audiences that the last round of trade talks took over eight years to conclude, noting that “we are still capable of beating the duration of the Uruguay Round.”

USTR Annual Report Tough on Doha Round

Meanwhile, the Obama Administration might not be as upbeat as the WTO DG when it comes to the Doha round. In their report “2009 Trade Policy Agenda and 2008 Annual report,” the new administration expressed concerns with the current state of the multilateral negotiations, and claimed that strong access for both goods and services would be important for addressing the global economic crisis. The report seems to voice the concerns expressed by the three US organizations most involved in the trade talks – the National Association of Manufacturers, the American Farm Bureau Federation and the Coalition Services Industries – which in a letter sent to the White House on February 24, urged President Obama to adopt a tough stance towards concluding the Doha round on the basis of what is currently on the table. The three organizations claimed that the current revised modalities texts “would have produced a badly imbalanced result,” and thus should not be viewed as the basis for advancing the negotiations. “Doha Round cannot proceed, let alone succeed, until the negotiating texts are revised to provide balance and greater ambition from the advanced developing countries.”

In its annual report, the administration said that it remains “committed to working with our trading partners for such outcome (i.e. strong market-opening agreement in Ag, NAMA and services). However, it will be necessary to correct the imbalance in the current negotiations in which the value of what the United States would be expected to give is well-known and easily calculable, whereas the broad flexibilities available to others leaves unclear the value of new opportunities for our workers, farmers, ranchers and businesses.”

Trade observers agree that the report clearly targets countries such as Brazil, China and India who have rejected the US’s request for a more ambitious outcome on both the SSM and sectorals. On March 5, the DG warned against the potential problems that moving away from what is currently on the table could create. “My strong advice is that if you want to move this forward, we have to take it from where we are,” he declared. The US is expected to review its position on trade once the Senate confirms the new US Trade Representative, Ron Kirk. According to the latest news, Kirk’s hearing is expected to take place on March 9.

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)
- G-8 Summit, July 8-10, 2009 (La Maddalena, Italy)
- APEC Meeting of Ministers Responsible for Trade, July 21-22, 2009 (Singapore)
- WTO Public Forum, Sept 28-30, 2009
- Ministers Responsible for Trade, July 21-22, 2009 (Singapore)

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.

For more information or comments, please visit: www.farmsandfoods.ca

Legal Deposit:
National Library of Canada
ISSN 1496-9254

