

# Geneva Watch

*An overview of the WTO negotiations on agriculture*

## Editorial: The G-20's Moment of Truth

As the WTO forecasts a potential 9% shrinkage in world trade due to the economic downturn, doubts are mounting about what can be accomplished by the organization this year apart from monitoring protectionism measures being put in place by G-20 member countries. A week away from the second G-20 summit, it appears as though the strong support required to conclude modalities this year will not come easily. Indeed, the office of the US Trade Representative has repeatedly said it needs more time to re-evaluate both the Doha package and the US position going forward. It is fair to say that the new administration will have at least month to do so while the rest WTO waits for India to be ready before trying to fully restart its engine and speed up the process towards – perhaps – another ministerial meeting in July.

## Lamy's plan takes a hit in Washington

It appears as though the DG's visit to Washington was not exactly successful. Lamy met with various members of the Obama administration and congressmen on March 23-24 to plead for the completion of the Doha Round. Among those he met with were USTR Ron Kirk; Secretary of the Treasury Timothy Geithner; Chairman of the House's Ways and Means Committee, Charles Rangel; Senate's Committee on Finance, Chuck Grassley; Congressman Dave Camp; Senator Sandy Levin and business representatives John Engler, president of the National Association of Manufacturers; Bob Stallman from the American Farm Bureau Federation; and Robert Vastine from the Coalition of Service Industries.

Most agreed that Doha remains important for the US while voicing serious concerns with regard to what currently serves as the basis for further negotiations, i.e. the fourth revised draft texts circulated last December. The business representatives told Lamy that they did not believe an agreement could be found on the basis of these texts. "We're not throwing up roadblocks. But what we want is for it to produce results." Because after all, they told Lamy, they are "the organizations that are going to have to get it through Congress."

Similar concerns were also echoed by members of Congress who informed Lamy that both Congress and the Obama administration require sufficient time to "look into those issues" and elaborate a negotiating strategy. Senator Levin told the DG that it could take "maybe weeks, maybe months before agreeing to engage in any revived negotiations." Senator Grassley warned against Lamy's idea to pick up things where they were left off, saying "that's certainly a no-go."

## New Team, More Time Needed

Confirmed on March 18, the new USTR Ron Kirk is still putting together his team. Jason Hafemeister, a former deputy assistant USTR for agriculture between 2002 and 2007 who helped Kirk prepare for his hearing, is rumoured to be replacing Joe Glauber as chief agricultural negotiator in the WTO talks. In speaking with other trade ministers, Kirk said that the US will need a few weeks to review its position and develop a new strategy. While he does not want "to ride on the old bike," Kirk has also confirmed that he "does not want to go back to square one." Furthermore, insiders report that Kirk firmly believes that it would be "unwise" for Lamy to call ministers in Geneva this July to finalize a deal on agriculture and NAMA. In addition to the US, Kirk thinks that both India and Japan will also need more time to sketch out their strategies before a ministerial meeting could be called. Indeed, India is unlikely to have its government fully in place before June, and Japan is known to be going through a severe economic and political crisis that has shaken up the current government. According to those same insiders, Kirk has privately discussed the idea of putting the July ministerial "on hold" with his counterparts from both countries.

## Reality Check?

British Prime Minister Gordon Brown, who has invited Lamy to attend the G-20 Summit, is no longer referring to the need to conclude the Doha round this year; to the contrary, he has remarked that doing so would require “very difficult and sensitive negotiations.” Brown now speaks more about the need to ensure that credit is available for the world’s poor, and the need to refrain from implementing new protectionist measures. He has now invited Lamy to report on the protectionist measures adopted by the 20 countries since their November 15, 2008 declaration and to “continue to monitor that protectionism and report to us on a regular basis.”

## Falconer’s Replacement

In one day, out the next; such has been the kind of yo-yoing diplomats are hearing about Brazilian Ambassador to the WTO Roberto Azevedo’s candidacy to become the next agriculture negotiations chairman. The latest news is that all major countries, including the US, the EU, Japan and South Africa, have opposed Azevedo’s candidacy because of Brazil’s position as one of WTO’s key players. In this position, it is believed that Brazil cannot lead both the G-20 and the critical pillar of the DDA at the same time; all this points to New Zealand Ambassador David Walker replacing Falconer at the helm of the agriculture negotiating body.

## Upcoming Events

- G-20’s Second Meeting, April 2, 2009 (London, England)
- General Council, May 27-28, July 28-29, Oct. 13-14, Dec. 17-18, 2009
- 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

**Geneva Watch is published by Dairy Farmers of Canada, Chicken Farmers of Canada, Canadian Egg Marketing Agency, Turkey Farmers of Canada 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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