

# Geneva Watch

*An overview of the WTO negotiations on agriculture*

## **Editorial: Searching For a New Way to Unlock Doha's Deadlock**

If there was one message to retain from U.S. Trade Representative, Ron Kirk's visit to Geneva, it is that the U.S. is searching for a new approach to unlock Doha's gridlock. In all fairness to the new USTR, members have tried three times to finalize modalities in the past few years and failed. "We should all be willing to consider changes to the process that could put the negotiations on a more direct path to success," Kirk told reporters at the end of his three-day visit to Geneva. Yet, that change in method is unlikely to come through skipping modalities to negotiate line-by-line tariff commitments bilaterally as this approach would essentially mean the loss of bargaining power developing countries enjoy by negotiating as a group.

With the U.S. seeking to get the best market access to each country, the question remains as to how they plan to address the issues of interest to the whole Membership such as whether they will be willing to reduce their overall trade distorting domestic support to \$14.46 B after having clarified all its market access concerns, to abandon the use of Zeroing in the Rules negotiations or meet Cotton-4 countries' request? Simply put, this comes down to a matter of trust between developing countries—particularly India and China—and their developed counterparts, and at this juncture in the negotiations, this trust is simply not strong enough.

## **Kirk Visits Geneva**

New U.S. Trade Representative (USTR), Ron Kirk enjoyed a warm welcome from WTO members for his very first visit to Geneva as the U.S. trade chief. The USTR said he met with representatives of over half of WTO's 153 members with whom he had a frank and candid discussion. He repeated that the U.S. was in listening mode and continues to review what is on the negotiating table.

Part of his trip was to get a deeper understanding of the negotiations. "President Obama and I are both committed to the DDA" he said, seen as a critical part of the response to the economic crisis. But for the U.S., success means a balanced and ambitious agreement for all members. As such, he believes that there is an opportunity for advanced developing countries (i.e. India, China, Brazil, South Africa) to show leadership. The U.S. is committed but it cannot bring Doha to a successful conclusion alone.

"We humbly recognize that our participation is not the only factor necessary to bring this round to a successful conclusion (...) The United States does not believe that we should start the Doha Round over or change its underlying mandate. We also don't believe that we should throw out all of the hard work that's been done. We seek to build on the progress that we've made and find the best way forward, and we collectively want to think about a new path to address the remaining issues."

In essence, this is seen as backtracking a little from previous U.S. positions. By saying we shouldn't start the DDA over and build on the work that has been achieved so far, questions remain as to whether the U.S. is committed to work on the basis of the December draft modalities paper or back to the July version, as they once suggested. Both the USTR and U.S. business representatives have expressed concerns over the December 2008 draft modalities texts. Plus, it seems from Kirk's statement that the U.S. is likely to move away from including environmental and labour issues in the current negotiations.

Asked whether he thinks emerging developing countries are willing to cooperate in that regard, Kirk said he is confident that they will show some leadership based on their own review of what's on the table. For him, the best help these countries could provide to least developed countries (LDCs) is to conclude the DDA as soon as possible to help them get out of this economic crisis. The U.S. market is 98% open to LDCs, what is missing is access to emerging developing countries like China, India, Brazil and South Africa.

Every country he met with seems to be willing to engage in the process, he said, but something has to be done differently to change the process that could put the negotiations on a more direct path to success.

With respect to the recently floated idea suggesting that that WTO Members skip modalities to prepare their schedules commitments and circulate them by the end of this year before starting bilateral discussions on tariffs of particular interest to each country, Kirk said, after developing countries opposed the proposal, that the U.S. is not locked into any particular process in terms of whether to stick with negotiating existing modalities or go to scheduling i.e. negotiate directly line-by-line tariff commitments.

The U.S. sought to clarify the scope of market access they would get from emerging developing countries, in particular Brazil, India, China and South Africa. Sources said India's Ambassador Bhatia confessed that a clear message had been delivered to the USTR and that he got it, claiming that he firmly believes that the U.S. is not "wedded to any particular approach".

"We are suggesting that we have to be open to all possibilities," the USTR said. Having said that, he added, "with respect to the good substantive work that has been done, obviously something needs to happen differently to get us to a successful conclusion. And in as much as the last three times we have come together for whatever reason and tried to bring a conclusion to the Doha Round we have not been able to do so."

Asked about the timeline the U.S. has in mind to move things forward, Kirk responded that the USTR has not defined a particular timeline but believes substance should drive the process and for that, engagement of all parties is needed. It is believed that the pursuit of a new approach to unlock Doha's deadlock would likely be discussed during a series of ministerial meetings planned to take place throughout the summer starting with the June 7-9 Cairns ministerial meeting, the June 24-25 OECD annual meeting, the July 8-10 G-8 Summit and the July 21-22 Asia-Pacific Economic Cooperation (APEC) in Singapore.

## Upcoming Events

- General Council, May 26- 27, July 28-29, Oct. 13-14, Dec. 17-18, 2009
- EU Elections, June 7, 2009
- Cairns Group Ministerial Meeting, June 7-9, 2009 (Indonesia)
- OECD Ministerial Meeting, June 24-25, 2009 (Paris, France)
- G-8 Summit, July 8-10, 2009 (L'Aquila, Italy)
- APEC Meeting of Ministers Responsible for Trade, July 21-22, 2009 (Singapore)
- WTO Public Forum, Sept 28-30, 2009
- G-20 Summit, Date to be Confirmed, (New York, USA)

Geneva Watch is published by Dairy Farmers of Canada, Chicken Farmers of Canada, Egg Farmers of Canada, 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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