

# Geneva Watch

*An overview of the WTO negotiations on agriculture*

## Editorial: Yes We Can!

U.S. President, Barack Obama's famous slogan seems to have been borrowed by G-8+ heads of state when they gathered in L'Aquila, Italy on July 9<sup>th</sup> to discuss the fate of the Doha Development Round. In effect, leaders from key WTO Member-countries, which also included Australia, Indonesia and Korea, have agreed to wrap up the 8-year-old Doha Round in 2010. This declaration came after a series of political pushes made since the beginning of the summer with the aim to get the negotiations back on track. If Members want to live up to their declaration though, they will have to seriously step up their consultations in the coming weeks and months, otherwise, despite the good intentions, this call, like many past declarations, will remain in vain.

## G-8+ Summit

In a communiqué circulated on July 9<sup>th</sup>, leaders from the Group of 8 (Britain, Canada, France, Germany, Italy, Japan, Russia and the United States) along with Brazil, India, China, Mexico and South Africa have agreed to bring the Doha round to conclusion in 2010. "We, together with the leaders of Australia, Indonesia and Republic of Korea and in the presence of the Director General of the World Trade Organization, are committed to seek an ambitious and balanced conclusion to the Doha Development Round in 2010, consistent with its mandate, building on the progress already made, including with regard to modalities," the statement reads.

Lamy's main goal, and the reason he was attending, was to force G-8+ leaders to agree on a specific date for concluding the round. What he had in mind was indeed by the end of 2010. Working backward: modalities have to be struck sometime before Christmas 2009 to allow about 6 to 8 months of scheduling and verification to be completed before the end of 2010.

"We regard enhancing the transparency and understanding of the negotiating results to date as a necessary means to facilitate the conclusion of an agreement," the G-8+ leaders declared. Informed sources claimed that the inclusion of the words "transparency" and "understanding" indicates that the U.S. is looking for more clarification of what emerging developing countries are proposing in terms of market access in certain "gray" areas i.e. such as special products and the sectoral initiatives in the NAMA discussion.

"In order to fill in the remaining gaps in the negotiations as soon as possible, we instruct our Ministers in charge of trade to explore immediately all possible avenues for direct engagement within the WTO and to meet prior to the Pittsburgh Summit." With that statement, the G-8+ leaders have essentially given the green light to ministers to intensify their discussion in order to produce a roadmap for a future Doha deal to be presented to leaders at the September 24-25 G-20 summit in Pittsburgh.

As such, trade observers expect some bilateral or small group meetings between key countries to take place during the WTO summer break, leading up to a mini-ministerial meeting of G-20+ trade ministers being hosted by India in early September. It is at that now "pivotal" gathering that ministers will map possible avenues toward finalizing the Doha Development Agenda (DDA) i.e. by identifying the potential date for agreement on modalities as well as the beginning of the scheduling phase. As one official put it, "if trade ministers in Delhi manage to narrow their differences on substance and provide a clear path toward concluding the DDA in 2010, then Doha could be very well be on the agenda of the November 30–December 2 (2009) ministerial conference."

Even though the G-8+ statement could be seen as delaying, once more, the decision on Doha to a later stage, this time leaders have nevertheless put a great amount of pressure on their respective trade ministers to come up with a detailed roadmap. As much as Pittsburgh has become critical for the future of the DDA, the ministerial gathering in Delhi appears now to have reached a whole new level of importance, as it will set the clear path toward reaching modalities this fall as well as providing the timeline for completion of the scheduling and the conclusion of the round.

The plan, some say, is to try to conclude Doha before the U.S. mid-term election. This could pose a problem if the U.S. doesn't soon clearly outline what they are seeking from emerging developing countries – which in a sense will depend on Obama announcing concrete trade objectives in his much anticipated trade policy speech.

Nevertheless, the DG said he was “encouraged” by the signals emanating from the recent G-8+ meeting and their pledge to conclude the Doha Round next year. “I am pleased to say that we are witnessing the renewal of high-level engagement in the DDA negotiations and a genuine desire to finally bring these talks to a successful conclusion,” the DG declared.

Lamy has already asked the negotiating group chairs to produce revised texts as soon as they can, especially in areas such as trade facilitation. Agriculture Chair, David Walker, for his part, will brainstorm with Members the week of July 20<sup>th</sup>. A scheduling workshop is also planned for the same week with a subsequent transparency meeting to be held before the end of July to inform the full membership.

## Continuous Rejection of Protectionism

Besides committing on concluding the DDA in 2010, G-8+ leaders also pledged to continue to refrain from raising protectionism measures. “We reaffirm our commitment to maintain and promote open markets and reject all protectionist measures in trade and investment. We stress the importance of adhering to the standstill commitment renewed in London to refrain from measures that would introduce barriers to trade and investment and to rectify promptly any such measures. We reaffirm our request that the WTO, together with other international bodies, within their respective mandates, monitor the situation and report publicly on the adherence to these commitments on a quarterly basis.”

Nevertheless on July 6<sup>th</sup>, the USDA announced that it will extend its dairy export subsidies program for yet another year as the EU has shown no indication that it will end its own version any time soon. Lamy claimed that “at a time when the global economy is still fragile worldwide and in face of the unprecedented decline in trade flows, we must send a clear and credible message that protectionism is not the answer.” However, it doesn't look like the U.S. and the EU see it that way.

## Upcoming Events

- Agriculture Consultations (various formats) July, 2009
- Technical workshop on information for schedules, Exact date TBC
- NAMA Week, week of July 13, 2009
- Agriculture Open-Ended, TBC (toward end of July, 2009)
- APEC Meeting of Ministers Responsible for Trade, July 21-22, 2009 (Singapore)
- Trade Negotiation Committee, July 24, 2009
- General Council, July 28-29, Oct. 13-14, Dec. 17-18, 2009
- G-20 Trade Ministers Meeting, September 2009 (TBC)
- G-20 Summit, September 24-25 (Pittsburgh, USA)
- WTO Public Forum, Sept 28–30, 2009
- WTO Ministerial Conference, November 30- December 2, 2009



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