

Geneva Watch

An overview of the WTO negotiations on agriculture

Editorial: MC7 - A Necessary Evil

Approximately one hundred ministers attended the November 30–December 2nd WTO 7th Ministerial Conference (MC7) in Geneva. It's been four years – since the Hong-Kong ministerial in December 2005 – that the WTO has failed to hold such a gathering which normally takes place every two years. This, in part, was due to the Doha Development Agenda (DDA) negotiations which have been holding up the WTO calendar since then. To break that trend, Members decided to hold a drama-free ministerial gathering and the DDA was not intended to be on the agenda. The gathering was to focus solely on WTO day-to-day business, but as the Director General Pascal Lamy rightly put it, it was hard to ignore “the elephant in the room”. What Lamy wanted from ministers was simple: provide clarity and guidance on how they see engagement in the Doha negotiations post-December. But this is where things got complicated.

Like a Broken Record

Countries lined up at the plenary session to provide their full support to the eight-year-old DDA negotiations. Canada was no exception, saying that it supports an ambitious conclusion of the DDA “which would generate prosperity and speed up the global recovery.”

U.S. Trade Representative, Ron Kirk, claimed that the U.S. was “ready to move to the endgame” provided that emerging developing countries such as Brazil, India and China agree to follow the same path. “We have made our specific interest well known: that meaningful market opening is required to complete the round. And we are looking for concrete signs from other members that they are ready to join us in that commitment,” the USTR declared. To be able to sell a potential Doha deal to the U.S. Congress, the USTR has been looking for emerging developing countries to participate in the non-agricultural market access (NAMA) sectorals, particularly in the areas of chemical products, electronic and machinery goods.

Emerging developing countries took the U.S. declaration as a direct affront to them, with Brazilian Foreign Minister, Celso Amorim, accusing the U.S. of holding up the negotiations. Prior to the start of the MC7, the G-20 group of developing countries issued a statement reiterating their support to see the round concluded in 2010 taking into consideration the centrality of agriculture. The group blamed the U.S. for the negotiation blockage while rejecting the latter's call for engaging primarily in bilateral negotiations. The group also stressed the importance of letting all forms of process take place, most notably the multilateral text-based discussion.

During the plenary, Amorim told delegates that contributions made by developing countries in this round “would be greater than that given by developed countries in any of the previous negotiating rounds” thus, “it is unreasonable to expect that concluding the round would involved additional unilateral concessions from developing countries.”

China and India also lashed out at the U.S. with the Chinese saying that, so far, bilaterals with the U.S. have not been helpful, and urging the U.S. to return to the multilateral process. As for India, Commerce Minister Arund Sharma reminded attendees that Members need to continue negotiating based on the December 2008 draft modalities and asked the U.S. not to twist the development aspect of the mandate and prioritize the multilateral process.

These are direct jabs to the United States which has rejected the last draft as the basis for future negotiations. Kirk said the texts are called drafts for a reason. Not all Members agreed to those texts and South Africa, for instance, also rejected it.

Lamy urged countries to take what is currently on the table as the basis for further talks. “There is more than 8 years of work on the negotiating table (...) it contains trade-offs that you have all fought hard for, compromises you have crafted, interests you have protected,” he said, adding that “of course, the final balance needs to be found, and there is still hard negotiating ahead. (...) The moment of truth is fast approaching when you will have to decide whether the 2010 target can be met.”

The March 2010 “Deadline”

Besides the expected agreements to extend TRIPS and e-commerce moratoriums until the next (8th) Ministerial Conference takes place around the same period in 2011, the biggest decision ministers took at the end of the 3-day MC7 was to reaffirm “the need to conclude the round in 2010 and for a stock-taking exercise to take place in the first quarter of next year,” MC7 chairman, Chile’s trade minister Andres Velasco said at the end of the conference adding that “there was support for asking senior officials to continue to work to map the road toward that point.”

The suggestion was initially made by the Group of 20 developing countries whose Members agreed that there should be a multilateral opportunity, early next year, to evaluate progress made, identify remaining obstacles, and explore ways to successfully conclude the DDA before the end of 2010. Their idea was to convene another ministerial gathering sometime between the end of the World Economic Forum in Davos (January 27-31, 2010) and the 4th G-20 World Leaders Summit scheduled to take place in Canada in June 2010.

The Cairns Group also issued a communiqué backing a similar timeframe urging ministers to meet again “in the early part of next year to assess the situation and take any necessary decisions to ensure the round is on track for conclusion.”

The suggestion also pleased Lamy who defended the first quarter of next year “precisely because it’s probably the last moment in 2010 when the breakthrough could lead to a conclusion before the end of the year.”

The problem was that the U.S. was somewhat uneasy that this so-called stock-taking meeting takes place at the ministerial level. Although this may be useful, Kirk said, “we cannot confuse process and substance. All shortcuts will only lead to further delays and dead ends. There simply is no substitute for the hard work of negotiations,” the USTR claimed.

Kirk seems to be joined in his skepticism by departing EU Trade Commissioner Catherine Ashton (and soon to be replaced by Germany’s Karel de Gucht) who during her brief visit to Geneva, said she believed negotiators were already falling behind their goals of concluding the negotiations by 2010.

As a result, Ministers decided to simply call for a stock-taking meeting without specifying whether this will take place at the ministerial level or the senior officials’ level. “If the result of the stock-taking is that 2010 is not doable – which I don’t think or hope will be the case – then the question will be how do we move the process forward starting from where we will be at the time,” Lamy said at the end of the MC7. It is expected that the decision on the programme of the March stock-taking meeting will be taken at the December 14-16 senior officials meeting.

Upcoming Events

- Agriculture negotiations, informal special session, Dec 7-10, 2009
- NAMA Week, Dec 7-10, 2009
- Senior Officials Meeting (SOM), December 14-16, 2009
- General Council, December 17-18, 2009
- World Economic Forum, January 27-31, 2010
- G-20 Summit, June 2010
- Regular Agriculture Committee, March 11-2, June 10-11, September 16-17, November 18-19, 2010



Ministère
de l'Agriculture
du Canada



EGG FARMERS
OF CANADA
Dedicated to Quality



LES PRODUCTEURS
D'ŒUFS DU CANADA
Dédiés à la qualité



Canadian
Hatching Egg
Producers



Les Producteurs
d'œufs d'incubation
du Canada