

Geneva WATCH

An overview of the bilateral, plurilateral and multilateral trade negotiations

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TPP-11 Agree on List of Suspended Provisions

The Trans-Pacific Partnership’s 11 countries (TPP-11: Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, and Vietnam) announced that they have reached consensus on the “core elements” of the agreement on the sidelines of a the November 9-10 Asia-Pacific Economic Cooperation (APEC) Summit held in Da Nang, Vietnam.

The TPP agreement, which has been renamed Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), will incorporate the original TPP Agreement, with the exception of a few technical provisions such as when the Agreement becomes legally binding, and how new countries can join, the group said.

“Ministers confirm that the legal instrument proposed for the CPTPP allows the participants to act decisively in a timely manner to advance their shared objectives. Ministers reaffirm that the CPTPP demonstrates their firm commitment to open markets, to combatting protectionism, and to advancing regional economic integration,” ministers said in their statement released at the end of the meeting.

The accord will suspend 20 provisions from the original deal negotiated with the U.S. Now that the latter has withdrawn from the accord after President Trump’s arrival in the White House, the remaining countries have decided to freeze issues they thought would not need to be operational before the U.S. returns to the group. This mostly includes provisions from the intellectual property chapter, but also issues from investment and telecommunication. The group, however, decided to keep the market access concessions intact – particularly concessions made in the agricultural sectors.

In addition, ministers agreed to pursue negotiations on four specific items “to be finalised by the date of signature by consensus among all parties for suspensions to take effect.” These are State-Owned Enterprises, Annex IV,

raised by Malaysia; Services and Investment Non-Conforming Measures, Annex II raised by Brunei Darussalam in the context of its coal industry; Dispute Settlement (trade sanctions) – Article 28.20, raised by Vietnam, and finally Cultural Exception, raised by Canada.

Ministers tasked their officials to continue their technical work toward finalizing those four items, but stopped short of providing a specific date to complete this by, only committing to do so by the date of signature of the Agreement.

One Month to go Before MC11

At the end of the November 10th agriculture special session, the Chair, Ambassador Stephen Karau from Kenya, reminded delegates that they have about four weeks left before the start of the 11th WTO Ministerial Conference in Buenos Aires (Argentina – MC11). The agriculture Chair’s main goal is to present “the contours of a possible package on agriculture with a limited number of issues for the consideration of Ministers at MC11.” To achieve that, Ambassador Karau circulated a revised matrix compilation document that aims to facilitate text-based negotiations.

The first version of this matrix of proposals was handed to Members at the end of October. The Chair updated it to include several newer proposals tabled by Members:

- tariff simplification (Tunisia, October 30th)
- domestic support (Argentina, November 2nd)
- special safeguards (SSGs, the Philippines, November 8th)
- market access (Argentina, Brazil, Chile, Paraguay, Thailand, and Uruguay, November 9th)
- export prohibitions and restrictions (Singapore, November 10th)
- export competition (by Canada, Chile, and Switzerland, November 10th)

“The best way to ensure success at MC11 would of course be for Members to fully agree on a package in Geneva before leaving for Buenos Aires,” Karau stressed, adding that “depending on the issue, the envisaged outcome could be a substantive one, a post MC11 work programme or a combination of the two.”

Domestic Support

Domestic support remains the area that has gotten the most attention in the agriculture meetings in Geneva thus far. Although there continues to be differences, the issue remains the priority for the vast majority of Members.

Members, generally speaking, welcomed the MC11 host’s efforts to bridge gaps in their positions. However, some like the EU, voiced strong concerns regarding the uneven levels of concessions of the proposal, saying contribution should be proportionate. Mexico said it cannot accept having to make concessions that are greater than that of some developed countries.

Speaking on behalf of the G10, Switzerland said only a modest outcome can be considered for MC11. It doubted that Members’ divergent views on domestic support could be reconciled under this proposal, adding that many of the G10 countries would still have to make significant changes in a disproportionate way compared to those whose subsidies impact world markets the most.

Australia and Canada criticized the exclusion of both article 6.2 support and blue box support, claiming that if Members leave some elements unaddressed now, it will be very difficult to address them in the future.

Export Competition: Unfinished Business

Canada, Chile, and Switzerland circulated a proposal seeking to build upon the Nairobi Ministerial Decision on export competition to ensure that non-commercial transactions will be used to circumvent the Ministerial Decision. The group therefore called for Members to “strive towards achieving enhanced disciplines on export credits, export credit guarantees or insurance programmes, agricultural exporting state trading enterprises, and international food aid.”

PSH & SSM

The dedicated discussion on public stockholding for food security purposes (PSH) and the special safeguard mechanism (SSM) for developing countries demonstrated that Members were still far apart on both issues. Ambassador Karau reported that divergences continue to exist between those who look to exempt PSH programme from the AMS, and those looking to extend the 2013 peace clause agreed at the Bali Ministerial Conference. Canada insisted on the need for safeguards to ensure that countries do not increase applied tariffs for the products covered under PSH programmes

On SSM, discussions continue to be brief and one-sided. Proponents have started to explore “the feasibility of linking the proposed mechanism to the existing SSG to address its specific concerns,” Karau said.

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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