

Editorial: Technical Negotiations Slowly Picking Up Steam

With potentially up to five technical papers to be tabled on the special safeguard mechanism (SSM) before the end of the first agriculture negotiations fortnight, it is fair to say that the technical discussions on agriculture are slowly heating up in Geneva. The same remark could also apply in the non-agricultural market access (NAMA) area but, contrary to agriculture, the NAMA discussions have yet to address the most controversial issues (e.g. sectorals) which are crucial for Members to make the March stocktaking meeting a high-level gathering.

Agriculture Negotiations

The past week, the G-33 group of developing countries made a passionate plea for the need of an effective special safeguard mechanism (SSM). The group circulated a paper in which they claimed that so far, on this topic, discussions have shown that a huge gap still persists on “the rationale, structure and the design of the instrument.” As such, the G-33 tabled additional technical papers to respond to certain Members’ concern that the mechanism may introduce some possible disruptions in trade flows.

One such concern is the concept of “normal trade” where exporters fear that the SSM will not only be triggered during periods of import surges but also when imports increase due to normal trade growth in a given developing country. Although, Members have yet to define what is really understood by “normal trade”, the G-33 retorted that they will not be “trigger happy” while using the measure.

The SSM was the cause of the July 2008 ministerial meeting collapse and still remains a difficult subject to resolve. The blockage at the time was over import surges, and in particular over the situation where the SSM would raise tariffs above the commitments countries made in the Uruguay Round (the so-called “pre-Doha Round bound rates”). The December 2008 text proposed options for formulas for the mechanism, including possible disciplines to avoid its frequent triggering. It offered options for when the SSM raises tariffs above pre-Doha bound rates:

- when it would be triggered
- how high the tariff could go
- how long it would last
- when it could be triggered again
- whether it could be triggered when prices are not falling

The measure would be subject to a 3-year rolling average base period.

The G-33 argued that the SSM, as currently defined in the December 2008 text, is stricter than the SSG. “It is remarkable that an instrument meant to address the development concerns of most developing country members is sought to be burdened with conditions far more restrictive than those on SSG which is mainly being used by developed countries” the G-33 said, adding that according to WTO’s records, 78% of the invoked SSG measures between 1995 and 2008 (1,906 out 2,433 notified), have been done by developed countries.

The group circulated two additional technical papers on February 5th, (one on price and volume cross-check conditions and the second on seasonality) and is expected to table two others during the course of the week. Officials said Agriculture chairman, David Walker, will likely convene a small group discussion on this issue along with TRQ creation and tropical products & preferences erosion during the second week of the February fortnight.

Upcoming Events

- Agriculture Consultation, February 1-12, March 1-12, 2010
- Senior Officials Meeting (SOM), February 15-19, 2010 March 22-26, 2010
- Regular Agriculture Committee, March 11-2, June 10-11, September 16-17, November 18-19, 2010
- NAMA consultations, March 15-19, 2010
- Stock-Taking Meeting, Last week of March, 2010
- G-20 Summit, June 2010

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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