

Editorial: Desperately Seeking Political Support

With the world trade volume shrinking by 12% due to the continued aftermath of the economic crisis, it is becoming increasingly critical to solve Doha's impasse. This was pointed out stridently and often by WTO Director General, Pascal Lamy, in various forums throughout the past week. However, Lamy's latest announcement that Ministers will not be part of the end of March stock-taking meeting due to wide gaps existing among key Members' negotiating positions, has cast doubt over the possibility of achieving a deal this year. Due to this fear that Doha may be already dead, one shouldn't be surprised to see a flurry of political activism – starting with the Cairns Group ministerial meeting in April – to keep the round alive at least until the end of the year.

General Council

Addressing the full Membership during the General Council meeting on February 22nd, Lamy told Members that his consultations have led him to detect “an unwavering commitment to the progress achieved to date as the basis for entering into the last stage of the negotiations.” However this is threatened by the lack of engagement in the negotiations which ultimately increases “the risks of back-tracking,” he said.

Going through all areas of the negotiations, Lamy told the full Membership that differences between Members on outstanding issues still remain too wide. “At this stage we do not yet have a clear sense of the size of these gaps and we would certainly need to have a better sense by the stock-taking at the end of March.” As a consequence, the March stock-taking meeting which was originally set up to assess whether the DDA could be concluded in 2010 will not involve Ministers, but rather Senior Officials. “I believe that this exercise is best undertaken by Senior Officials at this stage,” Lamy said, given the need to narrow further the gaps between countries before Ministers can take it to the next level.

It is thus expected that each negotiating group's chairman will provide an update on the progress achieved thus far in their respective consultations. In addition, Lamy looks for those countries involved in the bilateral discussions – the U.S., India, Brazil and China – to debrief the Membership. “I believe that by the time of the stock-taking, and given the bilateral engagement taking place in the meantime, we should have a clearer sense from participants on the gaps in their positions as well as a clearer sense of a negotiating dynamic to address these gaps,” Lamy said.

But to the underlining burning question as to whether the talks could be wrapped up this year, Lamy stressed that this is a “judgement that belongs to Ministers” adding that given where Members stand for the moment, “it is also clear, however, that the end of March is too early” to provide a clear answer on that.

“At the stock-taking we would therefore have a better sense of where the gaps remain, the size of these gaps, as well as the dynamic to address them. This would enable you to report to your Ministers and decide after further consultations on how best to address the next steps post-stock-taking, which will need political guidance,” Lamy told the audience.

Members' Reaction

Members generally expressed frustration toward the lack of movement since the failed Ministerial meeting of July 2008. There were several comments that call for the negotiations to be continued based on the December 2008 draft modalities texts. The EU for instance said it was ready to consider some adjustment being brought to the texts, but warned against “fundamental reopening” of the draft modalities texts.

Egypt's ambassador, Hisham Badr, voiced concerns with respect to the huge gaps that exist between the political rhetoric and actual progress recorded on the ground in Geneva since July 2008 while India's Ambassador, Ujal Singh Bathia, appeared to openly question the 2010 target stressing that Members may have to consider recalibrating the objective in order to meet the 2010 goal.

The U.S., meanwhile claimed that it is still committed to the round but was not looking for any result just for the sake of having a global trade deal. U.S. Deputy Ambassador, Dave Shark, claimed that all major players should be contributing to find a balanced deal as no "shortcuts" exist.

Maybe the most thoughtful remarks came from Mexican Ambassador, Fernando De Mateo, who believed that the negotiations have gone backwards as the gaps between positions today seem to be larger than they were back in 2008 (the special safeguard mechanism issues could be one good example of that). The Mexican official believes that Members are facing three possible outcomes.

Either slowly letting the round "become even more irrelevant" as no one is going "to kill it", or suspend the talks after identifying how large the differences are among Members. The trouble with these first two options, he added, is that in the first case the WTO would lose its credibility, so will the next round of negotiations. The difficulty with the second scenario is that "the gaps now seem to be wider than in July 2008. In a year's time we may realize that they are still bigger and more difficult to resolve," De Mateo said.

The last and best outcome De Mateo said, would be to narrow Members' differences "through persistent bilateral, plurilateral and multilateral efforts" so Ministers can agree on some "gateway issues" which will pave the way for a global deal. For that to happen however, Members "need to fill the gaps through TEF: trust, engagement and, most of all, flexibility, three elements that so far have been really missing," the Mexican diplomat said.

Schedule: Agriculture Negotiations 2nd Fortnight (March 1–12, 2010)

Agriculture Negotiation Chairman, David Walker, has announced the following sessions for the full Membership for the first week of the March fortnight. Starting the morning of March 3rd, the Chair intends to pursue his consultations on templates and continue on these on March 4-5 to advance Step 2 (or the creation of the blank forms or templates) as far as possible pending the establishment of modalities.

Although the schedule for the second week of the fortnight is yet to be announced, it is expected that Walker will devote the beginning of the week to consultations on modalities or "issues bracketed or otherwise annotated" in the December 2008 drafts. Sources say the Chair is likely to focus on other open issues that have not been discussed during the first fortnight. Issues such as: cotton, the number and treatment of sensitive products (SeP), tariff capping for non-sensitive lines, the special safeguard (SSG) and blue box headroom.

Upcoming Events

- Agriculture 2nd Fortnight, March 1-12, 2010
- Regular Agriculture Committee, March 11-12, June 10-11, September 16-17, November 18-19, 2010
- NAMA consultations, March 15-19, 2010
- Senior Officials Meeting (SOM), March 22-26, 2010
- Stock-Taking Meeting, March 29- 30, 2010
- Cairns Group Ministerial Meeting, April 19, 2010 Punta del Este (Uruguay)
- General Council, May 5-6, July 29-30, Oct. 6-7, Dec.14-15, 2010
- G-20 Summit, June 26-27, 2010



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