

Geneva Watch

An overview of the WTO negotiations on agriculture

Editorial: Too Big to Fail?

Next week's decision on Doha comes down to essentially two options: either Members decide to take a pause in the negotiations given the progress – or the lack of it – achieved so far on the remaining outstanding issues or they decide to continue with what they have been doing the past few months i.e. negotiate on templates with no rush to get the remaining nuts cracked before the U.S. finally returns to the negotiating table. The one thing that seems almost out of the question is to call the whole negotiation off as this would have way too many consequences not only for the multilateral trading system but also – and more importantly – for the future of the World Trade Organization.

New Dates for Stock-Taking Meeting

The stock-taking will no longer take place on March 29-30 as previously announced by Pascal Lamy at the February 22nd General Council meeting. As the decision was made to hold the meeting at the senior officials' level, it has been thus decided to merge it back with the week of March 22nd senior officials gathering. The stock-taking meeting will likely start with a formal Trade Negotiation Committee gathering on March 22nd, and be adjourned with a similar meeting on March 26th to ratify the decision on the way forward with the Doha Round. In between these two gatherings, senior officials will hold multiple bilateral and small group meetings to advance the Doha agenda.

Don't Hold Your Breath

Ever since ministers' participation in the stock-taking had been ruled out, officials have grown pessimistic about the possibility of getting something concrete out of this end-of-March gathering, as instructed by G-20 leaders in Pittsburgh last September. Among them, former agriculture chairman, Crawford Falconer, who believes that "the March stock-take in Geneva will probably generate reams and reams of paper describing in mind-numbing detail what has been done."

"The reality is that we have not, since the failed July 2008 Ministerial made any material progress in bridging the gaps," which he claimed have actually got wider than they were in 2008. Some officials have voiced concern about the special safeguard mechanism (SSM) stressing that the discussions have returned to the pre-December 2008 revised draft text.

"It is not responsible to act like ostriches and ignore it. One would be kidding only oneself if one tried to seriously spin that into something to the effect that this amounts to significant progress. There isn't anything of that ilk under way," the New Zealand trade official claimed.

"Do not stop breathing waiting for something to happen," says one official who believes that the best Members can do is to pursue what they have been doing the past several months while waiting for the U.S. to finally "show up".

The U.S.'s Views

The U.S. Trade Representative, Ron Kirk, has expressed the same reservations with respect to the Doha Round, claiming on March 9th that Doha would hardly be concluded in 2010 but urging countries to keep on negotiating. "(...) if past is prologue, I don't know if I would put too much stock in it," the USTR said before adding that Members should not give up as a lot of good work has been done already.

A day before President Obama's speech on how to revitalize U.S. exports, Director General, Pascal Lamy went to Washington, D.C. to inquire about the Obama administration's willingness to see the negotiations coming to an end. "We are at an important juncture in the negotiations and obviously the U.S. perspective on the way forward is very important," said Keith Rockwell the WTO spokesperson. However, as the U.S. President only called for continued work on Doha without providing specific timeline or strong backing for concluding the talks this year, it was evident that Lamy was heading toward a brick wall.

In addition to Ron Kirk and Treasury Secretary Timothy Geithner, Lamy met with congressmen from the Senate Finance Committee and the House Ways and Means Committee which chair, Sander Levin, reiterates the U.S. views that “the present framework is not satisfactory” enough to get the U.S. Congress support. “In a word, there are important unresolved issues. In that respect, the bilateral discussions need to go on and I hope will be pushed by Mr. Lamy,” Levin told reporters after meeting with Lamy.

Agriculture Second Fortnight

Meanwhile in Geneva, small group consultations on substance the past week have shown no real changes in Members' positions. The only issue of substance that was up for debate in the meeting was once again the special safeguard mechanism (SSM). And once again it was a debate between two groups of developing countries: Paraguay, Argentina and Costa Rica repeated their concern that if the SSM is too flexible it will hamper south-south trade, and complained that some aspects of the proposed mechanism that had seemed to be stabilized after July 2008 were now being re-opened.

Consultations on Modalities

SSM: the G-33 urged other Members to look at the technical detail it has provided to support a more flexible version of the SSM and asked them to respond with their own technical analysis rather than with rhetoric. It has been reported that gaps were not narrowed although a number of questions were discussed. The consultation was based on two unofficial papers from the G-33 dealing with the “price and volume cross check” and on the safeguard triggered by a diminishing price.

Sensitive Products (SeP): here as well, positions have not changed, sources said. Canada and Japan are still seeking flexibility for more tariff lines to be considered under SeP. The eternal question, official said is what would be the resulting payment to be provided in return should an additional percentage of tariff lines be granted to both Canada and Japan.

Tariff Cap: Walker reported that Members are still sharply divided on this issue

Blue Box Head-Room (for the U.S.): this deals with Blue Box support for each product. Generally the limits are the average spent in 1995-2000, with adjustments if there are gaps in spending in some years. For the U.S., the limits are 10% or 20% more than estimates of maximums under the 2002 Farm Bill. The issue essentially requires political decisions as there are no technical issues to discuss according to Walker.

Cotton: Again, there were no new technical contributions here as well although all participants remain committed to a solution consistent with what had been agreed at the 2005 Hong Kong Ministerial Conference (that domestic support in cotton would be cut more deeply than for agriculture as a whole). There had been some contacts at a higher political level, which was helping moving towards a political understanding, Walker said.

Upcoming Events

- NAMA consultations, March 15-19, 2010
- Senior Officials Meeting (SOM), March 22-26, 2010
- Stock-Taking Meeting, March 22- 26, 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
- 2010 OECD Forum May 26-27, 2010
- OECD Global Forum on Trade, June 8-9, 2010
- Regular Agriculture Committee, June 10-11, September 16-17, November 18-19, 2010
- G-20 Summit, June 26-27, 2010
- WTO Public Forum, September 15-17, 2010
- OECD Global Forum on Agriculture, November 29-30, 2010