

Editorial: “More of the Same”

“More of the same” could well be the way to sum up the outcome of this week’s stock-taking meeting. No one should be surprised with Lamy’s conclusions and proposed plan for the way forward with the Doha Development Agenda. This week’s senior officials’ meeting has merely confirmed what most observers knew already i.e. that no one was ready to drop the ball or take a break from the negotiations. On the contrary, Members were called to take on their respective duties in the upcoming months and close the remaining gaps to finally reach a deal on the nine-year-old Doha Round.

After a sober recognition that a better negotiating traction was needed to help bring Doha to the finish line, Director General Pascal Lamy’s new “cocktail” hardly provided big changes in the way negotiations were undertaken the past few months. In effect, apart from the fact this new process links all areas in a horizontal negotiation – which, one could easily claim, was the task assigned to senior officials – there is virtually nothing that differs from the pre-stocktaking process, if only that the U.S., through both Michael Punke and Islam Siddiqui (respectively U.S. ambassador to the WTO and chief agriculture negotiator) are expected to be largely involved in the process now that they have been included among President Obama’s fifteen recess appointments.

Devaluated Stock

“Many eyes are on us this week,” the WTO Director General told Members at the opening of the weeklong “stock-taking” meeting which was originally directed by G-20 heads of state last September in Pittsburgh to review progress achieved in the talks and assess whether they can be concluded by the end of 2010.

The ambition has since been lowered to simply report on the progress recorded until now and identify the size of remaining outstanding gaps in all Doha’s negotiating areas and the dynamic with which to address them. This came as no surprise to anyone as the attendance of this end March gathering was slowly reduced from ministers to senior trade officials who, along with Lamy, held a series of bilateral and small group meetings during the week to brainstorm ways to get Doha Round on track again.

The stock-taking opened with a meeting of the Trade Negotiating Committee (TNC) where Lamy asked each negotiating group chairman to provide an overview of their consultations in order to provide senior officials with a “transparent basis for further reflection over the next few days.”

Agriculture Chairman, David Walker reported on his consultations on issues that are “bracketed or otherwise annotated” in the December 2008 draft modalities text as well as on the work undertaken on templates. To this point, he said Members have not been in a position to substantively resolve matters. They however considered that the work so far has been useful in framing issues in preparation for when decision can finally be taken.

Beside the so-called progress achieved on templates and some on-going exercises of clarifying how the special safeguard mechanism (SSM) will operate, there was effectively “no change in the Doha agriculture negotiations since July 2008,” Walker admitted.

This conclusion could be virtually applied to all areas under negotiation. In the NAMA, chairman, Swiss ambassador Luzius Wasescha reported that consultations and bilateral meetings on two of the most contentious issues – sectorals and case-specific flexibilities for Argentina, South Africa and Venezuela – have not yet yielded progress. The same conclusion can also be drawn from Services consultations where Chairman Fernando de Mateo claimed that little or no significant progress had been achieved since July 2008. In the case of Rules, Members are still sharply divided on series of issues including ‘zeroing’ i.e. the controversial methodology used by the United States for calculating antidumping duties against foreign products.

The state of play displayed by the negotiating group chairs led to the obvious conclusion that Members have not gotten closer to a deal on modalities since the failed Ministerial of July 2008. “We are not likely to see the type of engagement that could lead participants to negotiate compromises on these issues until the overall direction of the round becomes clearer,” summarized services negotiations chairman Fernando de Mateo.

Change in Negotiating Mode

Now that each negotiating group chair has provided the “topography” of their respective negotiating area, the overall picture is somewhat better: “we now have a clear catalogue of gaps,” Lamy said in closing the weeklong senior officials meeting. He claimed that his consultations this week have been “lucid” and although he sensed a lot of frustration coming from Members, there is a “commitment to now start working towards weaving all strings of the negotiations into an overall package,” he added before outlining a “new” negotiating approach for the coming months that will combine both political and technical processes to identify areas where possible trade-offs can be identified.

In a nutshell, Lamy suggests a “cocktail approach” that will mix three processes to be tackled simultaneously:

1. A chair-led process to continue narrowing the technical differences on the basis of the December 2008 draft modalities texts. In this context, agriculture negotiations’ chairman David Walker will consult with Members to develop a new calendar of work that will include consultations on issues such as sensitive products, SSM, tariff cap and tropical and preferences.
2. A Lamy-led process that will run through TNC meetings to ensure transparency and inclusiveness and,
3. Allow bilateral meetings (such as meeting between the U.S. and emerging developing countries) and small group horizontal meetings to identify where the possible trade-offs can be made across the negotiating subjects.

Lamy didn’t provide specificities as to which countries will be involved in the small group horizontal meetings which will aim to identify and facilitate possible options for compromises based on the negotiation’s global picture and how often these will take place.

Although most observers think that this exercise will likely involved the group of seven (U.S., EU, Brazil, India, China, Australia, Japan), it remains to be seen whether this group will be enlarged to include other key players. Lamy only said he will consult Members both in Geneva and in capitals to “explore the horizontal stage of the negotiations”.

Toward Another July Ministerial Meeting?

Members agreed to stay away from setting new deadlines. As such there was no mention as to whether the 2010 deadline to wrap up the talks was still viable although it’s a no brainer for most delegates that, past this week, it has indeed become impossible to close the remaining gaps and strike a deal in both agriculture, NAMA and other areas under negotiation before the end of the year.

Lamy, meanwhile, will pursue his bilateral consultations with ministers with the aim to keep ministers involved up to the point when they will be ready to take another shot at modalities. He is expected to increase his ministerial contacts at various upcoming ministerial gatherings taking place in the next few months, such as the Cairns Group meeting in Punta del Este in April and the OECD in Paris, in May and June, the Asia-Pacific Economic Cooperation (APEC) in Japan and the G-20 meeting in Toronto where it is hoped that significant progress will be recorded by then.

With the help of the positive forecast in world trade volumes in 2010 according to WTO economists (+9.5% rebound for 2010 after a 12.2% contraction recorded last year), Lamy hopes the improvement in world trade will have a positive impact on the negotiations. "If it turns out that more Ministerial engagement is needed, which many of you have also suggested, then we will evaluate this if and when the time is ripe," Lamy told the full Membership.

Upcoming Events

- 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, Paris (France)
- APEC Trade Ministers Meeting, June 5-6, 2010, Sapporo, (Japan)
- OECD Global Forum on Trade, June 8-9, 2010, Paris (France)
- Regular Agriculture Committee, June 10-11, September 16-17, November 18-19, 2010
- G-20 Summit, June 26-27, 2010, Toronto (Canada)
- WTO Public Forum, September 15-17, 2010
- OECD Global Forum on Agriculture, November 29-30, 2010, Paris (France)

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