

Geneva Watch

An overview of the WTO negotiations on agriculture

Editorial: The Tricky Question of Cotton

When referring to the current Doha stalemate, usually the first issue that jumps to trade observers' mind is the special safeguard mechanism (SSM) for developing countries or the U.S.'s request for additional industrial market access into emerging developing countries. Oftentimes, the issue of cotton which was to be treated "ambitiously, expeditiously and specifically" as stated in the 2005 Hong Kong Declaration, comes after. Yet, substantive progress in that area of the agriculture negotiations has so far not been reported. Some will claim, and with reason, that the issue is more of a political nature than technical. Indeed, part of the problem lies with "when" serious discussions on this tricky question will in fact be tackled. At the Director General's Consultative Framework on cotton held on June 7, Brazil, India, and China stressed that no successful conclusion of the Doha Round would be reached unless the cotton problem is solved. In light of the difficulties observed in finding a solution to the trade dispute between Brazil and the U.S. – with the latter preferring to provide \$147.3 million annually to Brazil's cotton sector instead of reforming its \$3B average annual subsidies it provides its sector – some fear that the Round may then have to wait until U.S. lawmakers find a WTO compatible solution to its cotton subsidies which is unlikely to come before 2012 – another important electoral year.

APEC Members Reiterate Doha Support

The last of a series of trade mini-ministerial meetings before the G-20 Summit in Toronto on June 26-27 came to an end this Sunday in Sapporo, Japan, where trade ministers of the Asia Pacific Economic Cooperation delivered a rather weak message supporting a swift conclusion of the nine-year-old Doha Development Agenda (DDA).

This year's gathering was more about the so-called "Bongor Goals" – which aim to liberalize trade and investment by 2010 for APEC's developed members and 2020 for developing countries of the 21-member coalition – than it was about the Doha agenda, even though Director General Pascal Lamy attended the event.

Nevertheless, on the DDA, trade ministers repeated their "strong commitment to the multilateral trading system" and "unwavering determination to bring the Doha Development Agenda to a successful conclusion as soon as possible," without suggesting a timeline to do so.

An informal trade negotiations committee is scheduled for Friday June 11, where Lamy is expected to debrief the full membership on the content of his ministerial consultations since the end of March stock-taking meeting and seek their guidance before heading to Canada to attend the G-20 summit where sources say leaders are expected to hold working lunch on trade.

EU & Latin America Countries Officially Ratify Banana Deal

On May 31 the EU and the 11 Latin American countries (Brazil, Colombia, Costa Rica, Ecuador, Guatemala, Honduras, Mexico, Nicaragua, Panama, Peru and Venezuela) officially ratified the banana deal which first tariff cut entered into force as of June 1, 2010. Under the deal the banana tariff went from 176€/ton down to 148€/ton.

Under the agreement, the banana tariff would continue its gradual downward spiral toward a smaller tariff of 132€/ton in 2013 after which point the subsequent tariff cuts would depend onto whether Doha's modalities have been reached, in which case the tariff would be set at 114€ per ton in 2017 or would reach that mark two years later, in 2019, should a deal on modalities is not struck by 2013.

Upcoming Events

- OECD Global Forum on Trade, June 8-9, 2010, Paris (France)
- Regular Agriculture Committee, June 10-11, September 16-17, November 18-19, 2010
- Informal Trade Negotiations Committee, June 11, 2010
- G-20 Summit, June 26-27, 2010, Toronto (Canada)
- Agriculture Consultations, July 5, 2010
- General Council, July 29-30, Oct. 6-7, Dec. 14-15, 2010
- WTO Public Forum, September 15-17, 2010
- G-20 Summit, November 11-12, 2010 Seoul, (South Korea)
- OECD Global Forum on Agriculture, November 29-30, 2010, Paris (France)

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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