

## **Editorial: 2013 the Providential Year?**

If there is one date that caught everybody's attention after the G-20 Summit in Toronto this past weekend, it has to be the date: 2013. By 2013, developed economies of the G-20 committed to fiscal plans that would see their respective deficits cut in half. In the area of trade, the group pledged to refrain from raising new protectionist measures until the end of 2013. For some trade observers, the 2013 deadline may also be the date when Doha Round will finally enter into effect, assuming of course that Members are successful in reaching a deal by the end of 2011. However the latter's planning was not up for discussion this weekend, only set aside for the 2<sup>nd</sup> gathering of the G-20.

## **G-20 in Toronto: An Uneventful Summit**

Heading to the G-20 in Toronto, the WTO Director General, Pascal Lamy, had one objective in mind: that leaders send a signal that they are "ready to spend political capital at home to get the Doha Round to the finish line." This, he said "would be the most powerful signal that the G-20 remains committed to an open and sustainable economy."

The problem, and Lamy knows it, is that in these tough economic times dominated by high unemployment rate and budget constraint, it is hard to see Doha making significant headway on the G-20's agenda.

That said, the WTO boss had some good news to report, that pertained to protectionism – "the only crisis dog that did not bark so far" – given the relatively limited new protectionist measures implemented by the G-20 which have impacted on less than 1% of world trade flow since 2008.

Although G-20 Members once voiced the need to go beyond only refraining from implementing new protectionism measures, what they agreed to do this weekend in Toronto was no more than an extension of the timeline of the promise made in London a year ago (April 1-2, 2009).

This time around, the G-20's leaders considered 2 options. The first was to agree on a new compromise not to implement new protectionist measures until an agreement on the Doha Round is reached, which some thought might be a bit risky given the state of the negotiations; and a second option – the retained one – calling for an extension until the end of 2013 of the commitment not to raise "new barriers to investment or to trade in goods and services, imposing new export restrictions, or implementing WTO inconsistent measures to stimulate exports," which may coincide with Doha entering into effect assuming a deal is reached by the end of 2011.

However, as Lamy acknowledged, "today the Doha negotiations are in an impasse" and Members are "staring at each other waiting for the other side to move first." Lamy had hoped that the Toronto gathering would provide the political impetus needed "to get back to the kitchen in Geneva" so that by the time of the second G-20 Summit of the year in Seoul "we can sound the bell of the last lap in the Doha negotiations," he told a group of G-20 business leaders.

Unfortunately for Lamy, this was not the case. As expected, leaders agreed on a weak declaration on Doha, pledging to bring the Round "to a balanced and ambitious conclusion as soon as possible, consistent with its mandate and based on the progress already made."

In reality the round is stuck and a deal seems impossible until the U.S. and emerging economies such as China, India and Brazil come to an agreement on market access.

In Toronto, U.S. President Barack Obama called for significant changes to the negotiations, claiming that what is currently on the table is not sufficient for his country. On the other hand China handed the blame back to the U.S., arguing that it is the latter that is blocking progress in the negotiations.

The Final G-20 communiqué calls for Members to use “all negotiating avenues” to end the deadlock and to report on progress achieved at the next G-20 meeting in Seoul, where the status of the negotiations and the way forward are expected to be discussed more seriously.

## Agriculture Schedule

In Geneva, Agriculture Chairman, David Walker, finally circulated his plan for the next the Agriculture Negotiations week. The chair said he will hold meetings open to the full membership the mornings of July 6, and July 9, 2010.

The purpose is to continue work on templates picking up from the discussion held at the last meeting on this issue (May 21). As per usual the chair will also continue his discussion on substance or “issues bracketed or otherwise annotated,” during the week.

## Upcoming Events

- Agriculture Consultations, July 5, 2010
- NAMA consultations, week of July 12, 2010
- General Council, July 29-30, Oct. 6-7, Dec.14-15, 2010
- WTO Public Forum, September 15-17, 2010
- Regular Agriculture Committee, September 16-17, November 18-19, 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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ISSN 1496-9254

