

Geneva Watch

An overview of the WTO negotiations on agriculture

Editorial: What's Brewing in Geneva?

With a New Year comes a new opportunity to conclude the Doha Development Agenda (DDA) as has been the case each of the past five years or so, one could say ironically. But this time though, it is serious and rightfully so. Members have, effectively, a full year to come up with an agreement or otherwise face the “painful” reality of seeing the Round frozen for another year (or two) due to important elections in 2012 – which in turn, is likely to prompt the inevitable consequences of seeing the DDA drifting, past WTO Director General’s second term at the helm of the organization (2013). A scenario Lamy is aware could very well happen, which is why he is lobbying all Members to intensify the negotiations the first quarter of 2011.

Already, there are almost non-stop meetings planned until mid-February, starting the week of January 10th with the negotiating groups on Rules, Trade Facilitation, Trade and Environment, trade-related aspects of intellectual property rights (TRIPS) and Development. Agriculture, non-agricultural market access (NAMA) and Services will follow the week of January 17th, followed by senior officials’ gatherings (Jan. 24-25), Green Room meetings with key ambassadors (Jan. 26), the annual Davos roundtable and a potential G-7 (Australia, Brazil, China, EU, India, Japan and the U.S.) ministerial meeting between January 28-31.

But why so many movements for a month which traditionally doesn’t see negotiations start before the end of the World Economic Forum? A question of legacy at stake maybe? No doubt!

But to keep things simple, the Deputy U.S. Trade Representative’s assessment says it best: “I think the answer is that we've run out of time,” ambassador Punke told reporters last week. “I think the logistics of the negotiation catch up with us in that there’s a lot of labor intensive work to be done even after we have that attitudinal breakthrough that we are going to really engage in negotiations,” he continued. “If we are serious about taking advantage of this 2011 window of opportunity, it means that we meet every day. And if we squander the next month, from my standpoint it probably makes it very difficult as a practical matter to conclude this year.”

The tone is given; now let’s see how this plot unfolds.

U.S. v Emerging Countries

As a preview to the intensive talks that are expected to take place the first quarter of this year, U.S. ambassador to the WTO, Michael Punke, reiterated the need for Members to start negotiating “immediately” if they want to conclude the Doha Round within the 2011 window of opportunity.

“I firmly believe that we can have a successful outcome of the round this year “if” (...) we start immediately negotiating, doing the work that has to be done,” Punke declared on January 13th.

All eyes are on all of the Doha Development Agenda (DDA) major players, and particularly, on the emerging developing countries (Brazil, China and India) that have, up to this point, refused to enter discussions on industrial product sectorals.

The U.S. official stressed that he is “somewhat disappointed” with the three emerging economies’ attitude. So far all bilateral meetings on sectorals – issue of critical importance for the entire negotiations to move forward – have not produced any significant progress. Punke said the U.S. has sought additional market opening in sectors such as chemicals, industrial and agricultural machinery and electronic goods and although there was “a bit of glimmer of hope” at last December’s bilateral meeting with China in Washington. The Chinese Trade Minister, Chen Deming, told U.S. trade Representative, Ron Kirk that China is willing to look at sectorals but no substantive discussions had taken place.

“China is the second largest chemical producer in the world. It’s the fifth largest chemical exporter in the world. One of the things that the U.S. is asking of China is that it provides the same access to the Chinese market for U.S. chemical exporters that we provide to China for Chinese chemical exporters,” Punke said, adding that the same exact thing is expected from Brazil – which has recently raised its tariffs on certain products, a move Punke described as a sort of “stick in the eye” of Brazil’s trade partners – and India which keeps sending mixed signals regarding its readiness to effectively engage in the negotiations.

Moreover, the U.S. ambassador said he has yet to hear from the three developing countries on the Japanese basket approach proposal to resolve the sectoral stalemate.

“We have not even heard yet from the emerging economies whether something like the product basket approach is even in the abstract, even in a hypothetical sense, a construct for having a discussion about sectorals. That’s enormously frustrating.”

It is clear that Brazil, China and India do not want to enter the sectorals discussion for various reasons and one being that their participation is deemed to be voluntary. But, for the U.S. ambassador, emerging countries’ commitment to further open their market is central for the DDA success. Simply put: “whether or not we’ll succeed in Doha remains the question of whether the emerging economies are prepared to accept the responsibility that comes along with their position in the global economy, Punke bluntly stated. “If they’re prepared to accept that responsibility, we’ll have a successful outcome. If they’re not prepared to accept that responsibility, we won’t.”

“There’s an awful lot of work to be done and if we aren’t beginning to engage in that work immediately it will be very difficult to take advantage of 2011 as a window of opportunity,” the U.S. trade envoy warned.

Davos not a negotiating meeting

Punke dismissed the importance of the upcoming mini-ministerial meeting in Davos (January 29th) which is expected to bring together 20-plus Trade Ministers to discuss the fate of the Doha Round and whether it could be concluded this year.

“I don’t expect that there will be a substantive breakthrough in Davos,” the U.S. official said partly because its format does not allow any give-and-take discussion to take place. Indeed, in the past, Ministers attending the Davos ministerial gathering were given a two-minute time to make a brief statement on the negotiations.

Meanwhile, “what can be signaled at Davos and what we’ll be listening for is that attitudinal shift (...) and whether ministers are expressing a willingness to engage immediately on the substance of the negotiations,” Punke explained. “If that’s the case then I think we can get a very meaningful signal out of Davos.”

Agriculture week

Agriculture negotiations’ chairman, David Walker informed negotiators of his plans for the week of January 17-21. As expected, meetings will start with an open-ended gathering of the full Membership the afternoon January 17th. There, delegates will be invited to report on developments since the last agriculture consultations and to present any new documents they wish to table to advance the talks.

The chair will continue his consultations on modalities issues throughout the week, and wrap-up this first week of agriculture talks with another informal meeting of the full membership on January 21st to debrief Members on his consultations.

Upcoming Events

- Agriculture, NAMA and Services Negotiating Group Meetings, January 17, 2011
- Senior Officials Meeting January 24-25, 2011
- World Economic Forum, January 26 - 30, 2011, Davos (Switzerland)
- G-5 Ministerial Meeting, Date TBC Brussels (Belgium),
- Informal Trade Negotiations Committee, February 2, 2011
- 2nd Agriculture Negotiating Group Meeting, Early February , 2011
- Regular Agriculture Committee, March 31, 2011; June, September and November 2011
- Revised Draft Modalities Texts, End of March 2011
- G-20 Summit on Agriculture, June 2011 Paris (France) (TBC)
- WTO Ministerial Conference (MC8), December 15-17, 2011

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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