

# Geneva Watch

*An overview of the WTO negotiations on agriculture*

## **G-20 proposals and Trade Facilitation**

Although most Members welcomed the G-20 proposals on TRQ administration and export competition, sources say the WTO secretariat has yet to receive a formal request to start drafting the requested studies. The G-20 suggested that the WTO secretariat produces studies updating Members on the use of export competition (export subsidies, export credits, export credit guarantees and insurance programmes, states' trading enterprises and food aid). Brazil said it would like to see more studies done in this area of the agriculture negotiations to enhance the overall level of understanding of the Hong Kong Declaration.

The Brazilians also want to address the problems of persistent under-filled TRQs (i.e. when the fill rates are below 65% for 3 consecutive years) and find solutions to resolve them. However, China is said to be still considering the paper on TRQ administration and is unlikely to respond soon as the country possesses a TRQ of 5 million tons of wheat for which the fill rate is only at 10%, officials said.

New Zealand Ambassador John Adank is expected to call small group meetings on these issues in the coming weeks, leading to another open-ended session of the full Membership toward mid-November, one WTO official said.

Meanwhile, the G-20 looks to table a proposal on trade facilitation. The TF negotiating group has reported little progress after this past week's discussion. Some see this file as the one area that could be delivered early. Members are expecting a revised consolidated text for the week of October 15<sup>th</sup> that would take into account the latest changes discussed so far. The negotiating group is also looking to increase its negotiating pace in the coming months.

## **Members agree on Services' Architecture**

The 19 Members (Australia, Canada, Colombia, Costa Rica, European Union, Hong Kong, Israel, Japan, Mexico, New Zealand, Chile, Norway, Panama, Peru, South Korea, Switzerland, Taiwan, Turkey and the United States) taking part in the services plurilateral talks – the so-called International Services Agreement (ISA) – reached an agreement on some pieces of the future services deal.

The group agrees to blend the U.S.'s and the EU's proposed approaches with respect to the coverage of the future ISA deal into one so-called "hybrid approach". The U.S. wanted the negotiations to take place under a "negative list" whereby Members will agree to liberalize all services sectors except those specifically exempted. The EU meanwhile, advocated for a "positive list" where market access commitment will only be undertaken on a list of pre-agreed sectors only.

The hybrid approach would combine both by adopting a negative list on national treatment commitments – where each member of the group would benefit from the same treatment a given country provides its own services suppliers except for areas excluded from the list – and a positive list on new market access pledges on sectors specifically designated by each country.

The other aspect of the accord is the commitment to base the future agreement on Article V of the General Agreement on Trade in Services (GATS) which is designed to avoid "free riders" benefiting from the agreement. The group also agreed to multilateralize the agreement once a "critical mass" of countries involved in services trade is attained although Members have yet to agree on what would constitute a "critical mass".

The group will continue its discussion by holding two rounds in early November and December and look to accelerate the pace in 2013.

## Upcoming Events

- CETA, Weeks of October 15–24, 2012, Mid-November, 2012 (TBC)
- Services Plurilateral, November, 2012
- Regular Agriculture Committee, November 14-15, 2012
- TPP Round XV, December 3–12, 2012, Auckland (New Zealand)
- WTO General Council, December 19-20, 2012

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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