

Topics discussed at the 71st Regular Meeting of the WTO Committee on Agriculture and at the 2013 Public Forum

This report,¹ prepared by the Center for Strategic Analysis for Agriculture (CAESPA) of the Inter-American Institute for Cooperation on Agriculture (IICA) presents the main topics discussed at the 71st Regular Meeting of the Committee on Agriculture of the World Trade Organization (WTO), held on September 26, 2013 in Geneva, Switzerland. It also outlines the main issues addressed during the WTO 2013 Public Forum, which took place on October 1, 2 and 3 of this year.

I. Topics discussed at the 71st meeting of the WTO Committee on Agriculture²

A document recently published by CAESPA outlining the procedures for holding meetings of the WTO Committee on Agriculture³ explains the nature of those meetings and how they are organized.

The issues discussed at the 71st Regular Meeting of the Committee on Agriculture were the following:

A. Issues addressed in the first part of the meeting: the review process

All points related to commitments for the application of the Uruguay Round Reform Program were addressed, in accordance with paragraphs 1 and 2 of Article 18 of the Agreement on Agriculture. A table with the issues raised is presented below:

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² For further information about the issues addressed at previous meetings, see the following link: <http://www.iica.int/Esp/Programas/AnalisisEstrategico/Paginas/Normativacomercial.aspx>

³ <http://www.iica.int/Esp/Programas/AnalisisEstrategico/Paginas/Normativacomercial.aspx>

Table 1. Issues raised by countries and country consulted

Country raising issue	Country consulted	Issue
European Union	Croatia	Statement by European Union on accession of Croatia
United States	Brazil	Brazil's domestic support programs ⁴
Canada	Brazil	Brazil's trade and industry policy
New Zealand	Canada	Canada's dairy policies
United States	China	China's domestic support for cotton
United States	Costa Rica	Costa Rica's compliance with its AMS commitments ⁵
Canada	India	India's National Food Security Bill
United States	Indonesia	Indonesia's stockholding programs
Canada	Korea	Korea's domestic support for pork and beef
United States	Saint Lucia	Saint Lucia's domestic purchase requirements for poultry and pork meat
United States and Canada	Thailand	Thailand's rice paddy pledging scheme
United States	Turkey	Destination of Turkey's wheat flour sales
Canada	Ukraine	Ukraine's state regulation of production and realization of sugar
Canada	United States	United States' refined sugar re-export program

Source: WTO.

With respect to notifications subject to review, the table below shows the issues and the countries regarding which questions were raised during the meeting:

⁴ The WTO defines domestic support as any domestic subsidy or other measure that maintains producer prices at levels above those prevailing in international markets.

⁵ Refers to the annual level of support, expressed in monetary terms, provided for a basic agricultural product, or non-product specific support provided in favor of agricultural producers in general, other than support provided under programs that qualify as exempt from reduction under Annex of the WTO Agreement on Agriculture.

Table 2. Issues raised during the review of notifications and consulting countries

Consulting country	Issues
Chile and El Salvador	Notifications ⁶ on imports under tariff and other quota commitments ⁷
European Union	Notifications in the context of special safeguards ⁸
Argentina, Brazil, Chile, Indonesia, Jamaica, Nicaragua, St. Vincent and the Grenadines, Chinese Taipei and Zambia	Notifications related to domestic support commitments
Uruguay	Notifications related to new or modified domestic support measures exempt from reduction
European Union and Israel	Notifications related to commitments on export subsidies ⁹

Source: WTO

The following countries also submitted notifications for review during the meeting, although no other country raised questions about these:

Table 3. Notifications reviewed at the meeting.

Countries	Subject of notification
Japan	Notifications in the context of the special safeguard
Switzerland and Zambia	Notifications related to domestic support commitments
Chile, Dominican Republic, Japan, Jordan, Mali, Peru, St. Vincent and the Grenadines, Chinese Taipei	Notifications related to commitments on export subsidies

Source: WTO

⁶ The WTO defines notification as a transparency obligation requiring the governments of member countries to report trade measures to the relevant WTO body, if the measures might have an effect on other members.

⁷ Refers to the application of a lower tariff rate to a specific quantity of an imported good. If a country importing the good exceeds this quantity, it may do so provided that it pays a higher tariff. This type of quota is permitted by the WTO.

⁸ Is applied to the agricultural sector. A temporary increase in import duty to deal with import surges or a fall in prices, under special provisions of the WTO Agreement on Agriculture.

⁹ The WTO defines this as: "Economic advantage that a Government offers directly or indirectly to producers of certain **goods** or services to improve their competitive position." Some economic support measures are prohibited because they distort trade (export subsidies and domestic subsidies) and others are subject to reduction commitments.

B. Issues addressed during the second part of the meeting: other issues within the Committee's sphere of competence

The issues addressed during the second part of the meeting included the following:

- Members¹⁰ submitted their contributions to the annual monitoring exercise of measures resulting from the Marrakech Decision on net food-importing developing countries (NFIDCs), in line with Article 16, paragraph 2, of the Agreement on Agriculture.

In the specific case of international organizations with observer status, the only two entities that submitted contributions were the United Nations Food and Agriculture Organization (FAO) and IICA. The Institute gave an oral presentation of its submission to all WTO members, which was published by the WTO with as document G/AG/GEN/111. This document is available at: <http://www.iica.int/Esp/Programas/SeguridadAlimentaria/Documents%20Seguridad%20Alimentaria/IICA%20Decision%20Marrakech%202013.pdf>

- WTO member countries renewed IICA's status as *ad hoc* observer in the Committee on Agriculture for another year.
- Mr. Guilherme Marquardt Bayer, current Chairperson of the Committee on Agriculture, presented an annual report to the Council for Trade in Goods.
- Given that the Ninth WTO Ministerial Conference will take place in Bali, Indonesia, on December 3-6, 2013, the next Regular Meeting of the Committee on Agriculture, which had been programmed for November 2013, was postponed until January 29, 2014.

II. Issues addressed at the WTO Public Forum 2013

This section outlines the main issues discussed at the WTO Public Forum held on October 1, 2 and 3 of this year. The nature and scope of this event are described below, together with its implementation, the theme chosen by the WTO for this year and IICA's interest in this event.

¹⁰ Includes member countries of the WTO and international organizations with observer status.

A. General aspects of the WTO Public Forum

1. Nature and scope of the event

The Public Forum is an annual event organized by the WTO with the aim of encouraging many different sectors of society (from non-governmental organizations to the business community) to discuss the development of world trade and propose improvements to the multilateral trade system.

The first event of this type took place in 2001 and for five years was known as the “Public Symposium.”

The thirteen public forums organized to date have addressed issues such as innovation in trade, the crisis of multilateralism, solutions to the challenges facing trade, the forces that configure trade and the WTO in the 21st century, among other topics.

2. Implementation

This section describes the way in which the Forum is organized and implemented:

- a. Invitation to panelists: Six months prior to the event, the WTO extends invitations to all sectors of the community to participate with a talk or presentation of interest to them and related to the theme and sub-themes of the respective Public Forum.
- b. Provisional agenda: Approximately two months before the event, the WTO sets a provisional agenda with possible discussion panels (topic, organization, speakers) and invites the entire community to register for the event.
- c. Implementation of the event: For three consecutive days, several simultaneous sessions are held at the WTO headquarters in Geneva, Switzerland. Each day, around 13 talks or working sessions, averaging two hours each, are held, in which three to six speakers and a moderator participate.

B. WTO Public Forum 2013: “Expanding Trade through Innovation and the Digital Economy

1. Theme for 2013: Innovation and the Digital Economy

This year the Forum took place on October 1-3, with an estimated 1,600 participants from non-governmental organizations, academia, intergovernmental organizations, businesses, media organizations and civil society in general.

For this year’s event the WTO chose a theme related to the new world context, characterized by innovation and the digital economy, in which trade relations and the standards that govern them are evolving.

Trade liberalization has contributed to the development and dissemination of innovation and new technologies that have radically transformed the economy. Nowadays, societies and economies are increasingly interconnected, given that the exchange of goods and services takes place by digital means. Furthermore, production and processes are influenced by technological advances such as robotics and biotechnology. Such rapid changes mean that economies of scale are replacing economies of scope, something that will have major effects on trade patterns. These changes are also beginning to be reflected on the consumption side, with more and new consumers who are better informed and more demanding. The debates at this forum revolved around the question of how the future of world trade will look in an era characterized by innovation and digitalization.

2. Panels of interest to IICA

The Forum included 53 discussion panels on a wide range of topics, such as boosting growth and trade through innovation; the energy trade; disseminating innovation and technology; value chains; data protection and the digital economy; e-trade; climate change and the green economy; inclusive growth; the trade in services; food reserves; trade facilitation; the Doha Round and the Bali Round, among others.

IICA attended the following panels or working sessions:

a. Made in the world: how can trade policy be adapted to global value chains?

This panel, organized by Business Europe, consisted of six presentations that addressed the following topics: a) trade facilitation and its role in value chains, b) the role that the WTO could play in value chains, c) the role of

businesses in value chains, d) new trading patterns and the way in which trade is currently quantified, e) challenges facing countries as regards trade policies to promote their integration or improve their position in value chains and make them more accessible to people, and f) the role of regional trade agreements in value chains and international trade regulations.

In response to questions from the public, other issues were addressed, such as the role of China, the United States and the European Union in value chains; the protectionist policies adopted by many countries as a reaction to the economic crisis; incorporating developing countries into value chains and the potential benefits they could obtain; etc.

The main conclusions were:

- a) Value chains are a tool for promoting open trade; therefore, it is important that more countries participate and that there are fewer barriers.
- b) Achieving free trade requires countries to be willing to advance toward a trade facilitation agreement in which the leading economies spearhead a process aimed at making progress; however, the main challenge facing all economies is to achieve consensus and promote domestic negotiations.
- c) It is necessary to wait for the results of Bali to discuss specific actions and agreements on trade facilitation.

b. Connecting the last mile: innovation and the rural poor

This panel was organized by the Grameen Foundation, which focuses on creating business opportunities in rural areas of Africa, Asia and Latin America to contribute to alleviating the poverty of many families in those areas. The session consisted of three presentations given by speakers representing the different businesses that comprise the Foundation.

The Grameen Foundation believes that appropriate education is fundamental to help people enter into the digital economy. To this end, it is essential to fund the democratization of digital technologies, microfinance and other tools necessary to enable rural peasants to have their own businesses.

In some rural areas of Africa and Latin America, the Foundation has provided mobile connectivity at very low prices, which has been key to providing farmers with information (for example, meteorological and logistical) as well as alternatives for paying off loans for small rural

businesses. However, the main challenges are to improve literacy, strengthen the physical and technological infrastructure, eliminate vandalism and strike a balance between the social and economic objectives of businesses.

c. *Global value chains: opportunities for trade and the environment*

Four speakers representing the academic, business and intergovernmental sectors participated in this panel, organized by the Trade and Environment Division of the WTO Secretariat. In the areas of trade and environment, the challenges are to limit increases in production costs and prices and ensure greater availability of products for the trade of green technologies.

Several issues were discussed, including: the benefits available to small economies from value chains in environmental (green) technologies; the potential repercussions of value chains on trade and environmental policies; ways in which the WTO can contribute to the dynamics of value chains; domestic and external challenges facing countries (i.e. management, technical capacities, tariffs, subsidies, consistent policies, etc.); challenges facing the trade in green technologies as a development strategy; and some suggestions to improve this development strategy in the DC.¹¹

d. *The Ninth WTO Ministerial Conference: development perspectives*

This working session organized by the Commonwealth Secretariat, included presentations by several speakers from the academic and intergovernmental sectors. The talks focused mainly on the concerns, needs and recommendations of the WTO's least developed countries (LDCs) which will be discussed at the Bali Conference, to be held in December 2013. Many of these revolve around 28 proposals made at the Cancun Conference (2003) and the review of the monitoring mechanism for the special and differential treatment (SDT) provisions. Basically, the LDCs are calling for standards and commitments by all WTO Members to help them predict trade flows and to make the trade system simpler and more predictable (fewer restrictions).

¹¹ DC: Developing countries.

e. *Making the digital economy work for small businesses: customs and delivery services as trade enablers*

The speakers of this panel, organized by eBay and the Universal Postal Union (UPU), included representatives of intergovernmental organizations, specifically the UPU, the Organization for Economic Cooperation and Development (OECD), the World Bank (WB) and the World Customs Organization (WCO). The private sector was represented by the firm eBay and the International Chamber of Commerce (ICC).

The main priority areas in trade facilitation are related to implementation by developing countries. This requires a more transparent, simpler and more automated system (at borders), which differs from current measures.

The speakers discussed the main challenges facing small and medium-sized enterprises (SMEs) in the process of integration into value chains, including: the number and complexity of the documents required; taxes and levies; limited training; poor communication between the public sector and SMEs with respect to procedures; and in general, the limited consideration given to the needs of SMEs in agreements and procedures, since all the challenges mentioned increase operating costs which translate into higher prices to the consumer. In order to begin to tackle these obstacles, it is necessary to build trust and develop public-private partnerships, for example in cross-border cooperation.

The panelists also noted that technology transfer and the expansion of the postal system to more remote areas have become increasingly important to agricultural trade and rural populations. However, major challenges remain in aspects such as the regulation of e-trade, shipping and logistical costs, the standardization of labeling regulations, label tracking and traceability and price comparability, etc.

f. *Innovative agricultural production technologies: a global approach to increasing production, enhancing food security and improving food safety*

The presentations at this working session organized by the International Food and Agricultural Trade Policy Council (IPC) were given by professionals of the intergovernmental, business and governmental sectors.

The talks focused on the importance of innovation for agriculture with the aim of creating value chains. A space was also dedicated to biotechnology and

genetic engineering, the importance of knowing the history and development of these areas and their importance for agriculture and international trade.

Decisions on innovation for agricultural value chains are made difficult by the complexity of the agricultural sector, its many activities and domains. Innovation is a means to increase competitiveness which influences incomes, natural resources management, information and food security. For this reason some countries have different regulations on the production and commercialization of products to which genetic modification technologies have been applied.

Finally, the speakers discussed the topic of the bio-economy, the importance of technological innovation to enable agriculture to benefit from the green economy and the opportunities offered by the economic context and the environment.

The panels in which IICA representatives participated were selected on the basis of their relationship to the topics discussed at the Forum and IICA's own areas of interest, including trade and international trade standards, natural resources and climate change, rural development and technological innovation. Due to limitations of space, this newsletter is unable to refer to all the topics covered by the panels, but these may be discussed in future newsletters and documents of CAESPA and the WTO-IICA Reference Center.

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