

## **Sources: Deadline for WTO fisheries outcome likely to be pushed to 2020 ministerial**

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GENEVA -- The December deadline that World Trade Organization members have set to reach an outcome in fisheries subsidies negotiations is not likely to be met, according to sources here who said it is expected to be pushed back to the next ministerial in June 2020.

Members have been negotiating how to reduce or eliminate subsidies for illegal, unreported and unregulated fishing, with the goal of an outcome by December. Success in the fisheries talks is seen as critical for the credibility of the WTO, whose negotiating arm has been largely stalled for years. The talks are also seen as a bellwether for determining if the WTO can still establish new rules on a multilateral basis. Not arriving at an outcome in the fisheries negotiations would undermine the credibility of the WTO, multiple Geneva sources have said.

But members are not on track to deliver an outcome by December, Geneva sources told Inside U.S. Trade. “By December, it’s almost impossible,” one source said.

Sources did suggest there was still momentum behind the talks and said members remained committed to reaching an outcome.

Negotiators are meeting once again this week, but a slew of challenges in the talks has been exacerbated by the absence of a negotiating chair. The sources said the loss of the previous chair -- Mexican Ambassador Roberto Zapata, who stepped down over the summer after a change in administration in Mexico -- was a big blow given Zapata’s experience and respected presence.

Last month, India rejected the Brazilian ambassador, who most other members supported, as the new chair. India, an outspoken defender of special and differential treatment, did not agree with Brazil’s position on the issue, sources said. Earlier this year, Brazil announced it would forgo -- at the behest of the U.S. -- seeking special and differential treatment in future WTO negotiations.

The Sri Lankan and Jamaican ambassadors have also been floated as negotiating chairs, but neither have been agreed to. Sources said no one else is in the pipeline as of Wednesday.

Members have yet to decide what approach they might take in any final agreement. The U.S. and Australia, for example, have proposed a tiered cap system, while others, like Japan, argue that such an approach would be too sweeping. Some members have also put forward the idea of an “early harvest” deal covering the least controversial topics by the deadline, to be followed by a

more comprehensive deal. The U.S. has said it only wants an agreement if it will be a meaningful outcome.

Also tripping up talks is the extent to which any outcome would include carveouts or flexibilities for special and differential treatment. India has proposed several

exemptions to various fisheries restrictions that other members have criticized as loopholes that would encourage the types of subsidies the negotiators hope to ban.

The U.S. has criticized the practice of members self-declaring as developing countries, which allows them to access special and differential treatment.

According to the U.S., large economies like China and India are hiding behind their developing status to avoid taking on additional commitments. The U.S. has pushed for a fisheries outcome that would apply to all members.