

## The TPP: Doomed to fail?

Don't just blame the stalling on US-Japan agricultural hurdles.

Embassy

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At the World Trade Organization's 2011 Public Forum, the WTO's director general at the time, Pascal Lamy, explained that old trade negotiations never die; they simply never end. The Doha Round, launched in November 2001, is still on life support. The United States and others made it clear at a retreat earlier this week that Doha is not doable with its current mandate.

Mr. Lamy, the venerable old soldier of trade wars and negotiations, who for years sprinkled perfume on the rotting corpse of the Doha negotiations, has no intention of fading away, at least not quietly.

New and ambitious negotiations have been launched in smaller groups to tackle issues the full WTO membership cannot. These efforts too have encountered problems. In a recent [Wall Street Journal blog](#), Mitsuru Obe asked if the Trans Pacific Partnership negotiations risk a Doha-like fate. Perhaps, but it is too soon to say.

On a recent visit to Australia, Mr. Lamy brutally damned the TPP with the faintest of praise. His comments characterized the TPP as [obsolete and irrelevant](#). Is this a fair comment or ill informed? It does ask a very relevant question: is the TPP worth the effort?

Mr. Lamy says the TPP is the last of the big, old-fashioned trade agreements, making it obsolete even before it is completed and signed. To him, tariffs are like long-dead, still-twinkling stars. But the TPP is still on the rocks over market-access issues—read tariffs. Some farmers attach much more importance to tariffs than Mr Lamy appears to.

United States farm groups have urged Congress to exclude Japan from the TPP if it does not agree to full liberalization of all agricultural trade.

But Japan is the brass ring on the TPP carousel. It is too important to exclude. Deputy chief Japanese negotiator Hiroshi Oe has made it clear Japan is not negotiating with US stakeholders.

Excluding Japan has no traction. It is a non-starter. The US has invested too much credibility in selling the big deal. An underwhelming result would be dead on arrival in Congress. Others too might conclude that TPP gains for them are not worth the concessions.

### A dangerous signal

[New Zealand Trade Minister Tim Groser suggests](#) that even if the TPP is not concluded, elements of it will live on in other agreements including the Free Trade Area in the Asia-Pacific, and the Chinese-led Regional Comprehensive Economic Partnership.

This is a dangerous signal. It is not like Mr Groser to be pessimistic about any trade negotiation. Is New Zealand concerned that its demands for dairy access will not be met?

Mr. Lamy suggests that these old-fashioned trade negotiations “make ambassadors happy.” It appears making ambassadors happy is not very important to Mr. Lamy. Was it ever among his priorities at the WTO?

Ministers are important for injecting political will into negotiations and engineering 11th hour compromises. Ambassadors make the WTO tick. WTO ambassadors advise trade ministers. Ignoring WTO ambassadors is folly.

According to Mr. Lamy, the Transatlantic Trade Investment Partnership shows the way to conclude 21st century agreements. In fact, the chapter headings in TPP, TTIP and CETA, the Canada-European Union Comprehensive Economic and Trade Agreement, are quite similar. Mr. Lamy seems to believe that the US and EU will have an easier time negotiating TTIP than the 12 members of the TPP will in their efforts to bridge the Pacific.

Public reaction in the EU on TTIP is similar to civil society reactions to CETA in Canada. TTIP will not be an easy sell to non-corporate European stakeholders. We may yet see comparisons of TTIP to Doha—or Doha and TPP.

The TPP is not doomed to failure but the negotiations are not in an end game.

Much of the blame for recent delays has been attributed to US-Japan differences over sensitive agricultural products. This is disingenuous. All participants have problems, but they are quick to hide behind the US-Japan impasse.

Don't sell the TPP short. It is potentially a groundbreaking, cutting-edge trade deal. The issues and the depth of commitment as well as differing abilities to accept the commitments have complicated and delayed the negotiations.

Australian Trade Minister Andrew Robb predicts conclusion by the end of [2015](#). This is the latest target following predictions for 2012, 2013 and 2014. I believe Mr. Robb's prediction is realistic, but there is a long way to go. And there will be little real movement until after the US midterm elections.

Closure could happen faster if the participants could be flexible enough to reach mutually unsatisfactory compromises. While reduced ambition will facilitate agreement, it will also disappoint some stakeholders. At the end of the day, US stakeholders and legislators could give the TPP a failing grade.

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