



International Centre for Trade
and Sustainable Development

Bridges

Daily Update

Issue 11

WTO Mini-Ministerial, Geneva

30 July 2008

WTO MINI-MINISTERIAL: THE DAY AFTER

Trade ministers at the WTO on 30 July started to pick up the pieces the day after a high-profile summit collapsed without an agreement on world trade.

WTO Members expressed a desire not to abandon the Doha Round negotiations, nor to lose the progress they had made towards an agreement on cutting tariffs and farm subsidies during nine days of intense negotiations.

"We were very close to finalising modalities in agriculture and [non-agricultural market access]," Director-General Pascal Lamy told the Trade Negotiations Committee Wednesday morning, in a reference to the framework deals governing tariff and subsidy cuts that governments had hoped to strike. He said that "a huge amount of problems which had remained intractable for years have found solutions," even though the talks ultimately ran aground on the extent to which developing countries would be able to protect farmers from import surges under a 'special safeguard mechanism' (SSM).

Lamy called for Members "to seriously reflect about if and when we can jump the obstacle of what was not possible this week."

He acknowledged that "perhaps the dust needs to settle a bit" before countries can decide on how to proceed with the Doha agenda, but urged Members to preserve "the progress we have made in agriculture and NAMA" and other areas of the talks. "This represents thousands of hours of negotiation and serious political investment by all the Members of the WTO," he said. "This should not be wasted."

Several Members expressed disappointment that the recent 'mini-ministerial' meeting had ended in a

breakdown, making it the third such collapse in the past three summers.

On behalf of the group of African WTO Members, Uhuru Kenyatta, Kenya's deputy prime minister, told journalists prior to the TNC that "most of the key issues of interest to the African continent were not even discussed," at the summit, especially cotton, which is slated to receive deeper-than-normal subsidy cuts. "Africa critically needs to realise development and get itself out of poverty through the establishment of fair trade rather than aid," he said. "Africa's opportunity to achieve fair trade has therefore been gravely undermined by the lack of progress in these negotiations."

In separate press conferences on 30 July, US Trade Representative Susan Schwab and Indian Commerce Minister Kamal Nath traded insinuations that the other had been taking unacceptable stances on the SSM. But both stressed the importance of the WTO, and called for a clear path forward for the negotiations.

Chinese Deputy Trade Minister Li Enheng told the TNC session that "the major developed Members need to play in particular genuine leadership in the negotiations rather than in any unhelpful activities with a view to shifting responsibilities onto others, including through the media." The US has implied that China, along with India, was responsible for the breakdown.

In general, however, Members expressed a desire, echoed by Lamy, not to "throw in the towel" on the global trade talks.

Nevertheless, the path towards putting the negotiations back on track is unclear. Lamy announced that the chairs of the committees on agricultural and industrial goods

trade will soon issue "state-of-play" reports capturing progress that had been made before the talks fell apart.

But even this will not be straightforward. Argentina noted that it was not willing to work on the basis of the texts currently on the table, especially on non-agricultural market access (NAMA). A number of delegations have expressed dissatisfaction with some of the compromise parameters that Lamy put to Members on 25 July, as well as with the fact that certain countries, particularly the US, sought to present it as a "sacrosanct" or "take-it-or-leave-it" package.

As for the future, USTR Schwab suggested at a press conference Wednesday that she was open to taking a more piecemeal approach to the talks. There are "some discrete parts of the package that have been negotiated or have almost been negotiated, or where there is a consensus, that I think you could move them forward," she said, tentatively identifying duty-free and quota-free access for least-developed countries, export competition, trade facilitation, and environmental goods and services.

Choosing to move ahead in the talks on a disaggregated basis would require a consensus decision among all WTO Members. That could prove difficult, given the varying degrees of importance that different

governments assign to particular issues. Indian minister Nath implied that there would be resistance to dismantling the Doha Round package, given the institution's traditional 'single undertaking' approach, under which 'nothing is agreed until everything is agreed'. "The WTO is not a buffet that you pick up what you want and go," he said.

Also unclear is the status of a deal on banana trade struck between the EU and a group of 11 Latin American nations. The EU, which had promised in that agreement to slash its banana tariffs by 62 euros per tonne over seven years, insists that that accord was part of the Doha Round talks, and thus, in the absence of a Doha agreement, is now moot. The Latin American banana exporters, however, see the matter differently. Colombia told WTO Members on Wednesday that it considered the banana deal, which followed over a decade of trade disputes between Brussels and the Latin Americans, to be a stand-alone agreement.

ICTSD reporting.

www.ictsd.org

BRIDGES Daily Updates are available in multiple languages on the ICTSD website at www.ictsd.org. ICTSD's Weekly and Monthly publications are on the ICTSD website.