



Joint Degree in Political Economy Solvay Brussels School & Georgetown University Universite Libre de Bruxelles 42 AV. F. D. Roosevelt, CP114/3 B-1050 Bruxelles Belgium

13. The Doha Round Tomás García Azcárate



The mandate: more of the same

Part XII: Article 20 back to top Continuation of the Reform Process

Recognizing that the long-term objective of substantial progressive reductions in support and protection resulting in fundamental reform is an ongoing process, Members agree that negotiations for continuing the process will be initiated one year before the end of the implementation period, taking into account:

(a) the experience to that date from implementing the reduction commitments;

(b) the effects of the reduction commitments on world trade in agriculture;

(c) non-trade concerns, special and differential treatment to developing country Members, and the objective to establish a fair and market-oriented agricultural trading system, and the other objectives and concerns mentioned in the preamble to this Agreement; and

(d) what further commitments are necessary to achieve the above mentioned long-term objectives.



The negotiating groups: a complex world

The European Union

The United States of America

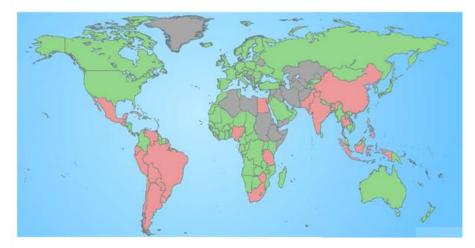
G-10: mainly Developed countries, net importers of agricultural products and strong supporters of their farm sector

Island, Israel, Japan, Democratic Republic of Korea, Liechtenstein, Mauritius island, Norway, Switzerland and Taiwan.



The negotiating groups: a complex world II

G-20: Developping countries requiring important concessions on agriculture from the developped countries and few commitments for developping countries: Argentina, Bolivia, Brazil, Chile, China, Cuba, Ecuador, Egypt, Guatemala, India, Indonesia, Mexico, Nigeria, Pakistan, Paraguay, Peru, Philippines, South Africa, Tanzania, Thailand, Uruguay, Venezuela, Zimbabwe <u>Carte 1</u> : G20 - coalition de PED souhaitant des réformes de l'agriculture dans les pays développés et une flexibilité pour les PED



- Membre du groupe
- Non membre du groupe mais membre de l'OMC
- Non membre du groupe, non membre de l'OMC



The negotiating groups: a complexWorld IIICarte 2E Groupe des 90 - groupe africain + ACP +PMA

G-90: want to maintain or increase their preferential access to developed countries markets. Afraid of trade erosion. ACP countries + less Advance countries

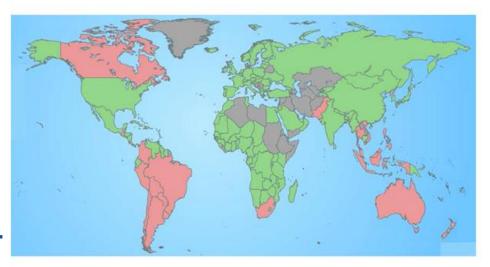
- Membre du groupe
- Non membre du groupe mais membre de l'OMC
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The negotiating groups: a complex world IV Carte 3: Le Groupe de Cairns des pays agro-

Cairns Group: Self called "fair trader": Argentina, Australia, Brazil, Canada, Chile, Colombia, Costa Rica, Guatemala, Indonesia, Malaysia, New Zealand, Pakistan, Paraguay, Peru, Philippines, South Africa, Thailand, Uruguay, Viet Nam.

exportateurs



- Membre du groupe
- Non membre du groupe mais membre de l'OMC
- Non membre du groupe, non membre de l'OMC



The negotiating groups: a complex world IV

G-33: Developing countries for a limited opening of their agricultural markets: Antigua and Barbuda, Barbados, Belize, Benin, Bolivia, Botswana, China, Congo, Côte d'Ivoire, Cuba, Dominica, Dominican Republic, Ecuador, El Salvador, Grenada,Guatemala, Haiti, Honduras, India, Indonesia, Jamaica, Kenya, Korea, Madagascar, Mauritius, Mongolia, Mozambique, Nicaragua, Nigeria, Pakistan, Panama, Philippines, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Senegal, Sri Lanka, Suriname, Taipei, Tanzania, Trinidad and Tobago, Turkey, Uganda, Venezuela, Zambia, Zimbabwe

<u>Carte 4</u>: Le Groupe des 33 : PED souhaitant une ouverture limitée de leurs marchés agricoles



- Membre du groupe
- Non membre du groupe mais membre de l'OMC
- Non membre du groupe, non membre de l'OMC



The negotiating groups: a complex world V

Cotton-4: West African coalition seeking cuts in cotton subsidies and tariffs: Benin, Burkina Faso, Chad, Mali

In Geneva, they called for the elimination in three years of subsidies on cotton production by developed countries and the establishment of a financial compensation mechanism for damage suffered by African producers during the transitional period. In Hong Kong, this group, supported by the rest of the developing countries, asked the United States to provide quick answers to this file. Indeed, US producers receive subsidies higher than the GDP of Burkina Faso (country where more than two million people depend on cotton to survive).



The negotiating groups: a complex world VI

Many others coalitions: Friends of Fish (FoFs), W52" sponsors (geographical indications); Friends of Anti-Dumping Negotiations (FANs); NAMA-11 (for limiting market opening in industrial goods trade); Tropical products (more market access); Low-income economies in transition...

A country is often member of several groups



Calendar I: 1999 Seattle

. The negotiations never started





Calendar II: 2001 Doha (Qatar)

Real start. Supposed to be ended by 2005. Issues negotiated: agricultural and manufacturing markets, trade-in-services (GATS) intellectual property regulation (TRIPS) Official target: A Doha Development Round to acheive trade rules fairer for developing countries



Calendar III. 2003 Cancun

No agreement, even on a framework to continue the negotiations





Calendar IV: 2004 Geneva

EU openness on export refunds

Agreement on the July Package (<u>Framework</u> <u>Agreement</u>): broad guidelines for completing the Doha round negotiations



Calendar V: 2005 Hong Kong

End of EU export subsidies by 2013 Industrialized countries should open their markets to goods from the world's poorest nations (Everything But Arms approach) No major progress but a lot of good will, despite the fact that the US will not renew the Fast Track Promotion Authorities



Calendar VI: 2008 Geneva

Falconer's first draft modalities on the table The negotiations collapsed on 29 July over issues of agricultural trade between the United States, India, and China on special safeguard mechanism (SSM) to protect poor farmers by allowing countries to impose a special tariff on certain agricultural goods in the event of an import surge or price fall



Calendar VII: 2013 Bali Package

• Trade facilitation: lowering cross-border tariffs and other regulations which impede international trade. Could be as much as 50%.

• Public storage for food security in developing countries (a major Indian issue): "provisional" agreement ... until a definitive final agreement is achieved



Calendar VIII: 2015 Nairobi "minimum" agreement I

- Developing country can use a special safeguard mechanism;
- Bali Agreement on Public Storage for Food Security confirmed
- Engagement to negotiate a permanent solution to public stocks for food security purposes
- *Improve rules of origin for the poorest countries*



Calendar VIII: 2015 Nairobi "minimum" agreement II

• Elimination of export subsidies, immediate for developed countries; end-2018 for developing countries.

• On cotton: disciplines and commitments made will be immediately implemented by developed country Members and by 1 January 2017 at the latest by developing countries.



Conclusion: An impossible task I

An agreement requires the unanimity of all members, including Cuba, Venezuela, Ecuador, Iran, Syria...

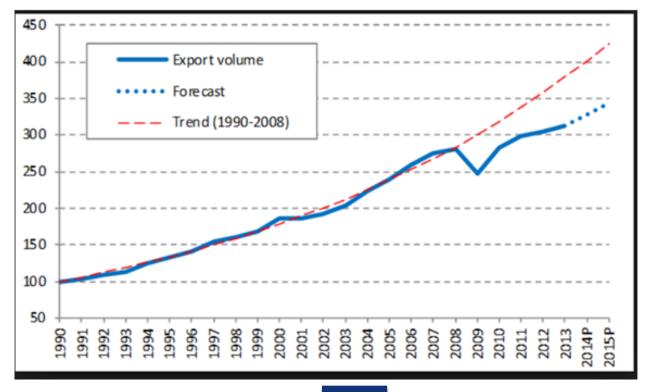
The world has changed: today China, Russia, Brazil, India ... are also major players, in addition to the US and Europe

Many countries have created groups in order to increase their influence as we have seen



Conclusion: An impossible task II?

China and India are the big winners from the current rules:





Conclusion: An impossible task III?

- Why would they accept a change to the rules? How many concessions did they need in order to compensate for the opening of their agricultural, industrial and services markets?
- 700 million Chinese farmers! 500 million Indian farmers! Political, geographical, social risks.



Conclusion: An impossible task IV?

US: is only able to offer limited agricultural concessions but claims for massive market opening for agriculture, industry and services... elsewhere

US: Trump administration unpredictable but not open trade oriented

EU: The good guy in the negotiating room

Failure in multilateral negotiations => surge in bilateral discussions







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