

## **Editorial: Is it Time for the WTO to go to Plan B?**

“We will have to look if there is a Plan B. We are already planning now to look at what should come next.” These are the words of a fervent Doha Round supporter, European Trade Commissioner Karel De Gucht. For the EU high official to make such a declaration says a lot about the state of the Doha Round. That being said, even if the negotiations are in an “extremely difficult situation,” a Plan B – which translates as a Doha “Light” – could prove to be even more difficult to elaborate. Besides, not all pro-Doha Members are ready to abandon its original mandate without a fight. This is the case of Australia – arguably the Round’s biggest cheerleader – which is not ready to throw in the towel and consider a Plan B. Informed sources have indicated that the Australians have drafted an open letter seeking clear support of the Doha Development Agenda and will be looking for endorsement from others. We can expect Members – especially key ones – to sign on in order to avoid taking the blame for the potential death of the Round.

## **Agriculture Fortnight**

Walker told the full membership at Friday’s open-ended meeting that he hasn’t seen anything new that could lead him to change the 2008 agriculture draft modalities text. He said he will submit his negotiating group’s “contribution” to the Trade Negotiations Committee (TNC) on April 21<sup>st</sup> – the targeted date for all negotiating groups to submit revised drafts, chairs’ reports or some other way to describe the latest situation – on the basis of discussions that occurred since the last draft modalities text was released back in December 2008.

In a fax sent to delegations on April 8<sup>th</sup>, WTO Director General, Pascal Lamy said, “documents which will represent the product of the work” undertaken in each negotiating group will be released on April 21<sup>st</sup>. However, Lamy did not mention whether these “documents” will actually be revised texts, simple reports or a blend of the two. The latter, meanwhile, seems to be the option favoured by Agriculture and NAMA chairs for obvious reasons.

In this regard, Walker warned Members not to expect any surprises from him, reiterating his strong commitment to stick rigorously with input derived from the bottom-up approach process.

During this latest fortnight, discussion in the Room E focused on one new proposal submitted by the Philippines on the special safeguard mechanism (SSM) for developing countries with low, legally bound maximum tariff rates (average bound rate of 40% or less) on agricultural products. Officials say, the Philippines – supported by Barbados – stressed that developing countries with low bound rates face volatile prices and import quantities and need extra flexibility allowing them to raise the tariffs as a safeguard more than currently prescribed in the draft.

Walker said discussions on this have not led to any conclusions as some objections were also raised by exporting developing countries.

Cuba, who wants Walker to include its call for special provisions to allow longer repayment periods for export credit due to special circumstances the country faces, particularly with the U.S. embargo, said it has made progress in its consultations with Members on this issue.

The EU, India and Norway reported on meetings they have organized with groups of Members on value-of-production data, some of which will be attached to the modalities to show where these countries’ domestic support limits come from, and for clarifying ambiguous or unclear parts of the draft on domestic support and market access.

Work on the data has progressed, but time will be needed for countries to verify the data. As for clarification, work has not yet reached the stage where the results can be shared with the full membership, India reported.

## No Surprises Expected

As stated above, most observers believe “documents” the texts, reports and sometimes a mix of the two are highly unlikely to bring any substantive changes to the 2008 drafts, except perhaps for Non-Trade Barriers (NTBs) in NAMA and trade facilitation.

As far as Agriculture is concerned, the draft 2008 text is not expected to change much, unless one considers as revised text, a document that only featured changes in commas, one trade observers remarked.

“My own conclusion from those consultations is that, as yet, I have not seen any solution to any of those outstanding issues having been presented through those consultations. Nor have I seen any clearly defined further option on those issues at the present time,” he told the full membership. “I am aware that people continue to work constructively on a number of those issues in order to identify possible options for bridge-building, problem solving solutions, but as I say none of that has visibly appeared, yet.”

The texts, meanwhile, are likely to be accompanied by a cover letter from Lamy describing the state of play in the negotiations resulting from his confessionals with the G-7.

Lamy has also indicated that Members will collectively consider the way forward at an informal TNC meeting scheduled for April 29<sup>th</sup>. After that meeting, Walker will consult the agriculture negotiating group on the next steps and will consider any guidance resulting from the TNC meeting. “I think we have done a lot of good work, and we continue to do a lot of good work,” Walker said.

“It seems to me that perhaps it's a little bit like some agricultural products: they germinate away under the ground and all of a sudden they spring forth, and if the weather is right they will bloom and grow,” said Walker. “So, I'm looking forward to that phase of our work as soon as it can be reached. And meanwhile, you'll be able to read and study, I'm sure, my document on the 21<sup>st</sup>, and I will look forward to working with you after Easter from that point,” Walker told the full membership.

## Upcoming Events

- Director General Confessionals, April 20, 2011
- Revised Draft Modalities Texts, April 21, 2011
- Informal TNC, April 29, 2011
- WTO General Council, May 3-4, July 27-28, October 12-13, December 1-2, 2011
- APEC Ministers Responsible for Trade Meeting, May 19-20, Montana (U.S.)
- OECD 50<sup>th</sup> Anniversary Forum and Council, May 23–27, 2011, Paris (France)
- Regular Agriculture Committee, June 23, September 29, and November 2011
- 37<sup>th</sup> G-8 Summit, June, Deauville (France)
- G-20 Summit on Agriculture, June 22-23, 2011, Paris (France)
- Third Global Review of Aid for Trade, July 18-19, 2011
- Potential Doha Round Mini-Ministerial Meeting (Modalities), July 2011 (TBC)
- WTO Public Forum, September 19–21, 2011
- G-20 Summit, November 3-4, 2011, Cannes, (France)
- APEC Ministerial Meeting, November 11, 2011
- WTO Ministerial Conference (MC8), December 15–17, 2011

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