

## **Editorial: Mounting Concern Regarding Process**

This week's consultations revealed the severe gap that exists between world leaders' declaration to conclude the round in 2010 and the actual progress made on the ground by Geneva-based officials. Although Members generally agree to step up their technical work in the fall, it is still very unclear if major players – namely the U.S. – are ready to engage in serious negotiations. This uncertainty is strengthened by the continued delay of President Obama's address on trade that will likely clarify the US' position on the current Doha process. This, combined with the continued refusal by emerging developing countries to enter into direct head-to-head discussions with the US on market access – especially sectoral initiatives in the NAMA discussion – at this point in time, highlights the increasing concern as to how Members will succeed in closing the gaps in time to allow the talks to conclude in 2010.

## **Agriculture Open-Ended**

The July 23<sup>rd</sup> open-ended meeting of the full membership was rather short. Chairman David Walker outlined his plans for holding meetings more intensively after the summer break.

Walker has been invited by Indian Commerce Minister Anand Sharma to attend the September 3-4 Delhi mini-ministerial meeting. He has stated that he will resume his consultations as soon as he returns from Delhi. Starting the week of Sept. 7, the Chair intends to hold some consultations on the remaining outstanding issues in the modalities draft - including points where Crawford Falconer identified the need for further work, i.e. sensitive products: tariff quota creation, and designation and SSM.

The week of September 21<sup>st</sup> will be devoted to continuing the technical workshop on schedules. This past week's meeting on the same subject was described as a useful start in compiling questions. "People had more questions than answers," Walker declared.

In sum, the Chair plans to continue working on two issues simultaneously: modalities, and understanding how the scheduling phase works. The G-33 meanwhile reminded the Chair that designing the schedules of commitments should not sideline the modalities. The group reiterated their call for more work on the special safeguard mechanism (SSM).

## **Scheduling Workshop**

Members have started technical work on identifying what data will be needed for their commitments to cut tariffs, expand tariff rate quotas (TRQs), reduce domestic support and eliminate export subsidies. This is only the start of what could become a lengthy technical process, though at this stage, the aim is only to identify questions on what data will be needed and when. This will serve as homework as delegates will use the summer break - August and early September to respond to scheduling related questions and produce any others they may have missed.

Walker told delegates that they have to work under the assumption that the negotiations are heading for a rapid conclusion. Thus, he has scheduled a second meeting on this issue to take place the week of September 21<sup>st</sup> at which point Members will draw up "templates" i.e., electronic forms or tables for spelling out the commitments, together with accompanying tables containing the data used to calculate the commitments. At this stage, the actual commitments will be left blank, but some of the data to be used to calculate the commitments will be produced in advance.

## Trade Negotiations Committee

At an informal Trade Negotiations Committee meeting on July 24, DG Pascal Lamy told Members that “the best way to keep trade open is to keep opening trade, hence the need to conclude the Doha Round as soon as possible.”

“(…) I sensed a genuine and strong renewal of political commitment to re-engage in the Doha negotiations and to conclude it in 2010. It is clear that for political leaders we are now entering the end-game. Therefore, we need to urgently translate this change in atmospherics into a clear path for engagement across the board in the negotiations in Geneva so that we can get to the arrival point on time. My sense, from my recent discussions with a number of you is that it is important that we end July with a clear view of the next steps,” the DG told officials.

Lamy’s view is to continue with the so-called 2-track approach where both bilateral and multilateral discussions would take place on issues that remain outstanding which include: SSM (especially the architecture), cotton, issues related to sensitive products, preference erosion and tropical products, TRQ expansion, and tariff simplification. More horizontal processes to address political sensitivities across the board have to be put in place from September on, he said.

In response to Lamy’s plan, former Agriculture Chairman and current New Zealand senior trade official, Crawford Falconer, commented on the process. Falconer claimed that Members are currently confused about how to move forward, and that there is a lack of clarity as to how the whole process would evolve in the coming weeks and months.

On the two track approach, Falconer remains skeptical about its potential outcome claiming that it is unclear whether progress would be gained via bilateral negotiations (as promoted by the US) or multilateral talks (that seem to be favored by developing countries). A strategic vision needs to be developed in order to bring Doha to a close. “We are in a grave situation because of lack of clarity and appropriate strategy on how to conclude the Doha talks,” Falconer said.

Most Members agreed with the former Chair’s blunt analysis of the situation as there is a clear mismatch between the political support expressed in Singapore, L’Aquila and Paris and actual progress made in Geneva, sources said. As one Australian delegate put it, an “embarrassing gap between political support and progress in Geneva” persists. There are still many technical issues remaining that Ministers cannot deal with.

Where Members differ most is on the sequencing and timing of the talks, one WTO official said. Should we still aim for Agriculture and NAMA first or worry about how Services, Rules, etc. would fall, knowing that if we want to conclude by 2010, progress will be needed in the other areas of the negotiations. Although most acknowledged the usefulness of both bilateral and plurilateral discussions, some nevertheless feared that they would be left out or forced to accept a deal which they have not been involved in.

## Upcoming Events

- Agriculture Consultations, week of September 7, 2009
- Technical workshop schedules, week of September 21, 2009
- General Council, July 28-29, Oct. 13-14, Dec. 17-18, 2009
- G-20+ Trade Ministers Meeting, September 3-4, 2009 (Delhi)
- G-20 Summit, September 24-25 (Pittsburgh, USA)
- WTO Public Forum, Sept 28–30, 2009
- WTO Ministerial Conference, November 30 – December 2, 2009



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