

## WTO, the last chance?

### **To release Doha round**

29/06/2006: WTO members are gathering in Geneva to try to relaunch Doha round of liberalisation of the exchanges, started in 2001. The objective of this round was to support the development of the poorest countries by a better integration to world trade in order to reduce poverty.

The objective of the June meeting, presented as the last chance for multilateralism, was to obtain assessed decisions on 3 main points in the negotiation : the reduction on customs dues on agricultural and industrial products and the amount of agricultural subvention reductions in opposition to the the agreement signed in Hong Kong in December 2005 in relation with the subventions for export)

### **Difficult decisions**

For UE everything is depending on US position, especially in regards with its agricultural support.

US and Brazil, as well as other agricultural products exporters, are expecting the offer of UE regarding a reduction of customs dues. This is particularly delicate for Switzerland and G10, as they massively import agricultural products and for this reason wish a high protection of their own production.

The developed countries want G20 (emerging countries under the lead of Brazil) to open their market to industrial production imports.

### **The agriculture, dossier which poisons the Doha round**

The 760 parenthesis that we can find in the preliminary version of the text on agriculture are as much as litigious points. This also shows that there is nearly no agreement on the current agenda.

From June 29 onwards, the 6 main forces in presence (US, UE, Brazil, India, Australia and Japan) separated without any single sign of their will to progress.

The margin manoeuvres of M. Mandelson (European Commissar in charge of trade) are quite reduced as France was opposed to new concessions that would have questioned the Common Agricultural Policy.

### **The scarecrow of 2007**

Next electoral deadlines in Brazil, in US and France made more difficult, week by week, to solve the crisis and the possibility to find an agreement.

Time is very short from now to the expiration in June 2007 of the possibility for Bush administration to negotiate in the name of the Congress. The TPA (Trade Promotion Authority) is actually an American law that gives the President the right to conclude trade agreements without any possibility for the Congress to amend the same.

### **Agricultural supports provoke the failure of trade liberalisation**

As he couldn't release the discussions and find out the good formula on agricultural issues, M. Lamy (general director of WTO) was forced to suspend the Doha Round on July 24.

This failure was that much resounding that the G8 leaders, gathered in St Petersburg one week before, had called to fix the main lines of consensus from now to mid of August in order to conclude the negotiations before the end on 2006.

## Who is the responsible?

Each delegation has rejected the responsibility of the failure on the others. US, inflexible on the support to its agriculture has deceived UE.

The UE was ready to ignore the warnings of FRANCE whom estimated that the European Commissar went to the extreme limits of its mandate.

Strong tensions have shown the important divergences in between the WTO members in regards to the priorities for development, with a strong accent placed on access to markets.

### Position of the MIJARC & the FIMARC

"Time has come to accept the failure of Doha agenda and to insufflate a new breath in regards with multilateral trade agreements, capable to serve the needs of development and to put the human being at the centre of trade policy".

Since many years, FIMARC and MIJARC have been insisting on the necessity to include those 2 pre-request, the needs of development and the central place of human being at the hart of the negotiation.

The failure just happened to the WTO, in its attempt to find out an agreement on the 3 points of the negotiation agenda of June, is the real proof that without taking those criteria's into account, no sustainable and convenient negotiation can be reached.

We could be happy of this failure because up to certain extend it's better not to sign negotiation that could have bad effects in a short term especially for developing countries.

The re-start of the negotiation, said M. Lamy will be possible only "when members countries will be ready to play a real game". In his mind, US should compromise to reduce their domestic supports, Europeans to reduce their customs on agricultural imports and the emerging countries, such as Brazil, India and China, to do the same for industrial products.

We support this position, hoping that the members countries of WTO will be able to re-start the negotiations, respecting their compromises and putting as first criteria food sovereignty of the countries, in order to create a trade organisation that really takes into account the interests of the poorest and allows them to satisfy their basic needs to live a dignified live.

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