“Doha stalemate: Implications and ways forward”

CSEND Policy Brief, Geneva, August 2011[1]

The Doha Development Agenda (DDA) launched in 2001was supposed to achieve further trade liberalisation while at the same time taking into account the needs of developing countries. Ten years have passed since its inception. No end of the Round is in sight and the possibility of a full failure looms in the background. This policy note addresses the following questions: Why does the DDA seem to evolve towards failure? What could be done to rescue the Doha Round?

What was the objective of Doha and what is at stake?

The Doha Round (named Doha Development Agenda-DDA) was launched in Doha (Qatar) in November 2001 to specifically address the needs of developing countries.[2] The focus of the DDA negotiations has been on improving the access to global markets for all WTO member countries and to ensure that the new liberalisations of the global economy takes into account the needs for sustainable economic growth in the developing countries.[3]

The Geneva Ministerial of the Doha Round in July 2008 came very close to an agreement on modalities covering tariff cuts for industrial goods and agricultural products. In particular, a comprehensive package of agricultural reforms in developed countries and the removal of almost all remaining tariffs for industrial goods between developed countries was near completion.

Unfortunately, contrarient positions in agriculture and non-agricultural products (industrial goods) could not be reconciled. In regard to agriculture, developed countries like the US and the European Union were keen to protect their farmers through special safeguard measures from sudden surges of

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[1] Trade Policy Analysis written by Prof Raymond Saner, Director, Diplomacy Dialogue and Mario Filadoro, Trade Analyst, CSEND-TPGP.

[2] For an analysis of the origins of the Doha Round see Harbinson (2009), “The Doha Round: “Death-Defying Agenda” or “Don’t Do it Again”?”, ECIPE Working Paper 10/2009. Available from: http://www.ecipe.org/publications/ecipe-working-papers/the-doha-round-a-death-defying-act/PDF

[3] See European Commission DG Trade website http://ec.europa.eu/trade/creating-opportunities/eu-and-wto/doha/

imports from exporters of agricultural bulk commodities like Brazil, Argentina making an agreement impossible.[4]

Another area of no agreement was industrial goods (non-agricultural market access, NAMA) where developing countries (mainly the emerging economies India, China and Brazil)[5] were requested to offer tariff cuts for market access of industrialized goods of countries like the US, EU and Japan . Some important differences remain among WTO Members over the level of ambition in NAMA sectoral negotiations. There are "fundamentally different views on the ambition provided by the cuts of industrial tariffs under the Swiss formula on whether the concessions offered between the different members are proportionate and balanced including concessions offered in other sectors."

Ten years have gone by since the launch of the DDA. The perception is pervasive that if the current window of opportunity is not seized, the WTO rule book and negotiating agenda will not be able to keep up with the fast changing global economy. As The Economist puts it, the US sees Doha "as its final opportunity to get fast-growing emerging economies like China and India to slash their tariffs on imports of industrial goods, which they have reduced in previous rounds but remain much higher than those in the developed world. The USA wants a deal approaching parity, at least in some sectors, because it reckons its own low tariffs leave it with few concessions to offer in future negotiations rounds. Emerging economies however insists that the Doha round was never intended to result in such harmonization of tariffs. These negotiation positions are fundamentally at odds with each other."[6] The seemingly un-compromising positions have hardened as the emerging economies have become some of the world's biggest trading economies.[7] In addition, developed countries are also requesting to get substantial market access for the services sector in developing countries, particularly in the emerging economies who in turn have not offered market access commitments sufficiently large to satisfy most of the developed countries..

Another important obstacle is the recent disagreement among some WTO members concerning the composition of the "LDC package" and other subjects[8]. As reported by ICTSD, the "US argued that new rules limiting government support to the fisheries sector were ready for inclusion in a December package, but Japan and Korea, which have resisted strong disciplines on fisheries subsidies, rejected these requests.

Other topics put on the table for the December 2011 MC include trade facilitation, updating provisions on special and differential treatment for developing countries, agricultural export

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[4] *Ibid.*

[5] For an analysis of the positions of China, India and Brazil in the DDA negotiations, please refer to the following links: http://www.nsi-ins.ca/english/pdf/China%20at%20Doha.pdf; http://www.cuts-international.org/pdf/India_CPP.pdf; and http://www.nsi-ins.ca/english/pdf/Brazil%20at%20Doha.pdf, respectively.

[6] See The Economist article "The Doha round: Dead man talking", April 28th 2011, http://www.economist.com/node/18620814

[7] See New York Times Editorial "Saving the Doha Round", April 28th 2011, available from http://www.nytimes.com/2011/04/29/opinion/29fri2.html

[8] See ICTSD, Bridges Weekly Trade News Digest, June 2011. Available from http://ictsd.org/i/news/bridgesweekly/107865/

support, provisions on regional trade agreements or liberalized trade in environmental goods and services.” These additional topics are also in need of agreements.

Views of the Final Deal based on Bargaining and Game theory concepts

		Developed Countries	
		Compromise /Create Value/Integrative Bargaining	**Stay Firm /Claim Value/Distributive Bargaining**
Developing Countries	**Compromise**	**Agreement** 1-Package for LDCs (duty- and quota-free access for their products, improved rules of origin, a waiver allowing countries to discriminate in favour of LDC services exports, and “a step forward” on cotton) 2-Services: Signaling Conference 2008, 31 Developed and Developing Countries showed willingness to contribute substantially in this area. (making concessions/market access) 3-Aid for Trade; Trade Facilitation (more than 70 new proposals)	1-Tariffs and Subsidies in Agriculture (EU, Norway, Canada, Switzerland, Japan) 2-Cotton (US), (no reduction of subsidies to US cotton producers) 3-Resistance against sectoral Agreements: (textiles, clothing and footwear, sponsored by the EU); also in fish and fish products, hand tools, raw materials, toys, bicycles and parts, and vehicles and parts
	Stay Firm	1 Minimalist reduction of tariffs on-Industrial Goods (China, Brazil, India) 2. Limited GATS commitments 3. Back-tracking on TRIPS	***1-Doha-lite (de minimis concessions, just enough to close DDA)*** ***2-Plurilateral s (not based on MFN)*** ***3-RTAs/FTAs (going deep into domestic policy space)***

The following items are already on the negotiation table:[9]

Industrial goods of developed countries:

Reductions on import duties by about 40% on average for developed countries. No import tariffs above 8% allowed.

Industrial goods in developing countries:

Reductions in import tariffs for developing countries would vary according to the type of formula used and the difference between the maximum level of import tariffs allowed and the actual level applied. The reductions of the bound tariffs in developing countries would typically be in the order of 50-60%. Reductions of applied tariffs vary between 2% and 36%. Developing countries would also have more time (10 instead of 5 years) to implement reductions, with three more years for Recently Acceded Members such as China.

As suggested by Bhagwati and Sutherland (2011), in the current modalities package, China would contribute substantially, "largely because the tariffs it currently levies are very close to those bound in its WTO schedule. China has relatively low tariff levels – currently around 5.6% of the value of imports, well below India and Brazil whose tariffs are currently at 12.9% and 8.5% respectively. However, as the world's largest exporter and as such one of the largest overall beneficiary of the Doha Round, China has a particular responsibility here." [10]

Other emerging economies like Brazil and India propose limited market access: Their current applied tariffs are much lower than the rates they have bound in their WTO schedules in the previous Uruguay Round. Brazil proposes to cut its tariffs by just 8%, from 8.5% to 7.8% of the value of imports." India would also cut its tariffs by 8%, from 13% to 12% of the value of imports of industrial products."[11]

Agricultural goods in developed countries:

The EU proposes to open its markets further to imports of agricultural goods based on a "formula cut" of import tariffs. The EU proposes to reduce its trade-distorting agricultural subsidies by 80%, and the US by 70%. The EU has agreed to eliminate all its export subsidies by 2013.

Agricultural goods in developing countries:

Agricultural exporters in developing countries, in particular Brazil and Argentina, and those in developed countries, in particular Australia, New Zealand and the US would benefit from the measures to be adopted by the developed countries.

[9] For a full list of subjects under negotiation in the DDA, please see http://www.wto.org/english/tratop_e/dda_e/dohasubjects_e.htm

[10] Bhagwati and Sutherland Report (2011), "The Doha Round: Setting a deadline, defining a final deal", available from http://www.number10.gov.uk/wp-content/uploads/doha-round-jan-2011.pdf

[11] *Ibid.*

As suggested by Bhagwati and Sutherland (2011), "it would mean for Brazil a reduction by 27% of agricultural tariffs levied on its agricultural exports by all foreign governments resulting in $2.3bn of tariffs saved annually."[12]

Services in developed and developing countries:

Negotiations are done on a request-offer basis. The offers made in July 2008 fell short of the actual applied levels of access to global services markets, and therefore represented a very modest level of ambition.[13] In the "signaling conference" a small group of 31 countries (developed and developing countries) confirmed willingness to substantially reduce tariff levels in ser vices sectors.

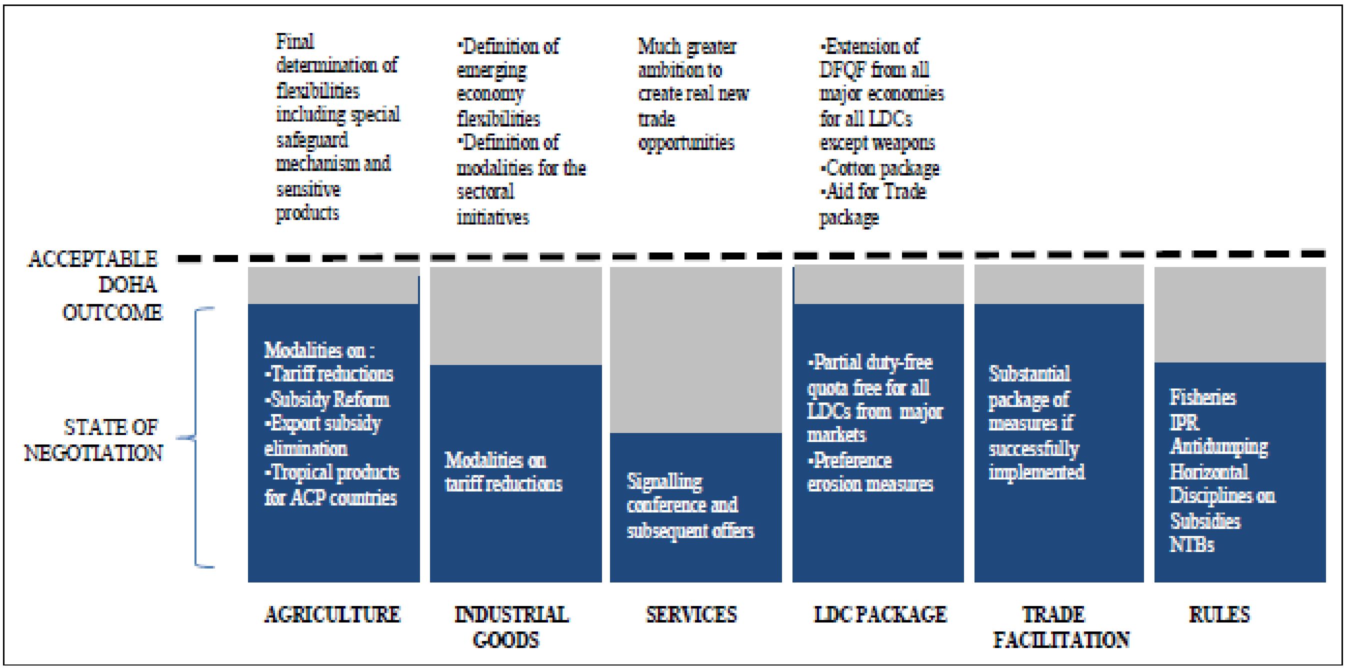
As reported by the Services Negotiation Chair, on domestic regulation, "recent intensification of negotiations has produced notable progress, even if disagreement persists on important and basic issues. On GATS rules, while technical work continues, there does not seem to be any convergence regarding the expected outcome in any of the three negotiating subjects (safeguards, government procurement and subsidies). On the implementation of LDC modalities, while Members support a waiver permitting preferential treatment to LDCs, disagreements continue, mainly regarding the scope of the waiver, and rules of origin for services and service suppliers."[14]

"Topping Up": Completing the Doha Negotiation in 2011

[12] *Ibid.*

[13] For an analysis of the structure of the final package in Doha see Bhagwati and Sutherland Report (2011), "The Doha Round: Setting a deadline, defining a final deal", available from http://www.number10.gov.uk/wp-content/uploads/doha-round-jan-2011.pdf

[14] WTO, Council for Trade in Services Special Session, 21 April 2011. Report available from http://www.wto.org/english/tratop_e/dda_e/chair_texts11_e/chair_texts11_e.htm



Source: Bhagwati and Sutherland Report (2011)

What could be the benefits and costs of no conclusion of the Doha Round?

According to a study conducted by the French Research Center in International Economics (CEPII), a successful and comprehensive DDA would have positive effects for the world economy by adding €135 billion ($167bn) to global output on an annual basis after the full implementation period (2026) and increase the world GDP by 0.24%. Likewise, world exports would increase by €310 billion ($383bn) on an annual basis.[15]

On the other hand, the costs for the world trade system of ending up with a "no-Doha agreement" seem to be high. A study by the International Food Policy Research Institute (IFPRI) has estimated that if all WTO members were to raise their applied tariffs on goods to the maximum level allowed under WTO rules, world income would fall by €258 billion ($353bn).[16]

All the parties involved in the DDA negotiations agree that a Doha Agreement (no matter in which form) should benefit the developing countries. The conclusion of the DDA would generate the following benefits for the developing countries:[17]

[15] See CEPII Study (2009) on the "Economic impact of the potential outcome of the DDA".
[16] See IFPRI (2008), "The Potential Cost of a Failed Doha Round", Issue Brief 56, available from http://www.ifpri.org/sites/default/files/pubs/pubs/ib/ib56.pdf
[17] European Commission (2011), "WTO trade negotiations: Facts and Figures on the Doha Development Agenda", available from http://trade.ec.europa.eu/doclib/docs/2011/january/tradoc_147460.pdf

- Emerging economies will gain from greater market access.
- Smaller developing countries would also stand to gain from an improved level playing field in agriculture through major cuts by developed countries' of their farm tariffs (by at least 54%) and reduction of trade distorting subsidies (80% byr the EU and 70% by the US) as well as through the elimination of all export subsidies.
- Least Developed Countries (LDCs) would gain significant due to duty-free, quota-free access to developed countries' markets.

All in all, developing countries would benefit from flexibilities in tariff cuts from special and differential treatment across the board (such as special products, special safeguard mechanism). In particular, LDCs would not required to take any market opening commitments. They are not expected to implement any tariff reductions, and requested only to bind their tariffs at the level they currently apply.[18]

All OECD countries and a set of major emerging economies will be granting full Duty Free Quota Free (DFQF) market access for all exports from all LDCs. According to the Bhagwati and Sutherland Report, "if all developed and major emerging economies were to agree to eliminate all tariffs on all LDCs' exports, it would boost those exports by 44% or $7bn a year." [19]
DFQF market access for all products originating in LDCs has been a long-standing aspiration of LDCs as well as an objective expressed in the Millennium Development Goals (increasing the "proportion of total developed country imports from developing countries and least developed countries, admitted free of duty").

In December 2005, at the WTO's Sixth Ministerial Conference in Hong Kong, it was agreed that developed country members of the WTO would provide DFQF market access for at least 97 per cent of products originating from LDCs. While developing country members, within their capacity, were also invited to provide DFQF market access for LDCs' products.[20] Most developed country members have already met the 97 per cent threshold of providing DFQF market access to products originating from LDCs, as well as some developing members that have also undertaken initiatives to provide DFQF access for LDCs.

Another element related to the Hong Kong Decision concerns the need to ensure that preferential rules of origin as "applicable to imports from LDCs are transparent and simple and contribute to facilitating market access". According to the WTO website, negotiations are also advancing to provide LDC service providers with preferential market access. [21]

What has changed?

[18] For an overview of of the market access measures for products and services of export interest to LDCs see Note by the Secretariat (2011), Sub-Committee on Least-Developed Countries (WT/COMTD/LDC/W/48/Rev.1), Annex Table 6, pp. 55 to 59. Available from http://docsonline.wto.org/DDFDocuments/t/WT/COMTD/LDCW48R1.doc
[19] Bhagwati and Sutherland Report (2011), "World Trade and the Doha Round: Final Report of the High-Level Trade Experts Group". Available from http://www.voxeu.org/sites/default/files/file/__Trade-experts-group-final%20report-26-05-2011.pdf
[20] See WTO website http://www.wto.org/english/thewto_e/coher_e/mdg_e/dda_e.htm
[21] *Ibid.*

Since the start of the DDA in 2001, some developing countries, the so called emerging markets, have become the world's biggest traders, increasing also the trade among them (South-South trade). A move to a more "multipolar" world generate emerging growth poles that could alter the previous balance of global growth.[22] As discussed by The Economist, "emerging markets' goals have changed, too. Many developing countries are now more bothered about keeping food prices in check than about keeping rich-world subsidies down ... countries like India and Brazil are now more worried about cheap imports from China than about imports from the rich world.[23] In essence, they might be more willing to open their markets to developed countries if doing so would not t simultaneously lead to more imports of Chinese goods."[24]

On the other hand, new challenges have risen such as like climate change, migration, financial instabilities, refugees, conflicts and wars, unemployment and job perspectives for youth.[25] These new challenges are interconnected, require global solutions and need to be tackled from a multi-disciplinary perspective (cross-sectors). Also international (and national) institutions need to be updated in order to be able to tackle these challenges. At the international level, the WTO is facing the challenge of having to cope with non-directly related trade issues like environment and climate change. Likewise, at the national level, governments need inputs from different ministries (involving different subjects) in order to develop efficient negotiating strategies.[26]

What could be the way forward?

In light of the Doha stalemate, three general scenarios seem to offer possibilities for going further in the negotiation process. These are: 1- Doha-lite / temporary cessation options; 2- Plurilateral way (not on an MFN basis); and 3-RTAs/FTAs. All the three scenarios are important for developing countries and LDCs and could help increase their market access, foster investment and improve the Aid-for-Trade flows. However, it is worth to note that it is not automatically beneficial for developing countries just to offer more market access. Some of these "market access" initiatives are

[22] World Bank (2011), "Global Development Horizons Report. Multipolarity: The New Global Economy", available from http://siteresources.worldbank.org/INTGDH/Resources/GDH_CompleteReport2011.pdf

[23] For an analysis on the food crisis and the future of the multilateral trade system see Prof. Saner contribution to the Seminar "Beyond the crisis: The future of the multilateral system", organized by the Foundation Ramón Areces and the OECD Development Centre, Madrid, 4-5 October 2010. Available from http://www.csend.org/component/docman/doc_download/310-20110124-agriculture-a-food-security-rspdf

[24] The Economist article "The Doha round: Dead man talking", April 28th 2011, available from http://www.economist.com/node/18620814

[25] Evian Group Communiqué (2011), "Countdown to Doha 2011 The Imperative for a Collaborating World", available from http://www.imd.org/research/centers/eviangroup/upload/JPL_Communiqué_Countdown-to-Doha.pdf

[26] For instance, negotiations at WTO and UNFCCC are both in limbo putting at risk international cooperation in key sectors of world development. International governance options are urgently needed to strengthen multilateral negotiations at the WTO and UNFCCC to avoid full deadlock and possible major trade and environmental conflicts. For "out of the box thinking" solutions see Saner (2011) "International governance options to strengthen WTO and UNFCCC", CSEND Policy Brief, available from http://www.diplomacydialogue.org/component/docman/doc_download/109-20110611-international-governance-options-to-strengthen-wto-and-unfcccpdf

based on reciprocity, e.g. through EPAs, where developing countries have to give market access to European exporters in exchange for receiving more market access to the EU. Most of the companies of DCs and LDCs´ are too weak and not yet able to compete against exporters from developed countries and need some time to adjust to the market liberalization.

1-Doha-lite / temporary cessation options[27]

This option entails concluding an Agreement by December 2011 with an understanding to continue negotiations in order to reach a comprehensive agreement after that date ('early harvest'). The idea, proposed Mr. Lamy, would be to salvage elements of the Doha Round of particular interest to least developed countries (LDCs) including some other issues where agreement is virtually complete. Apart from a deal on duty-free quota-free access for LDCs and cuts in cotton subsidies, plus inclusion of trade facilitation, the agricultural export competition pillar, disciplines on subsidies to fishing fleets and liberalising trade in environmental goods. However, the members of the WTO Trade Negotiations Committee seem to have agreed mid August that the idea of a Doha-lite agreement does not look feasible.

Alternatively, some countries have called for a (further) temporary cessation of the Doha Round negotiations with a view of resuming them at a more auspicious time after 2013 (read: after elections and leadership changes have taken place in important negotiating countries by 2012).[28]

During the last TNC meeting, two different approaches have been proposed. The first was to suspend the pursuit of the December package and concentrate instead on the non-DDA issues at the 8th WTO Ministerial Conference (MC8). And the second approach was to prioritise the LDC package and invest all efforts into delivering an agreement for the LDCs at the MC8.[29]

2- Plurilateral agreements[30]

Plurilateral agreements could encourage WTO members to come forward and make commitments within the framework of the WTO and allow other countries to join the Agreement later at their own time if seen useful.

Several of the DDA negotiation topics could be put into a plurilateral agreement similar to the Agreement on Government Procurement (GPA). Agreeing to such a Plurilateral Agreeement would offer a) a way out of the ongoing impasse of the DDA and b) give countries something to agree to and fine-tune through constructive negotiations. Such plurilateral solutions implies that different

[27] See different scenarios presented in the Capreform website, available from http://capreform.eu/life-after-the-doha-round/

[28] See Scott (2011), "What Should the United States Do About Doha?", Peterson Institute Policy Brief. Available from http://www.iie.com/publications/pb/pb11-08.pdf

[29] See http://www.wto.org/english/news_e/news11_e/gc_27jul11_e.htm and also http://ictsd.org/i/news/bridgesweekly/111353/

[30] Based on Prof. Saner´s input in CUTS Trade Forum. See http://groups.google.com/group/cuts-tradeforum

groups of members achieve a "critical mass" as other WTO members join such plurilateral agreements.

Plurilateral solutions could offer a means to contain the continuous erosion of the WTO caused by the increasing number of RTAs, FTAs and BITs since plurilateral agreements allow WTO members to make further commitments within the WTO system. Hence, plurilateral agreements would be within the WTO (not outside), offering other WTO members options to join over time as seen fitting their respective countries' trade strategies.

3-Signing more RTAs/FTAs

This scenario would imply leaving aside (for the moment) the multilateral negotiations and instead to pursue further trade liberalisation through preferential trade agreements (RTAs/FTAs). One major risk ise that preferential trade agreements could distract energy away from completing the multilateral DDA negotiations.[31] In this scenario, due to the lower level of development and lack of capacities, LDCs and smaller developing countries could face harder times since negotiating bilateral agreements with large economies would result in asymmetrical concessions.

The increasing trend towards "deeper" RTAs/FTAs which represents a challenge to the WTO in terms of co-existence and coherence of the commitments agreed regionally, with those established multilaterally. There is a risk that "deeper" FTAs and RTAs, including domestic regulations, could hollow out the *acquis* of the WTO. As cited by the WTO World Trade Report 2011, if "the recent wave of preferential agreements may (at least in part) be an institutional response to the new problems associated with the growth in offshoring… PTAs may make it more difficult for the WTO to perform its traditional role of providing reciprocal market access opening." [32] As stated by the WTO Report, there is an institutional challenge "to find an approach that can facilitate the deeper integration that countries are seeking while at the same time upholding the core principle of non-discrimination."[33]

What could developing countries do?

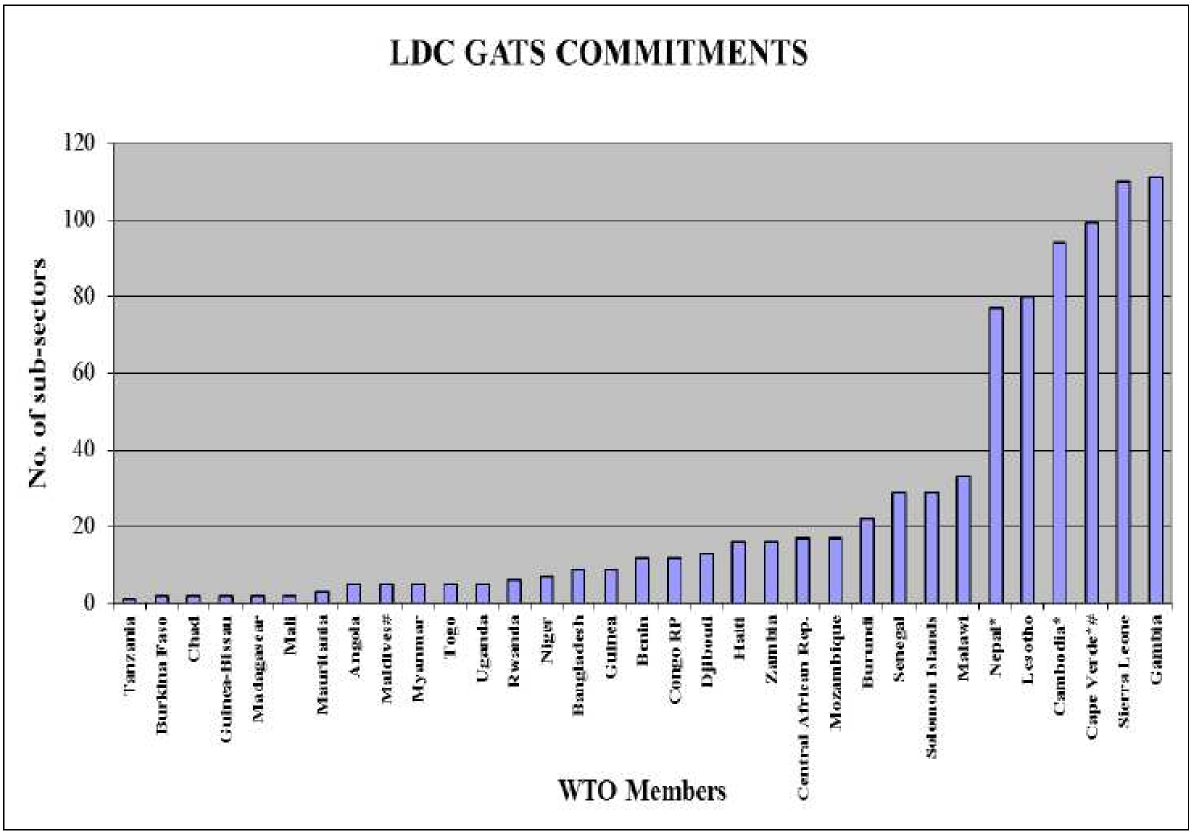
There is potential for growth for developing countries (and LDCs) in the services sector. For instance, appropriate GATS commitments with competition safeguards could help foster favourable trading conditions for exporting services. However, transition periods are needed to allow developing countries and LDCs to create an adequate business climate and effective internal regulation for governing their services sector. In order to protect their policy space and help them to attract

[31] Based on different scenarios presented in the Capreform website, available from http://capreform.eu/life-after-the-doha-round/

[32] WTO (2011), "World Trade Report. The WTO and the preferential trade agreements: From Co-existence to Coherence", pp. 112 and 113. Available from http://www.wto.org/english/res_e/booksp_e/anrep_e/world_trade_report11_e.pdf

[33] *Ibid.*

investments, developing countries should "use" GATS flexibilities by publicizing their policy priorities. Making GATS commitments might actually help developing countries protect their policy space, by making their national priorities legally binding at international levels.[34]



Source: Honeck, 2011.

In all the three scenarios identified before, developing countries and LDCs need to improve their Inter-Ministerial Coordination (IMC) mechanisms to achieve better Aid for Trade surveillance, more effective trade facilitation initiatives, and better implement the existing RTAs. As mentioned in the Third Aid for Trade Global Review (2001), trade policy is "interdisciplinary by nature, and thus co-ordination and co-operation among the numerous actors is critical. Ministries of trade, economics, infrastructure, agriculture, industry, just to name a few, must work together to ensure efficient policy.[35]

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[34] Honeck, Dale (2011), "Expect the Unexpected? LDC GATS Commitments as Internationally Credible Policy Indicators? The Example of Mali", World Trade Organization, Economic Research and Statistics Division. Available from http://www.wto.org/english/res_e/reser_e/ersd201107_e.pdf

[35] WTO (2011), Third Aid for Trade Global Review, p. 142, available from http://www.wto.org/english/res_e/booksp_e/a4t11_2_chap_e.pdf

IMC becomes crucial when a country faces the new cross-sector challenges. A better functioning IMC mechanism could help developing countries better coordinate and structure trade strategies and cover different transversal subjects across Ministries. Also, vertically, it could help increase coherence among the compromises that LDCs (and also developing countries) might take at multilateral levels as well as bilateral and regional levels.

Tourism is one example of a cross-sector challenge due to its inter-connection with other sectors like agriculture, transport, infrastructure, etc. Tourism strategies require intense coordination among ministries including those with mandates not directly related to tourism, but which nevertheless govern policies that impact the tourism industry.[36]

Inter-ministerial trade policy co-ordination is based on three functions namely eliminating policy and project redundancy; managing cross-cutting issues [e.g., democracy and human rights, environment sustainability, gender equality and HIV/AIDS]; and integrating numerous international trade agreements and trade policies in a coherent manner. .[37]

IMC and stakeholder consultations are essential in the five stages of policy making: 1) initiation; 2) formulation; 3) implementation; 4) evaluation; 5) monitoring. Particularly, in the case of the LDCs, Poverty Reduction can be achieved through better alignment between the development and trade policy agendas. IMC and stakeholder consultation practices are often weak in many countries, including in some developed countries. Improving on existing coordination and consultation practice requires a well designed and functioning monitoring system. Countries need monitoring systems to keep abreast of current practice which in turn provides them with the possibility of continuous improvement and institutional learning.[38]

A well structure IMC mechanism could help a DC or LDC identify specific trade facilitation needed to at least reduce the costs of trade. [39] Likewise, IMC can also help to overcome the implementation gap of the RTAs already in place. Like tourism, other services sector offer development opportunities for LDCs. Longer transition periods to help them adapt to competition as well as safeguards to prevent unfair competition against infant industries are also required.

[36] For concrete recommendations to develop tourism policies in LDCs, see the CSEND document adopted by the Sub- Committee on LDCs and Council for Trade in Services (WT/COMTD/LDC/18, S/C/W/328), available from http://docsonline.wto.org/GEN_viewerwindow.asp?http://docsonline.wto.org:80/DDFDocuments/t/WT/COMTD/LDC18.doc. For more information on IMC and tourism development see information and documents of two Round Tables organized by CSEND in 2010 and 2011 respectively, available from the following links: http://www.csend.org/announcements/whats-new/256-round-table-at-wto-on-sustainable-tourism and http://www.csend.org/related-information/280-2nd-round-table-on-tourism

[37] Saner, Raymond (2010), "Trade Policy Governance Through Inter-Ministerial Coordination: A Source Book for Trade Officials and Development Experts", Republic of Letters - Publishing, Dordrecht.

[38] For an analysis on IMC and Stakeholder Consultation see the CSEND Report (2010) http://www.csend.org/component/docman/doc_download/264-20100730-summaryreportofbookvernissagepublishableversion4pdf

[39] For an assessment of Transport and Trade Facilitation in Uganda, Rwanda and Tanzania, see http://csend.org/component/docman/doc_download/272-20100701full-report-assessing-transport-a-trade-facilitation-in-uganda-rwanda-and-tanzania-mpa-c. This paper was included as a case study in the WTO/OECD Aid for Trade and LDCs Study2011.

Conclusions:

It is crucial for the global community to clarify how a DDA agreement could be reached despite all the known difficulties and contrarient positions. This responsibility does not comprise the LDCs or other low income developing countries.[40] While it is clear that the large emerging economies need time to consolidate their reforms, t this does not excuse them from making necessary concessions now.

To end with no agreement of the Doha round would result in a lose-lose situation for all the parties involved in this negotiation. Developed countries would lose the opportunity to increase their market access (mainly in NAMA, Government Procurement and Agriculture) and their investments in third countries[41] while developing countries would lose the opportunity to get a better access to the developed markets and risk to see their policy space be reduced to only RTAs/FTAs where, for the smaller economies like LDCs and other developing countries, the negotiation playing field is not balanced at all.

"It is time for all of the players to rethink their responsibilities. As their power grows, large developing countries, in particular, must be willing to make concessions for the sake of preserving a stable global trading system."[42]

[40] See World Bank, President Robert B. Zoellick Speech at the 3rd Global Review of Aid for Trade 2011, available from http://web.worldbank.org/WBSITE/EXTERNAL/NEWS/0,,contentMDK:22963662~pagePK:34370~piPK:34424~theSitePK:4607,00.html

[41] On the drivers, determinants and policy implications of low-carbon FDI, with particular attention to developing countries see Arquit, Gage and Saner (2011), available from http://www.uncsd2012.org/rio20/content/documents/Levers%20to%20Enhance%20TNC%20Contributions%20to%20Low%20Carbon%20Development.pdf

[42] See http://www.nytimes.com/2011/04/29/opinion/29fri2.html

Annex:

The Doha Round: major subjects and implications for selected WTO members

(Based on Bhagwati and Sutherland (2011), Interim Report "The Doha Round: Setting a Deadline, Defining a Final Deal")

Subjects:	US	EU	Developing Countries	India	China	Brazil
Agriculture	Reform farm trade: it would not bite into current levels of US counter-cyclical price support – because farm commodity prices are high – it would seriously constrain any future US Farm Bill from increasing supports should commodity prices fall. Countries exporting farm goods into the United States would see the tariffs levied by the US falling by $1.5bn - or 38% of current levels - to just 3% of the value of US agricultural imports. In the part of the negotiation focused on trade distorting domestic support to agriculture, developed countries have accepted the need to reduce substantially the ceilings currently applied: by up to 80% in the case of the EU and up to 70% in the case of the US.	Reform Farm Trade: It would make the 2003 reform of the European Union's Common Agricultural Policy irreversible. under current draft texts the EU would reduce its MFN duties on agricultural imports by close to 60%. As a compensation for these partial exemptions import quotas amounting to 4% of domestic consumption must be opened and subjected to zero or very low duties. In the part of the negotiation focused on trade distorting domestic support to agriculture, developed countries have accepted the need to reduce substantially the ceilings currently applied: by up to 80% in the case of the EU and up to 70% in the case of the US. Other protected markets like Norway, Switzerland, Canada and Japan would also undergo radical market opening. Unlike in many other negotiating areas, these concessions constitute genuine market openings because the tariffs effectively levied are very close to the WTO ceilings under negotiation.			The "water", in negotiating parlance (i.e. the difference between the current level of tariffs and their WTO bound ceilings), is found in the tariff schedules of developing countries, and is especially high for India and Brazil. This water is also found in the subsidies of developed countries and in services.	Two main groups of countries are likely to benefit the most from this opening up of new market access: agricultural exporters in developing countries, in particular Brazil and Argentina, and those in developed countries, in particular Australia, New Zealand and the US.
Cotton	More specifically, the overall level of supports to some key products like cotton and sugar in the US would be severely constrained as a result of the deal, in particular in the event of a fall in international food prices. Of crucial importance for several LDCs, the Doha Round will also have to address trade distortions caused by subsidies to cotton farmers in developed countries. Here the US in particular has a responsibility to take the lead.	In the case of the EU, new international disciplines have the considerable value of locking in recent reforms which could otherwise be reversed in future.				

Services			Pressure from developing countries to upgrade commitments under Mode 4 (presence of natural persons)			
Market access (non-agriculture)	On the US market, the amount of duties paid on imports would go down by $12bn, almost halving the current amount of duties paid.	Duties levied by the EU on its total imports of industrial products would go down by 44%, more than in any previous round, amounting to $12.5bn saved on exports to the EU.		India can argue that it has reduced its tariffs substantially over the last decade, and it deserves some credit for this.	In the current modalities package China would contribute substantially, largely because the duties it currently levies are very close to those bound in its WTO schedule. China has relatively low levels of duties – currently around 5.6% of the value of imports, well below India and Brazil at 12.9% and 8.5% respectively. However, as the world's largest exporter and as such one of the largest overall beneficiaries of the Doha Round, China has a particular responsibility here.	Brazil would cut its current level of duties by just 8%, from 8.5% to 7.8% of the value of imports. It would also be an 8% reduction on the part of India, from 13% to 12% of the value of imports of industrial products.
Trade facilitation	Estimates point to $360bn new trade as a result of the current Doha modalities2, and this would be substantially increased by a proper package of new market access in services and trade facilitation. The Trade Facilitation negotiation is a clear success story of the Doha Round. WTO members have tabled more than 70 new proposals for improving the transit of goods between markets, charges levied for transit, penalties for minor breaches of customs regulations, the standardization of customs documentation and prompt publication of conditions for import and export.					
Special and differential treatment	Negotiators still have to tackle the reduction of subsidies on cotton. Work also remains on the form and functioning of the special safeguard measure for developing countries, as well as in the designation of where flexibilities of both developed and developing countries will apply.					
Sectorals		The EU would have to participate in electronics and electronic products; enhanced healthcare; forestry; and sports equipment on top of the sectors the EU is already officially supporting.				Brazil would be required to participate only in the initiative covering chemicals,
A package for LDCs	Because many of them currently depend on preferential market access to economies such as the EU, multilateral liberalization presents them with a short-term challenge. It erodes the preferential margin for their exports, sharpening the extent to which they compete with more advanced developing countries such as China and Brazil. For this reason the Doha negotiation has agreed the principal that for certain products implicated in this way tariff reductions will be staggered over extended periods. All developed economies can and should be expected to shoulder a share of the responsibility for generating a sizeable package. The most important addition to this should be the granting of Duty Free Quota Free market access for all exports from all LDCs to all OECD countries and a set of major emerging economies. While some economies such as the EU already offer such access, in most cases it excludes key exports or does not cover all LDCs, as for example in the US.					