



## **Citizens Trade Digest, December 23, 2005**

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### **WORLD TRADE ORGANIZATION MINISTERIAL SPECIAL**

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#### **1) Overview on the so called Doha “Development” Round**

After 6 days of haggling and finger pointing, trade negotiators of the 149 WTO member nations concluded the Hong Kong Ministerial meetings with minimal substantial advances toward completion of the Doha “Development” Round and, as expected, no specific numbers and formulas for reducing subsidies or tariffs. Members agreed to offer these crucial details by April 2006 and follow-up with a draft schedule for implementation by July 2006. However, translating broad commitments made in Hong Kong into concrete terms will be the real challenge.

The most notable concrete outcomes from the Hong Kong meetings were a 2013 deadline for ending export subsidies on agricultural products (except cotton) and a commitment made by developed countries to allow duty-free and quota-free market access for most products from least developed countries. These steps fall far short of addressing the demands of developing nations in a meaningful way.

Other contentious topics raised during the meetings include biopiracy, protecting traditional knowledge, services, liberalizing trade in environmental goods, fish subsidy rules, and EU’s high banana tariffs. Also within the week of December 11th, Tonga and Saudi Arabia became members of the WTO bringing total participation to 150 nations.

#### **2) Collapse over agricultural barely avoided**

WTO members officially supported the idea to eliminate export subsidies in principle last August; however, it wasn’t until the Hong Kong meeting that the 2013 date was determined. Although developing nations were strongly pushing for a 2010 phase-out date, it was clear that without finding

consensus on this issue the Hong Kong round would risk a similar collapse as was seen in 2003. The EU was a major block in the 2010 phase-out date, insisting that such a timeline should be conditional on reforms in other areas of export subsidies such as export credits, food aid programs, and state trading enterprises. Peter Mandelson, the EU trade commissioner, expressed relief for finally reaching an agreement, while it “was not enough to make (the meeting) a success, it was enough to save it from failure,” he said.

Additionally, a group of 32 least-developed countries were promised duty-free access to developed nations’ markets, but the rich countries reserved the right to deny such access for three percent of agricultural products, a move that could mean the gesture has little advantage for the poor nations.

### **WTO Ministers Approve Accord, Overcoming Farm, Access Obstacles**

[http://www.citizenstrade.org/pdf/bloomberg\\_wtoministersapproveaccord\\_12182005.pdf](http://www.citizenstrade.org/pdf/bloomberg_wtoministersapproveaccord_12182005.pdf)

### **The WTO: Food for Thought?**

[http://www.citizenstrade.org/pdf/md\\_wtofoodforthought\\_12152005.pdf](http://www.citizenstrade.org/pdf/md_wtofoodforthought_12152005.pdf)

### **3) Falling short on cotton “concessions”**

West African cotton producers from Burkina Faso, Benin, Chad, and Mali (collectively known as C4) played a key role in the collapse of the 2003 WTO meetings in Cancun and have since put unfair cotton subsidies for producers in rich nations, especially the US, high on the WTO agenda. While the C4 made it clear that nothing less than “concrete results” would be acceptable, the ministerial’s final document did not meet that criteria.

The United States did agree to eliminate export subsidies for cotton by 2006 and give duty and quota free market access for least developed countries, which includes the C4. Yet, critics point out that the benefits of the latter “concession” are negligible since African cotton producers do not export to the US. These “concessions” side steps the deeper problem, which lies not in export subsidies but in US domestic subsidies that push world cotton prices artificially low making it impossible for C4 cotton producers to participate in the world market. The C4 expressed disappointment with the watered down agreement.

### **Cotton, Acid Test for Doha Round**

[http://www.citizenstrade.org/pdf/ips\\_cottonacidtestfordoharound\\_12152005.pdf](http://www.citizenstrade.org/pdf/ips_cottonacidtestfordoharound_12152005.pdf)

### **African Nations Call for US to Eliminate Cotton Subsidies**

[http://www.citizenstrade.org/pdf/latimes\\_africanationscallforustoeliminatesubsidies\\_12172005.pdf](http://www.citizenstrade.org/pdf/latimes_africanationscallforustoeliminatesubsidies_12172005.pdf)

### **West African Ministers say WTO Cotton Plan Not Enough**

[http://www.citizenstrade.org/pdf/reuters\\_westafricanministersonwtocottonplan\\_12172005.pdf](http://www.citizenstrade.org/pdf/reuters_westafricanministersonwtocottonplan_12172005.pdf)

### **4) Non-agricultural market access (NAMA) outcome favors the US & EU**

Despite NAMA negotiations supposedly being linked to real gains for developing nations in agriculture, Hong Kong produced an actual broad framework for NAMA. Negotiators will spend much of next year working to plug specific numbers into the framework – a daunting task, but the establishment of the framework was a victory for the rich nations and further proof that development is not a serious objective of the Doha Round.

The Institute of Agriculture and Trade wrote that the “Swiss” tariff reduction formula that was adopted is “the most drastic way to cut tariffs and has already been rejected in the agriculture

negotiations. Such a steep cut will have a disastrous impact on developing countries ability to build up an industrial base and to protect their natural resource base.”

### **No WTO Progress on Manufactured Goods**

[http://www.citizenstrade.org/pdf/ap\\_nowtoprogressionmanufacturedgoods\\_12162005.pdf](http://www.citizenstrade.org/pdf/ap_nowtoprogressionmanufacturedgoods_12162005.pdf)

### **Keep Fisheries Out of NAMA**

[http://www.citizenstrade.org/pdf/financialexpress\\_keepfisheriesoutofnama\\_12062005.pdf](http://www.citizenstrade.org/pdf/financialexpress_keepfisheriesoutofnama_12062005.pdf)

## **5) Developing countries undercut on services**

Further steps to open up the vast service sector – a key objective of the US and the EU – was also supposedly contingent on gains for the developing countries in agriculture. Here again, it did not work out that way. While developing countries managed to weaken the most aggressive service “liberalization” language of the draft ministerial declaration, they ended up required to engage in future service negotiations on a bilateral or plurilateral basis upon the request of the US, EU, or other countries.

Many G90 countries were unsatisfied with this outcome because it mainly serves the interest of developed nations and leaves “essential services” like water, education, health care, and electricity too vulnerable to liberalization.

### **The EU Zeroes in on Services**

<http://www.ipsnews.net/news.asp?idnews=31458>

### **Developing States Defy EU Push to Open Up Services**

[http://www.citizenstrade.org/pdf/guardian\\_developingstatesdefyeupushtoopenservices\\_12162005.pdf](http://www.citizenstrade.org/pdf/guardian_developingstatesdefyeupushtoopenservices_12162005.pdf)

### **Clash Looms on Services at WTO**

[http://www.citizenstrade.org/pdf/bbc\\_clashloomsonservicesatwto\\_12152005.pdf](http://www.citizenstrade.org/pdf/bbc_clashloomsonservicesatwto_12152005.pdf)

## **6) Access to affordable medicine remains to be seen**

On December 6, the WTO agreed to make permanent what has been a 2 year temporary waiver that, in theory, should allow poor nations access to cheaper generic drugs in the case of health emergencies. Although hailed as a promising step to further development goals, the Nobel winning humanitarian organization Medecins Sans Frontieres along with health activists argue that this amendment only solidifies a mechanism that has proven to be too bureaucratic and cumbersome to be of any practical use (i.e. not a single country in the past 2 years has made use of this provision.)

### **WTO Enshrines Drugs’ Deal for Poor States in Treaty**

[http://www.citizenstrade.org/pdf/reuters\\_wtoenshrinesdrugsdealforpoorstates\\_12062005.pdf](http://www.citizenstrade.org/pdf/reuters_wtoenshrinesdrugsdealforpoorstates_12062005.pdf)

### **Amendment to WTO TRIPS Agreement Makes Access to Affordable Medicines Even More Bleak**

[http://www.citizenstrade.org/pdf/msf\\_pressreleaseonwtotripsamendment\\_12062005.pdf](http://www.citizenstrade.org/pdf/msf_pressreleaseonwtotripsamendment_12062005.pdf)

## **7) Thousands of protests gather in Hong Kong**

An estimated 10,000 people flooded the streets of Hong Kong representing poor farmers, women, HIV/AIDs activists, indigenous groups, environmentalist, and a host of grassroots and non-governmental organizations around the world. They chanted slogans like “no more lies” and “WTO kills farmers.” “We want them to remember that these talks locked far away will affect and even destroy the livelihoods of millions of people,” said an activist from the Korean Peasant’s League.

The police chief, Dick Lee, advised the public to stay away from the convention area warning that “all necessary actions to restore order” will be taken. On the eve of the last day of negotiations, hundreds of protesters stormed the convention center sparking the worse street violence in decades. The police aggressively used tear gas, fire hoses, and pepper spray to contain the crowd – 900 people were detained, 41 injured, and 14 remain in police custody.

**Protesters Say Reform or Junk the Trade Talks**

[http://www.citizenstrade.org/pdf/ips\\_protesterssayreformorjunkthetradetalks\\_12122005.pdf](http://www.citizenstrade.org/pdf/ips_protesterssayreformorjunkthetradetalks_12122005.pdf)

**Protesters, Police Clash at WTO Meeting**

[http://www.citizenstrade.org/pdf/ap\\_protesterspolicelashatwtomeeting\\_12132005.pdf](http://www.citizenstrade.org/pdf/ap_protesterspolicelashatwtomeeting_12132005.pdf)

**Hong Kong Police Arrest South Korean WTO Activists**

[http://www.citizenstrade.org/pdf/bloomberg\\_hkpolicearrestsouthkoreanwtoactivits\\_12182005.pdf](http://www.citizenstrade.org/pdf/bloomberg_hkpolicearrestsouthkoreanwtoactivits_12182005.pdf)