

# G-20 Trade Diplomats See Positive Outcome From Pittsburgh; Business Skeptical on Doha

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GENEVA—Senior trade officials from the United States, the European Union, and China said Sept. 28 the Group of 20 leaders summit in Pittsburgh should provide positive momentum for efforts to conclude the stalled Doha Round of trade talks next year, despite the absence of specific instructions on when and how this task should be completed.

Speaking at a public forum at World Trade Headquarters in Geneva, acting U.S. ambassador to the WTO David Shark said the main outcome on trade from the Sept. 24-25 G-20 leaders summit was a reaffirmation of the leaders' commitment to conclude the round sometime in 2010.

"They've set the tone for negotiators," Shark declared, adding that it was never the intention of G-20 leaders to sit down and discuss specific problem issues blocking progress in the talks.

In addition to reaffirming the 2010 deadline, G-20 leaders urged negotiators to close the remaining gaps "as quickly as possible" and for ministers to take stock of the situation no later than early 2010 (185 DER A-26, 9/28/09).

## **No Actual Solutions Reached**

Proponents for the round had hoped the Pittsburgh meeting would produce something more than a reaffirmation of the 2010 target date set out at their previous summit in London last April. The European Union as well as Australia and Brazil proposed that G-20 leaders endorse an early 2010 deadline for achieving a breakthrough agreement on so-called "modalities" setting out the formulas and figures for reducing agricultural and industrial tariffs as well as farm subsidies.

But U.S. officials refused to endorse the fixing of a modalities deadline, arguing that substance rather than timing should drive the talks.

Eckart Guth, the European Union's ambassador to the WTO, admitted he was neither more confident nor less confident after the Pittsburgh summit that the 2010 goal would be met.

Nevertheless, he noted that leaders endorsed a plan to step up negotiations in Geneva through the end of the year, both within the various Doha negotiating groups as well as among senior officials to discuss how to achieve a balanced outcome across the board.

"The way forward is there," Guth said. "But we have to do the work."

China's WTO ambassador Sun Zhenyu said it was important that G-20 leaders give a signal that they remain committed to completing the round in 2010. However, getting the group to commit to anything further on Doha will be difficult given the current economic climate.

"It was important to be realistic and not try to ask too much, because all WTO members are in rather difficult situations," Sun declared.

### **Bilateral Talks Called Key**

Guth said the key element is not in the approved work program but rather the work that will take place at the bilateral level with countries that are not satisfied with what's currently on the negotiating table.

Shark said the United States knows what concessions it will have to make on agriculture and industrial tariffs under the draft texts now on the table but that it is "still not sufficiently clear what the others will be doing," particularly among major developing countries.

Discussions so far have failed to clarify matters. "In some cases there's a lack of engagement to even assess how far apart we are," Shark said.

Representatives from the business community expressed growing impatience with the glacial pace of the talks, now entering their eighth year.

"As long as the Doha Round is unfinished, this organization becomes more and more irrelevant every day," declared Pascal Kerneis, Managing Director of the European Services Forum.

### **Few Believers Left**

The G-20 reiterating its desire to conclude the Doha talks in 2010 "is all well and good, but nobody believes it in the room," Kerneis added.

Reinhard Quick, vice-chairman of BUSINESSEUROPE, Europe's largest industry association, said that while business remained "very much pro-WTO," the Doha negotiations "are too slow to produce results" and "are not addressing the priorities of business." such as eliminating export taxes on raw materials.

"We would like to see a little more ambition" in the Doha package, Quick said, citing in particular the need for sectoral agreements on industrial tariffs leading to the elimination of, or deep cuts in, certain products of export interest.

He said if the Doha talks continue at this pace, it might be until 2015-2017 until commitments under the deal are fully implemented. In addition, issues that are not being tackled under the current agenda may have to wait until beyond 2030 before they are addressed in future negotiations.

Shark admitted that "people are getting frustrated" with the continued lack of progress in the Doha talks and "they're wondering if we'll come to a conclusion."

He said it was "clear we don't see as much of industry in Geneva as we have in the past" lobbying for the round, although he insisted that there was "no sense on our part that our own industry has disengaged" from the negotiations.

“They're telling us they want to be there, but we're not there yet” in terms of the market access concessions needed to convince them to push for conclusion of the round, the U.S. envoy added.