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Joan Claybrook, President

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Contact: Eliza Brinkmeyer, 202-454-5108

Negotiators Put on Brave Faces as WTO Ministerial Collapse Is Narrowly Averted by Papering Over Divides, Punting Controversies Back to Geneva

Retrograde Doha Agenda Steers Towards More-of-the-Same, while Decade of WTO's Negative Results has Generated Intense Public Protest, Demand to Change Course

Statement of Lori Wallach, Director of Public Citizen's Global Trade Watch:

Negotiators' attempts to characterize this summit as a success mainly reveals the vulnerability of the WTO process, given that the most significant deliverable here was simply avoiding collapse of yet another WTO summit. Only one out of dozens of outstanding substantive negotiating issues was resolved.

This text is really bad news for most people because instead of changing the existing WTO rules now causing serious damage, this text continues WTO talks on a course in which the options range only between gruesome and horrible.

It is not surprising that fudging the major outstanding differences was the only way to avoid another WTO summit collapse, given that it is many existing WTO terms and core elements of the Doha agenda, such as service sector privatization and deregulation, that many nations find unacceptable, not the language describing that agenda.

With 95% of the deep divides that have deadlocked talks until now simply papered over here, Geneva WTO negotiators will return to the same rut they left. Comparing the draft to the final Hong Kong text, vague language has replaced clear, if controversial, language in many places.

The economic gains promised when the WTO was launched 11 years ago never materialized and economic conditions for the majority of people in rich and poor nations have deteriorated while simultaneously the WTO's one-size-fits-all non-trade rules have eroded the principle and practice of democracy as people's rights to decide priorities and policies to meet their needs are subjected to WTO dictates.

With a recent World Bank study showing that scores of poor nations would be net losers if the current Doha agenda is continued, it is incredibly cynical – even by WTO standards – to try to label these negotiations as pro-development. (Included as net losers were most of the Middle East and Sub-Saharan Africa, Mexico and numerous Caribbean nations). Indeed, a careful read of the Hong Kong Ministerial text shows that despite days of hype

about development being at the core of the Doha agenda, the relevant paragraph 38 literally is a 'cut and paste' of language from the original 1994 WTO agreement! (Art. XI(2)).

Meanwhile, much time here has been spent by rich nations trying to come up with a divide and conquer "development" package aimed at seducing the poorest nations to split with the merely poor. The real goal of this cynical "development" package proposal is to change the topic from the negotiating agenda which many developing nations view as damaging to their interests. Yet, even the so-called "development" package is empty since it is premised on the notion that providing grants and further-indebting loans for trade facilitation to increase rich country imports into the poorest countries will help poor countries while the much-touted duty-free proposal allows rich nations to exempt from tariff cuts the very products in which the least developed nations have interests. In the United States, only 7.5% of all tariff lines are three times or greater than the U.S. average tariff. Most U.S. tariffs are so low that the 97% of products that would become duty free under the "development" package in this text still would permit exclusion of almost half of high U.S. tariff peaks. The least developed countries were attacked as threatening to collapse the summit if they refused this take-it-or-leave-it assistance. (And, under this pressure they agreed not to block consensus on this text).

Time in Hong Kong would have been better spent working on alternatives to the WTO model rather than on how to cover up continuing disagreements with language tweaks on a text that directs negotiations on a course that many consider a threat to their well being. The question I have heard from delegates from many nations excluded from the invitation-only green room meetings is when can trade talks get out of the rut in which WTO talks have been mired since Seattle and actually turn toward different approaches that might deliver the promised gains in living standards.

Now all of civil society's eyes will turn to the WTO's Geneva headquarters, where those seeking to preserve the failed WTO status quo will undoubtedly try to use an array of additional undemocratic stunts to insulate negotiators from being held accountable by a majority of people who are living with the WTO's disastrous results.

Background Information

Today's Hong Kong Ministerial text comes:

- One year after the entire Doha Round was to have been signed, but leaves most issues unresolved;
- Three years after agreement on the negotiation modalities were due, but fails to set modalities;
- Eighteen months after half of the Doha Round agenda had to be dumped at the July 2004 Geneva General Council Meeting to avoid the talk's total collapse, yet agreement on the remaining issues has failed;

· One month after expectations that modalities would be agreed in Hong Kong were further dramatically scaled back, yet most of the issues needing resolution here before modalities could be agreed in non-agricultural market access, services, and agriculture market access, were papered over undecided.