

## Experts Believe Trade Talks Can Be Salvaged

By Barry Wood  
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*The Doha Development Round of world trade negotiations should have been completed at a meeting of the World Trade Organization in Hong Kong last month. But amid recurrent wrangling between rich and poor countries the talks are still far from complete. Some experts expect the talks to fail, others are more optimistic.*

The Hong Kong talks produced only modest results, its principal achievement being a commitment from wealthy nations to end agricultural export subsidies by 2013.

The Doha Round was launched to modernize trade rules and bring the benefits of globalization to more countries. The implicit premise was that if Europe and North America end their trade-distorting farm subsidies, developing countries would open their protected markets to more services and goods from advanced economies. But Europe and America have been unable to agree among themselves on ending farm subsidies and that has held up the Doha Round.

Trade experts in Washington have been contemplating what can be done to save the negotiations. Trade lawyer Gary Horlick says a political lightning bolt, such as leadership from a major trading nation, is required to jump-start the negotiations. One skeptic, trade specialist Jeff Schott, identifies the WTO's own rules, the requirement that an agreement be unanimously approved, as a hindrance to success.

"Any small pipsqueak country can go and slow up the works. Or stop a result from happening. And what this means is that it is harder to do business in the WTO," he said.

In Washington, some participants at the International Law Institute's trade forum Wednesday predicted that the 28 nations that account for 90 percent of all world trade might negotiate their own agreement and present it to other WTO members on a take it or leave it basis. Others stressed that if an agreement is to emerge, progress will have to be made in the next few months.

Trade lawyer Charles Verrill says a major positive at Hong Kong was that India and Brazil were strong advocates of a WTO agreement.

"That emergence gave me confidence, more so than for some of the other people here, that something can be done as Brazil continues to play a very powerful, and I would say, intellectually very well driven role in these negotiations," said Mr. Verrill.

Now a major exporter of farm products and jet aircraft, Brazil is a much bigger player in trade than it was a decade ago. Brazilian diplomat Aluiso Campos is pleased with the constructive role his country played in crafting the interim agreement that emerged from Hong Kong.

"It was difficult and it was hard," he said. "There were some very difficult moments when tables were banged and people left the room. It was very difficult. But in the end everyone came out of there (Hong Kong) saying, you know, this text is the will of everyone."

India also played a constructive role in keeping the trade talks going. Now a major call center for businesses in Europe, America and Australia, India has an interest in removing restrictions on global services trade.

Grant Aldonas, a former trade official in the Bush administration, says the goal of unfettered trade should be presented as a basic freedom.

"When we're liberalizing things, even down to the level of tariffs, what we're really doing is affirming the freedom of contract for individuals in countries to deal with the rest of the world," he explained. "That is a powerful freedom we're talking about. And it isn't reduced to just the tariff line items."

Trade ministers from the major trading nations will hold informal discussions next week on how to move the Doha Round forward.