

APEC Trade Ministers statement on Doha Round

12th MEETING OF APEC MINISTERS RESPONSIBLE FOR TRADE
STATEMENT ON DOHA DEVELOPMENT AGENDA
Ho Chi Minh City, Vietnam

We, the APEC Ministers Responsible for Trade, gathering for our 12th Meeting in Ho Chi Minh city, Viet Nam, strongly re-affirm our economies' commitment to the multilateral trading system and to a successful conclusion of the WTO Doha Development Agenda (DDA) negotiations by the end of 2006.

The DDA round offers so much potential benefit for global trade, economic growth and development by delivering concrete results that expand trade flows. A strong market access result, among others, is a prerequisite for successful conclusion of this Round, as it has been in previous Rounds. We, therefore, commit ourselves to summon the necessary political will to conclude the negotiations with an ambitious and balanced outcome across the board and we call on all other parties to do likewise.

Our Leaders agreed last November that breaking the impasse in the agriculture negotiations, in particular market access, will unblock the key areas, including non-agricultural products and services. This is still the case. Urgent action is needed to drive the process of reaching agreement on agriculture and NAMA modalities by the end of June. At the end of July we need to see the overall shape of the package and have draft texts to work for a final result at the end of the year.

As we approach the end of June, APEC economies are ready to meet the challenge of agreeing ambitious modalities, based on the guidance agreed in the 2004 Frameworks and supplemented at Hong Kong. To do so, we must ensure that the flexibilities provided for in NAMA and agriculture do not undermine substantially improved market access.

- In NAMA, we agreed last year to pursue a simple Swiss formula. We support a formula with two ambitious coefficients applying to developed and developing Members delivering real and meaningful market access improvements. We are committed to continue work on sectoral initiatives using a critical mass approach and non-mandatory basis, with the aim to deliver results over and above those which would be achieved by the formula modality.

In agriculture, we have agreed to make effective cuts and disciplines in trade-distorting domestic support and have a range of numbers on the table. On export competition we have agreed to the parallel elimination of all forms of export subsidies by 2013 with serious front loading, although work is still needed on disciplines on the other elements of export competition. Market access lags behind, where the issues of a tariff formula, along with other issues such as sensitive products and special products must be taken together to ensure substantial market opportunities that generate new trade flows while

addressing sensitivities of Members. More work is required to establish effective provisions on S&D treatment, including special products and SSM.

Each of us is ready to contribute to the end of June milestone by supporting strong formulas that deliver meaningful new opportunities for our economies to prosper and develop. APEC Economies account for close to 50% of world trade – we cannot afford to lose this opportunity for global growth. We intend to stay personally involved in the development of modalities and the outlines of the package by the end of July. When next meet in November, we will need to give the negotiations a final push towards conclusion.

We appreciate the contribution and efforts made by the Director-General of the WTO Pascal Lamy to advance the DDA Round negotiations and extend our fullest support and cooperation to both Director-General Lamy and the chairs of the WTO negotiating groups.

WTO's Pascal Lamy Says Time Running out for Trade Negotiators

World Trade Organization Director General Pascal Lamy said negotiators are running out of time to rescue an accord on global free trade. "We're not yet in the landing zone, and we have three weeks to reach an agreement," Lamy told reporters today at the Economic Forum of the Americas in Montreal. "If we miss this window, the risk is that this plane won't land at all. And a plane that doesn't land at all isn't very reassuring."

Talks for a new WTO agreement that would update and expand the rules of trade and investment for 149 member nations have been moving in fits and starts since 2001. Negotiators already missed a deadline this past April 30 for reaching the outline of an agreement to cut farm subsidies, import duties and other trade barriers. Lamy set a new deadline for the end of June.

"Things are progressing, but too slowly," Lamy said. "That is the reason why we agreed to accelerate the pace with a deadline at the end of the month that would allow us to clear the field, if possible, for negotiations on issues such as service, trade facilitation and anti-dumping."

Reaching an outline for those measures would be followed by negotiations to translate general formulas into specific commitments.

Lamy said the so-called Doha Development Round of talks have been "more difficult than expected" because they are "deeper, larger and fairer" than previous negotiating rounds.

Negotiations so far have foundered mostly over complaints that some nations aren't going far enough in their proposals to scale back tariffs, subsidies and other trade barriers. "The offers currently on the table will have to be improved," Lamy said. "This has to happen within weeks, not months, if we are to conclude this round by the end of 2006." Negotiators have said they need to find some consensus by then primarily because the U.S.'s so-called trade-promotion authority -- which limits Congress's ability to amend trade agreements negotiated by the president -- expires in July 2007.

Lamy said meeting that deadline "is doable but will require political will." He said key improvements must include bigger cuts in farm tariffs, larger reductions on agricultural subsidies, and greater cuts in tariffs on industrial products. "Each one of the areas of negotiation presents its own difficulties and complexities," Lamy said. "When you combine all of them, the exercise becomes extremely difficult. If you add the fact that we are 150 members of very different economic and social backgrounds and that all of our decisions are taken by consensus, you see that our challenge is huge. We need a lot of collaboration."

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India seeks services offer at WTO.

India on Tuesday warned it may scale down its offer for opening up services sectors at World Trade Organisation talks in case developed countries did not improve their offers in areas of interest to developing countries. We have not received satisfactory offers from our trading partners in our main areas of interests, namely Mode 4 (movement of professionals) and Mode 1 (cross border supply of services such as BPOs)," Commerce Secretary S N Menon said at an ICRIER seminar on WTO services negotiations. Menon said it would be difficult for India to justify the inclusion of new sectors and improvements to commitments in existing sectors that it has undertaken in revised offer, if the next round of submitting offers scheduled for July 2006, did not correct the imbalance "We may have to go back on what we have placed on the table if the situation so demands," he said, adding India's revised offer, submitted in August 2004, was a substantial improvement over the initial offer for opening up services.

Services negotiations were at a crucial stage and it was important to arrive at an agreement in this sector along with those in agriculture and industrial goods, he said WTO member countries must submit revised offers by July 31, 2006 so as to finalise a draft text by December.

India has so far received 14 plurilateral requests, Menon said, adding some of the important requests were for opening up telecom, financial services, energy, legal, maritime, retail, education, and environment and construction sectors.

Reuters, India, 08/06/06

WTO battle looms over patents

Developing countries led by India and Brazil are set on a collision course with Washington by stepping up their campaign in the World Trade Organisation to oblige patent applicants to disclose the origin of inventions using biological resources or traditional knowledge. India, Brazil, Tanzania, Thailand, Peru and Pakistan last week proposed an amendment to the WTO's intellectual property agreement that would make such disclosure a condition of receiving the patent. In the event of failure to comply, existing patents would be revoked or made unenforceable.

The sponsors say their proposal is needed to stop "bio-piracy" – the exploitation of their genetic resources for drug development without a fair return to the host communities. But the pharmaceutical industry says existing rules are adequate and claims that draconian penalties for non-disclosure would stifle interest in developing new biomedicines.

The proposal, which is expected to attract support from more of the WTO's poorer members in coming weeks, has been made as part of the Doha global trade round. It may be used as a bargaining chip to set against the demands of rich countries for concessions elsewhere in the negotiations.

The WTO has set a deadline of end-July to make progress on this and a European Union demand for the extension of rules protecting geographical names for products other than wines and spirits.

However, Rufus Yerxa, WTO deputy director-general, who is in charge of consultations on these issues, said last month he did not expect agreement by the deadline. The US is reportedly backed by Japan, Australia, South Korea, New Zealand and Canada.

The EU has taken a softer line, favouring disclosure but opposing the invalidation of patents if disclosure requirements are breached. Trade experts see this as a move to recruit developing country support on geographical names, where Brussels faces strong opposition from the US and the same group of allies as well as much of Latin America.

The proposed amendment would require patent applicants to disclose both the country from which the resource was obtained and the country of origin of the resource. They would also have to show that they had complied with national laws on "prior informed consent" for access to the resource and on equitable benefit-sharing from its commercial development." Prior informed consent" and equitable benefit-sharing are required by the United Nations convention on biological diversity, but the convention leaves it to member countries to decide whether and how to put these concepts into national law. The US, as a non-signatory, is not bound by the convention.

Pharmaceutical companies say they already obey national laws, which normally require a contract with the government, and that only a handful of bio-piracy cases have been identified. But India and Brazil argue that without international rules, national laws can be easily evaded.

WTO deputy chief sees break-through at Geneva

The four-day mini-ministerial of the World Trade Organisation (WTO) members, scheduled to be held later this month in Geneva, may lead to a breakthrough in the slow-moving talks. WTO deputy director-general Harsha Vardhana Singh is optimistic that the modalities for both agriculture and non-agriculture market access (Nama) negotiations may well be in place by the end of the meet.

Speaking to FE, Mr. Singh said countries had started saying that they were flexible, which was a positive indication. "Once the chairmen of the committees on agriculture and Nama come up with their theories and members give their points of view, we will get the sign of some kind of an agreement," he said. The DDG pointed out that there was a good deal already on the table and there was scope for more, provided members did not get bogged down by the details. He added that talks should not be held up due to minor differences.

Mr. Singh said, despite existing differences in agriculture and Nama, members had started working towards a convergence. He added members were aware of the parameters within which an agreement could be reached. "The issue here is of a political will to take the talks to that level," he said.

When asked about the links among the negotiations in agriculture, Nama and services, Mr Singh said, they existed and could not be wished away. He added that if there was complete transparency and full knowledge, it could lead to an agreement.

Source: Reuters ,New Delhi 6 June 2006

US. Trade Official Sees 'New Era' in U.S.-Africa Trade

While there are encouraging signs that "a new era" of trade, investment and prosperity is beginning in Africa, there is still much to be done to ensure long-term economic growth and development.

U.S. Trade Representative-designate Susan Schwab made that point in an address to the African Growth and Opportunity Act (AGOA) Investment Summit in Washington June 7.

The event was held in conjunction with the fifth annual AGOA Forum and parallel civil-society and private-sector forums held under theme: "The Private Sector and Trade, Powering Africa's Growth." (See related article.)

AGOA provides duty-free access to a wide range of more than 6,400 items -- including textile products -- into the U.S. market for African nations willing to reform their economies along free-market lines. The landmark trade legislation -- the first of its kind with Africa -- was passed by Congress in 2000 and since has been amended and reauthorized.

Schwab, who lived eight years in Africa during her childhood, said that in spite of positive trends, "we must acknowledge that we have a lot of work to do" to make those trends permanent.

She said trade, spurred by AGOA and other Bush administration initiatives, has helped Africa become more prosperous, but Africa needs investment, which she called a "critical component" for stimulating growth and development. The continent still lags far behind on investment flows as compared to other regions of the world, Schwab said.

For that reason, she said, the challenge is how to increase capital flows to the continent, which is rich in natural resources and human potential. She called on everyone to "continue to think creatively so that three quarters of a billion people who live in Africa can look forward to higher standards of living and ever-expanding economic opportunities."

Quantifying the "signs of a new era," Schwab said strong global economic growth, rising commodity prices, and economic and political reforms on the continent are supporting "relatively robust growth" in sub-Saharan Africa.

Real growth in gross domestic product (GDP) for the region reached an eight-year high of 5.6 percent in 2004, while inflation touched an historic low at 9.8 percent in the same year, she said.

Today's Africa is a much different place from that encountered by investors just a few years ago, she said. "We are seeing less and less of the old Africa that was suspicious or closed to business and more and more of the new Africa that is open to investment, eager to trade, actively seeking inroads and linkages with the United States, with businesses and their own entrepreneurs."

One of the significant developments that has come out of the Doha

round of World Trade Organization negotiations over the past five years, she said, is the emergence of a more "solid consensus" among all nations, including developing nations, that trade is an important path to economic growth and development.

In fact, she said, trade is a much clearer path to prosperity than traditional aid. Many African leaders have shown that they understand this by working with the United States and other developed and developing countries to advance comprehensive trade liberalization efforts through the WTO's Doha Development Agenda.

In many ways, she said, AGOA is helping to usher in a new era by "broadening and deepening" trade and investment relations with the countries of sub-Saharan Africa.

Source: U.S. Trade Representative-designate Susan Schwab at Fifth AGOA Forum, Washington, June 7, 2006.

WTO deal deadline looms

Long-standing proposals on farm tariff cuts by the G20 group of developing countries probably offer the best chances for a World Trade Organisation deal, says the chairman of the farm negotiations. New Zealand ambassador Crawford Falconer said: "I cannot see how any objective observer could avoid the conclusion that the real zone of engagement has to be around the G20."

Those pushing for the deepest tariff cuts, such as the United States and Australia, reject the G20 plan as not enough, while the more defensive agricultural powers such as the European Union and Japan say it goes too far. WTO member states face an end-June deadline for a draft agreement in agriculture and industrial goods, including cuts to subsidies and tariffs.

The draft deals, which the WTO hopes will be hammered out at a meeting of trade ministers between June 29 and July 2, aim to set the stage for a blueprint for a complete free trade pact to be agreed at the end of July. Failure to meet the deadlines could condemn to failure the WTO's Doha round, with its promise to boost economic growth and help lift millions out of poverty.

The Brazil- and India-led alliance has called for developed states to agree to cut their farm import tariffs by an average 54 per cent, while developing countries would accept an average maximum cut of some 36 per cent. But the US wants 66 per cent for the richer nations, the European Union is offering 39 per cent and other big farm goods importers such as Switzerland and Norway even less.

Falconer said deep differences between states over agricultural trade would be difficult to bridge. The first public reaction to his views will come today, when the WTO's 149 members hold another round of farm talks.

Source; REUTERS, GENEVA Monday June 12, 2006

Kenya Leads Talks on Waiver Dispute

Some 39 African countries face the challenge of convincing China and Uruguay, which are opposed to the continued preference given to Africans by US under the African Growth and Opportunity Act. Agoa allows more than 98 per cent of African imports to enter the US market duty-free.

However, Trade and Industry minister Mukhisa Kituyi said he is in talks with the Chinese government about its objection to a waiver under World Trade Organisation (WTO) for the continuation of preferential market access. Under WTO, a preferential scheme between any group of countries can be challenged by any other state that is not party to that arrangement.

"And unless the challenging country is asked to drop that waiver the matter is like you are being sued in the courts of WTO, the preferential scheme can be obliterated," Dr Kituyi told reporters on Friday as he left the country for an Agoa forum in the US. The US government had written to WTO seeking an extension of Agoa to continue. The minister said, the Chinese government has virtually come to the last phase of withdrawing its objection.

The most resistance the Agoa-eligible countries are facing is Uruguay. But Dr Kituyi said the ministry and the embassy in Geneva are leading an initiative for the rest of the African countries to get Uruguay to drop its opposition.

Uruguay has an interest in the discontinuation of Agoa because it sells some of the products that Agoa countries sell into America. Uruguay has no defensive interest vis-à-vis Africa in the sense that it is not a major market so that they have nothing to fear to offend Africa. "Diplomatically, it is easier for us to deal with China than to deal with Uruguay," Dr Kituyi noted.

But the minister said since Uruguay is in the forum of developing countries, Kenya is dealing with it in that context. "I am looking at how to use my contacts with Latin American ministers we are dealing with under WTO and the ambassadors to seek the removal of that objection by Uruguay," he said. Dr Kituyi said the Chinese government has assured him that it would withdraw its opposition.

However, he insisted, Kenya did not give any concession to the Chinese. "I have no concessions to make to them, I have made enough concessions to them, they are exporting a lot to this country and they should also listen to what we desire," he said.

Bilateral trade between Kenya and China amounted to Sh34.7 billion last year, according to government figures. But the lion's share, though, flowed to China to pay for exports of everything from machinery and textiles to flip-flops and rice cookers.

China's exports to Kenya were Sh33.4 billion in 2005, a 31 per cent increase on the previous year, while imports of fruits, scrap copper, cotton, coffee and tea from Kenya rose 4 per cent to Sh1.28 billion.

The Nation Newspaper, (Nairobi) Kenya: June 6, 2006

OECD says tariff cuts worth \$44bn

If levels of global trade tariffs and subsidies are cut in half, it could contribute an extra \$44bn (£24bn) to the worldwide economy, the OECD says. The Organisation for Economic Cooperation and Development (OECD) said this would result from higher incomes for both producers and consumers. Its comments come as nations continue work to agree a new global trade deal at the World Trade Organization (WTO).

Already long delayed, the WTO wants a framework agreed by the end of July. A final deal is then timetabled to be completed by the end of this year. If the finished agreement is finally signed off, it is expected to cut global protectionism by between 30% and the 50%, the level explored in the latest Organisation for Economic Development and Cooperation (OECD) study.

Source: By [KBC Business](#) (Sunday, June 11, 2006)

Africa calls for a 'coffee Opec'

Commodity exporting nations will demand right to collective market control as price of trade deal.

African countries are demanding the right to form cartels, like the oil producers' group OPEC, to push up the price of coffee, cocoa and other agricultural commodities, as part of any deal in fragile World Trade Organisation talks.

With less than three weeks until the end-of-June deadline set by WTO director general Pascal Lamy for sketching the outline of an agreement, the African Group has tabled a proposal that would let its member's band together to support the prices of commodity exports that are critical to their economies.

'There is increasingly a view among commodity experts and policymakers in commodity-dependent exporting countries that for commodities like coffee and cocoa, where the distortion of prices is the result of oversupply of a structural nature in the international markets, appropriate action may have to be taken by the producing countries themselves, by entering into arrangements for management of supplies, through control of overproduction and/or imposition of restrictions on exports,' they say in a paper submitted to the WTO.

The price of some commodities, especially metals such as copper and nickel, has risen sharply in recent years as China gobbles up resources at an unprecedented rate, but the value of many raw materials has been in long-term decline.

Some of the world's poorest countries are heavily dependent on exports of a single commodity. Coffee accounts for 60 per cent of Ethiopia's export earnings and 80 per cent of Uganda's, for example - and campaigners argue that coffee processors, many of them giant multinational firms, are able to exploit their market power to keep prices low. For example, a pound of coffee cost about \$1.50 in 1980 but is worth just 90 cents today.

'Despite recent increases, coffee prices are little more than half what they were in 1980. Unless agricultural farm prices increase significantly and the volatility is taken out of commodity markets, millions of small-scale producers will be driven from their land and into poverty,' said Tim Rice, trade policy officer at Action Aid.

African producers are also fighting for the elimination of so-called 'tariff escalation', under which rich countries slap higher taxes on processed products, such as roasted coffee, preventing producing countries from exporting anything but the raw material.

Tim Lines, a consultant specialising in trade issues, described the volatility of commodities as 'an issue that has been swept under the carpet for 20 years'.

WTO rules don't expressly forbid action to support commodity prices, but many African countries are nervous about intervening in markets. 'For producer countries there is an ambiguity, because there is so much pressure for doing everything according to the market,' Lines said.

The Africa Group's move comes as negotiations in the Doha round of global trade talks, launched more than four years ago, reach a critical final stage. Trade ministers are due to gather in Geneva on 29 June to try to sign up to a draft agreement. But with both the US and the EU entrenched in long-standing negotiating positions; many analysts are pessimistic about the chances of a deal. 'It's the usual stand-off,' said Matt Griffith of

Cafod. 'The US is really starting to cause concern. Posturing is normal in these talks, but there's a feeling that they aren't even thinking about where they want to move to.'

Source: The Observer, Sunday June 11, 2006