

Lamy's Magic Wand in Quick Sand

The director general of the WTO, Pascal Lamy, while making the statement of inauguration ceremony of the Sixth Ministerial said that he was found a "magic wand" to mark an end of the Doha Round in less than four months since he adopted his office in September.

In fact his hunt for a magic wand had been reflected from his very first speech as a director general of the organization as he was quoted to have said that he did not have the magic wand.

However, his magical wand is based entirely on formula like "if" and "but" as he put up a great deal of expectations towards his members.

"I think it is the sort of magic that only works if everyone believes in it," he said with a frightening voice and added that "So let's up put fantasy away and try to combine our hopes and our powers, to advance the negotiations so they can be completed in 2006.

He hinted the Ministerial draft as his wand and thus expecting the members to show the magic by working on the draft, which is merely a compilation of the reports of the Trade Negotiations Committee and contains wide degree of divergences among the members.

"... it is therefore in your hands and in the hands of your negotiators to work as best as you can," he said aiming to round up the shape of the WTO at 360 degrees angle by the end of 2006.

Recently, the EU and the USA echoed that the Doha negotiations must be finalized in 2006. However, both the leading members yet to make any compromise on farm subsidy.

At a pre-summit briefing the EU trade commissioner Peter Mandelson said that he will not make any offer to cut in farm subsidy while the US trade representative Rob Portman remained stick into his conditional offer.

When a great deal of divergence still prevails on various issues in agriculture, industry and service sectors and many of the modalities are yet to be

finalized, the quickening up the negotiations process indicates a sense of apprehension for LDCs as many of their agenda under the special and differential treatment may fall by the wayside of the hasty process..

LDCs may dupe by the blame game of the riches

The interests of the LDCs are likely to be undermined as blame game of the developed countries continued to persist at the Sixth Ministerial Conference of the World Trade Organization that opened on Tuesday at Hong Kong.

Both the EU trade commissioner Peter Mandelson and the US trade representative Rob Portman remained firm on their respective positions on the agriculture deal - the most contentious issue of the WTO.

At a pre-summit press conference, Mandelson, said that the EU is not in position to cut the farm subsidy now. On the other hand, Portman called on the EU to make further progress on agriculture subsidies at the summit.

The US said that it is ready to cut farm subsidy by 60 per cent in the next five years if the EU also match the offer.

A deal on agriculture remains the main stumbling block at the six-day meeting.

Apprehension is that the development agenda of the LDCs on special and differential treatment like market access facility and aid for trade likely to be sidelined if the progress is not made on the farm deal.

It feared that the LDCs might be duped by the present level of progress on farm deal.

The longer the developed countries take time to make to make a consensus on farm deal, the greater the difficulties LDCs will face to negotiate on their issues.

Much ado about...

The EU Trade Commissioner Peter Mandelson on Tuesday boasted yet again to let the world know that EU has given the Least Developed Countries (LDCs) completely free access to its markets under the Every Thing but Arms agreement.

However, the hard reality is that the LDCs, which have low export capacity base and are constraint by the supply-side bottlenecks, have not been able to take the full potential of the EBA initiative.

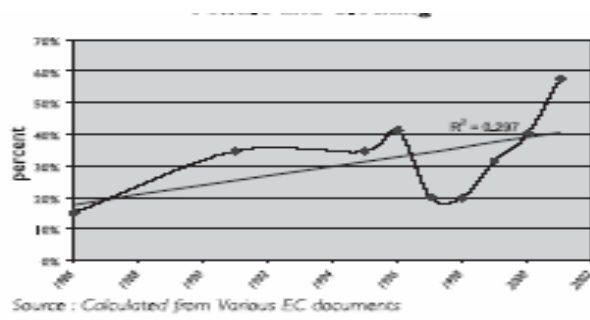
“Our Everything but Arms initiative gives the Least Developed Countries completely free access to our markets” said Mandelson at a press briefing soon after the end of the inaugural session of the Sixth WTO ministerial Conference.

But he has forgotten to point out that the initiative has been tagged with the stringent Rules of Origin - a condition that requires high value addition in the country of origin.

Neither had he heeded the problems of supply-side constraints of the LDCs, which hindered the potential for export diversification of these poor countries. For example, Bangladesh – a least-developed country located in the South Asian region - cannot fully utilize the EU-GSP facility due to stringent RoO.

In 2002 the overall the GSP utilisation rate was 61.3 per cent of Bangladesh’s total exports to the EU – the largest market for Bangladeshi products.

In case of T&C, the utilisation rate fell short of the average rate due to inadequate backward linkages. Bangladesh was able to utilise 57.4 per cent of the GSP in T&C during the period compared to the level of 40 per cent in 2000.



On the behalf of LDCs, the Unnyan Onneshan, a Bangladesh-based reaserch organization, urged the EU to making its commitment on relaxed RoO at the Hong Kong Ministerial.

“On one hand they (EU) are boasted by their initiative, on the other they tagged it with strict rules of origin,” said Rashed Al Mahmud Titumir, trustee of the organization.

Time has come to make an assessment to checkout the reality, he said, adding that the world must know that initiative has little to improve the market access of LDCs in the EU, unless the latter ensure a flexible RoO.

Key Developmental Concerns Neglected

The undue emphasis placed on reducing agriculture subsidies and lowering tariffs of industrial goods of rich countries at the just started World Trade Organization (WTO) ministerial conference in Hong Kong alleged to have left out some of the critical development and trade related concerns of the developing and least developed countries. This has caused alarm among the civil society organizations, who argue that the various non tariff barriers (NTBs) being put up by the rich countries in the form of standards, especially for the agriculture and processed goods exports of poor countries have not received adequate attention in the Hong Kong talks.

Many members of the CSOs believe that non tariff barriers including some of the infamous sanitary and phytosanitary standards are not based on any scientific evidence or substantiated facts but deliberate creations of the rich countries. At the same time many exports of the European Union Countries does not comply with the internationally agreed health standards.

Sachin Chaturvedi of the Research and Information Systems (RIS) of India argued that NTBs really have an adverse effect on livelihood security and access to technology in many poor countries. Therefore, WTO system should agree on imposing suitable penalty for countries imposing standards which are higher than internationally agreed food standards such as CODEX for protectionist purposes. Some delegates felt that in order to bring key development concerns such as standards on the negotiation table, the poor countries need to do a lot more efforts.

On the vexed issue of genuine south-south cooperation in the WTO negotiations and a win-win situation for the poor, Abid Suleri of Pakistan and Rashed Titumir of Bangladesh urged both the developing and least developed country governments to take practical approach by identifying the areas common ground such as NTBs and for policy space and longer implementation periods than lingering the differences on what is the basis for special and differential treatment.

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