

Doha Round Negotiations

6th WTO Ministerial Conference, Hong Kong, December 13 – 18, 2005.

The 6th WTO Ministerial Conference took place in Hong Kong from 13 to 18 of December 2005. This conference was one more step to the DDA multilateral negotiations process.

The "objective" of this conference was the adoption of a political text, aiming at the completion of the negotiations at the end of 2006. In any case, the discussions in Hong Kong were based, to a great degree, on the framework agreement of 2004.

This is the reason why there are no specific numbers or specific legal commitments, where necessary, included in the declaration.

Taking into account the fact that as an aim remains the completion of the negotiations by the end of 2006, the only direction the Hong Kong declaration could take was towards the establishment of a timeframe for some of the negotiating issues, depending on the progress made in each one of them.

Generally evaluating the final declaration, someone could argue that, after the 2003 Cancun failure this declaration maintains the hopes for a successful completion of the Doha Round alive.

Despite the difficult negotiations, the final outcome has been characterized by all WTO members as a historical accord which, at the same time, constitutes a further step towards a successful final result of the Round.

Once more, agriculture was the most controversial file and at the core of the negotiating process. The European Union was under big pressure from almost all WTO members (developed and developing).

The elimination of the export subsidies was the main target of the exporting countries followed by the market access and the domestic support pillars. The aim of these countries was to make the EU to play its last "negotiating card" that implies the definite end date for the export subsidies.

In this way they impose an increasing pressure on the EU, with regard to the market access pillar.

The main points of the declaration, concerning agriculture, are the following:

General Overview

In the declaration it is recognized that work has to be intensified on all outstanding issues, in order to achieve the establishment of modalities no later than 30 April 2006 and to have the comprehensive draft schedules be submitted no later than 31 July 2006.

It is worth mentioned that the same timetable was agreed for the NAMA (Non Agricultural Market Access) negotiations while for the other negotiating files the timetables are less "tight".

Domestic Support

In the declaration, it is stipulated that there will be three bands for reductions in Final Bound Total AMS and in the overall cut in trade distorting domestic support, with higher linear cuts in higher bands. In both cases, the Member (EU) with the highest level of permitted support will be in the top band, the two Members (USA and Japan) with the second and third highest levels of support will be in the middle band and all other Members will be in the bottom band.

Disciplines will be developed to achieve effective cuts in trade distorting domestic support.

Developing country Members with no AMS commitments will be exempted from reductions in the de minimis and the overall cut in trade distorting domestic support. Green Box criteria will be reviewed to ensure, inter alia that programs of developing country Members that cause not more than minimal trade distortion are effectively covered.

Export Competition

It was agreed that the export subsidies will be eliminated by the end of 2013, with the elimination of a substantial part of them by the end of the first half of the implementation period.

Regarding the notion of parallelism, general arrangements were agreed mainly on export credits and on food aid and in a lesser degree on Export State Trading Enterprises, but a great deal of technical work is still required.

Finally, flexibility in favor of the developing countries, as part of the Special and Differential Treatment, was agreed.

Market Access

On market access, a four band harmonizing formula was adopted, while the issue of thresholds remains open. At the same time it was reconfirmed that an agreement must be reached as regards the issue of the treatment of the sensitive products.

As regards developing country Members, it was agreed that they will have the flexibility to self-designate an appropriate number of tariff lines as Special Products guided by indicators based on the criteria of food security, livelihood security and rural development.

Developing country Members will also have the right to have recourse to a Special Safeguard Mechanism based on both import quantity and price triggers.

Paragraph 24 constitutes a main element of the declaration. This paragraph calls for a comparably high level of ambition in market access for Agriculture and NAMA.

Cotton

It was decided that an explicit decision on cotton should be taken within the framework of the agricultural negotiations. Concerning the specific pillars the following were agreed:

- All forms of export subsidies for cotton will be eliminated by developed countries in 2006.
 - On market access, developed countries will give duty and quota free access for cotton exports from least-developed countries (LDCs) from the commencement of the implementation period.
 - On Domestic Support it was agreed that the objective is that, as an outcome for the negotiations, trade distorting domestic subsidies for cotton production be reduced more ambitiously than under whatever general formula is agreed and that it should be implemented over a shorter period of time than generally applicable.

Geographical Indications

As regards this issue, nothing was essentially added in Hong Kong. Despite the fact that the GIs issue remains on the negotiating table, it seems that a positive development is very difficult at the present time.

Special and Differential Treatment

It was agreed that developed country Members shall and developing country Members declaring themselves in a position to do so should, provide duty free and quota free market access for at least 97% of products originating from Least Developed Countries, defined at the tariff line level, by 2008 or no later than the start of the implementation period.