

Week of decision in WTO for “level of ambition” in Hong Kong Ministerial

Tuesday 8 November 2005, by [KHOR Martin](#) (Date first published: 3 November 2005).

The week beginning 7 November will be critical in determining the prospects of the WTO Hong Kong Ministerial conference.

The WTO leadership will be going all out to make a big push - perhaps the last - to save the Hong Kong meeting from being a failure, or a “non-event.”

On Monday, a meeting will be held of the Ministers of the “big four” members - US, EU, India and Brazil - which will reportedly start in the late afternoon, and which is expected to focus on agriculture but also discuss the range of key issues in the Doha agenda.

Presumably that meeting may come to some political conclusion (or at least decide on some principles) on the level of ambition that will realistically be possible (at least for these four members) for Hong Kong and maybe the rest of the Round.

On Tuesday, the action shifts to Geneva, with the Ministers of the four countries expected to continue their meeting. They are expected to meet also with other Ministers, perhaps in a “FIPS-plus” type format. But this will take on meaning, in negotiating terms, only if the four have already made some progress among themselves in London.

The WTO Director-General Pascal Lamy last Thursday told a “Heads of Delegation” meeting in the WTO that the members should take the opportunity of some Ministers being in Geneva to make progress.

A day earlier, Lamy had convened a “Green Room” meeting of about 20 Ambassadors. According to diplomatic sources, Lamy indicated that he intended to convene a meeting of the Ministers present to review the status of the negotiations across the board which could decide the level of ambition for Hong Kong.

Some diplomats believe that if there is enough momentum, the Ministerial-level talks might continue in Geneva on 9 November.

An Ambassador from a developing country was however sceptical of what would come out of the mini-Ministerial meetings. In his view, almost all of the Ministers present in Geneva would be from the developed countries, and the developing countries would be grossly under-represented.

As they would not participate in these meetings, the developing countries would not feel that they “own” the decisions or even the views that may come out of it. Many countries may even feel that the situation has been

manipulated to get a majority of members to go along a certain route, when they were not asked to take part, even as spectators, said the diplomat.

The series of mini-Ministerials during the week is seen by many as a last-ditch effort to have Hong Kong produce "high-ambition results." In recent weeks, there have been setbacks, with the agriculture negotiations deadlocked within the FIPS, while more and more of non-FIPS members have produced their own proposals, including their own formulae (as in the case of the ACP Group) and their own detailed texts (as in the case of the G33 proposal on special safeguard mechanism).

How to reconcile the different interests and positions, in such a wide range of issues, in such a short time, has become an increasingly improbable task.

The ordinary members are also voicing their frustration that priority has been given to the FIPS and their concerns, and especially to the interests of agricultural exporting countries, while the special and differential treatment issues of developing countries (and their defensive interests) have been sidelined.

The services negotiations are also in trouble, as a broad spectrum of developing countries are increasingly exasperated with the insistence of the Chair of the negotiations, Ambassador Fernando de Mateo of Mexico, to include "benchmarking" or "targets and indicators" as a new negotiating approach, even though they have objected to it so many times.

The Chair's procedural ruling that his draft Ministerial text on services cannot be changed unless there is a consensus on amending it have earned the ire of many delegations, as well as 60 civil society groups that issued an open letter of complaint this week.

As for NAMA, the negotiations will resume on 7 November and is scheduled for most of the week. However, many serious differences remain among members on the tariff formula, treatment of unbound tariffs, flexibilities for developing countries, and the sectoral approach.

The latest EU proposal, contained in its 28 October agriculture paper, that developing countries should apply a coefficient of 10 in a Simple Swiss formula (implying very drastic cuts in their industrial tariffs) has raised the temperature. Several developing countries are expected this week to counter this with their own approaches, some new, enabling greater development flexibilities.

It would be overly optimistic to expect that these thorny and complex problems will be resolved this week.

At the Heads of Delegation meeting on 3 November, Lamy reported on the status of the negotiations, giving a rather bright view. What is needed is a move on market access issues, he said. In agriculture, the new EU proposal was worthwhile for consideration, and there were new proposals by the G33 and the ACP. Though market access is the main issue, there are many other outstanding issues, including cotton.

On NAMA, said Lamy, there is still a large divergence especially on whether there should be one or several coefficients that has to be dealt with before Hong Kong. Lamy said that on services there was good progress in informal meetings, and it appeared some text could emerge.

On Special and Differential Treatment (SDT), a package is now "well in our grasp", and everyone should show flexibility, said Lamy, adding that on trade facilitation the draft report is close to finalization, and can be the basis for a Ministerial text.

In the response from Members, several delegations spoke of the need for a more participatory process, and complained about aspects of the negotiations.

A senior official from Bolivia said his country had an open economy for 20 years but there had not been economic growth, so it had expectations of development from this Round. He also expected that there would be a more transparent and inclusive process.

Venezuela expressed concern about the process of drafting of the Ministerial text, especially the practice of Chairs of negotiating groups presenting texts on "their own responsibility". The Chairs should instead respect the rules and procedures of the WTO and not adopt practices that will affect participation of members.

Consensus should be the basis of the drafts, and square brackets should be placed on text where there is no consensus, said Venezuela. It expected Lamy to show leadership in this matter.

In response, Lamy was reported to have said that the chairs are selected by the members and are their equals. If there are 7 options and brackets in an issue, this would no longer be feasible (in a text).

He said the WTO had the experience of a 45-page ministerial text with up to 5 square brackets per page, and this would not be feasible. The underlying objective is to obtain consensus and only where certain tensions occur would the Chairs have texts under their own responsibility.

Cuba echoed the concerns of Bolivia and Venezuela, saying that the WTO is a member-driven organization and there should be more participation of members in the negotiations. It proposed that summaries be made of the informal consultations and meetings and given to members. This could help increase transparency and common understanding of the process.

According to diplomats, Lamy replied that he was not in favour of the idea of minutes as the meetings are informal and this would also increase the work burden of the secretariat to a level that he could not recommend.

Venezuela responded that it understood that there would be tensions between efficiency and transparency. But it again referred to the problem that text rejected by a majority of members continue to appear again in the next draft. This was very problematic, in Venezuela's view.

Botswana supported the delegations that had voiced concerns about the process, and said it hoped their concerns would be taken on board. It had a number of concerns, one of which being how the Friends of the Chair would be selected at the Hong Kong Ministerial.

Lamy said this would be in the hands of the Chair of the Hong Kong Conference. A structure is being worked on. It would also depend on how many issues are being negotiated. +

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* Cicrculated by the TWN Info Service on WTO and Trade Issues, 7 November 2005, Third World Network, www.twnside.org.sg