

WTO Ministerial at Hong Kong: Expectations and Possible Outcome

Not much progress has been made since the WTO Ministerial at Cancun in 2003 and above all there are too many items in the agenda. Thus, it is prudent to pitch the expectations at a low level by the Trade Negotiators at the WTO Ministerial at Hong Kong. The crucial issue will be to get a breakthrough in the Agriculture negotiations and without some success, it will be difficult to see progress in NAMA (non-agricultural market access) and other issues.

The other three items of the July package, viz., services, trade facilitation and the development dimension may perhaps not feature prominently in the Hong Kong Ministerial, although the developed countries may try to push through the new system of benchmarking (introducing a score card) and multilateralization of offers made in the services by developing countries. This will lead to reducing the flexibility of the GATS and will not be favourable for developing countries. Mode 1 and Mode 4 liberalization of services are the areas that are of importance to developing countries but the progress in these areas have been painfully slow.

The developing countries would like to see the Hong Kong Ministerial contributing to bridging the development deficit by moving away from the “one size fits all” to a more development-oriented position. In other words, there should be an end to providing lip service by developed countries to Special and Differential (S&D) treatment (less than full reciprocity). Some developed countries say that S&D is not a part of the Doha Development Agenda (DDA) but on the contrary it is an implementing issue and thus very much a part of the DDA.

On the more general themes, developing countries would like to see some reform initiated in the WTO in regard to consensus-based decision making and the Sutherland report could be a starting point to initiate a dialogue. Developing countries would also like to see a stop to politicizing the international trading environment by WTO-plus conditions by developed countries, particularly for market access in those countries via

bilateral free trade agreements. Adherence to WTO-plus conditions not only weakens the bargaining position of developing countries at the WTO but also when they embark on more bilateral free trade agreements with other trading partners. Besides, such conditions reduce the ‘policy space’ to pursue domestic development strategy.

Since the agenda for the Hong Kong Ministerial is overloaded it will dilute the attention for key areas that are of interest to developing countries. The only silver lining is that WTO has Pascal Lamy as its new Chief – who has a personal stake on the Doha Development Agenda. Although he is engaged in crisis management he may put all effort to ensure that what happened in Seattle and Cancun will not be repeated at Hong Kong. A failed Ministerial will not augur well for the future of the multilateral trading system.