



Foreign Trade Association

The Doha Development Agenda – Interim results of current WTO world trade round

A new round of world trade talks opened in November 2001 with the successful conclusion of the latest WTO Ministerial Conference in Doha. This round is pursuing an ambitious programme known as the Doha Development Agenda (DDA). Between now and the next Ministerial Conference, which is to be held in Cancun, Mexico, in September 2003, the member states are to hold negotiations on a wide range of agreements and treaties. The international trade climate and hence the competitiveness and flexibility of our member companies will depend on the course and outcome of the negotiations.

The aim sought is liberalisation, as both developing countries and industrial nations can benefit equally from this. In the view of the FTA, the aim must be to strive for the following results, if this round is ultimately to be considered a success:

1. Improvement of market access:
dismantling of customs and non-tariff trade barriers
2. Measures to facilitate trade:
simplification of trade procedures and the related documentation
3. Improvement of the anti-dumping agreement:
Greater transparency and calculability, shortening of periods and increase in threshold values for the introduction of anti-dumping procedures
4. Further development of the General Agreement on Trade in Services (GATS):
lifting of control on further services sectors and reduction in existing restrictions
5. Conclusion of a multilateral investment agreement:
creation of a liberal and secure investment climate for all sectors worldwide



These selected topics form only a small part of the overall WTO spectrum. However, the negotiations will take place in blocks so that progress in one area is not impeded by difficulties in another. The agriculture negotiations and the issue of licensing rights for medicines (TRIPS) play a special role in this context. As

regards the latter, the deadline set has already expired, and this is having an immediate negative effect on all other negotiations.

Generally speaking, it cannot be said that any swift progress is being made at the moment. The differences between the industrial countries and the developing countries remain substantial. Whereas the developing countries are pressing for the fulfilment and implementation of WTO agreements reached so far or new negotiations on individual issues, the industrial countries – particularly the EU – have their sights set on the general comprehensive subject area of the WTO. Another negative point is that apart from the EU, substantial negotiating proposals from other WTO member states are only being submitted very hesitantly. The USA in particular has so far remained largely inactive. This situation has not been altered by the 'Trade Promotion Authority, TPA' Act which, since mid-2002, has enabled the American President to conclude trade agreements without consulting congress.

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However, the change at the top of the WTO in September 2002 sent out a perceptible signal. Dr. Supachai Panitchpakdi, the new WTO Director General, is increasing the commitment and integration of the developing countries in the overall process.

The success of this round will be particularly significant for European trading companies, if we consider the range of issues that will have an immediate effect on the scope of action at home and abroad in the context of increasing internationalisation. The FTA will firmly represent the interests of the European retail trade in the permanent dialogue with the heads of the WTO and the EU Commission.

In addition, the FTA Committee on Trade Policy has, amongst other things, worked intensively on the investment agreement planned in the framework of the WTO. This cross-sector agreement is to establish uniform framework conditions for investments in the 145 or more WTO states, after the failure of a similar attempt by the OECD in 1998.

Unfortunately the European Commission has so far shown little readiness to establish protection against expropriation in a multilateral investment agreement. In the Commission's view there is no need for such a regulation, as adequate provision for protection against expropriation has already been made in various bilateral investment agreements. From the point of view of trade, however, protection against expropriation must have absolute priority in such a regulatory framework. Against this background and with reference to the still deficient network of bilateral investment treaties and the huge significance of investment protection for European trade abroad, the committee members adopted a resolution urging the inclusion of protection against expropriation in the multilateral investment agreement.

At the moment, the WTO working group on 'Trade and Investment' has been asked to work out the content and scope of the agreement. After the ministerial conference in Cancun, the WTO states are to enter into negotiations to clarify the details. Through constructive talks with the decision-makers, the FTA will work towards ensuring that its resolution is taken into consideration during the negotiation and will submit position papers and written opinions aimed at safeguarding the interests of European trade.