

**Global Business Dialogue
Catching the December Wave: A Doha/WTO Discussion**

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14 July 2011

Why is the Doha Round so important?

- . Australia has been, and continues to be, a staunch supporter of the multilateral trading system. **For us, supporting a multilateral system that promotes enforceable and transparent trade liberalising rules is a no-brainer.**
 - Conclusion of the Round would give an **important boost** to the world trading system, global economic growth, development and jobs creation.
- . Australia's support for the multilateral system is seen in our active participation in all parts of the WTO system but particularly in our support for concluding the Doha Round of WTO negotiations.
- . While the World Trade Organization is far from perfect, **the system that it embodies has achieved a great deal.**
 - The WTO has overseen a fall in trade weighted industrial tariffs from over 40 percent in 1946 to under 5 percent today.
 - Its membership has grown from 23 to 153 economies.
 - It continues to enforce trade commitments through probably the most effective international dispute settlement system in existence.
- . We know when countries hit hard times, increasing levels of protection is one of the first tools considered. The US's Buy America provisions in the 2009 stimulus bill are a great example. This is despite overwhelming evidence that protectionism is detrimental to economic growth. **The WTO continues to save us from our worst instincts.**
 - This was clear during the recent global economic crisis.
- . There appears to be a real lack of appreciation for what the multilateral trade system has delivered to date and **the damage that will be done if we do not continue to work on improving that system** as the global trade system evolves
 - The WTO's negotiating function must show that it can operate.

What is happening in Geneva?

- . Current efforts are focused on pulling together a **smaller package of Doha deliverables by December**, while work on the remaining issues in the Round continues beyond December as part of the Single Undertaking.
- . **Australia is working hard** to achieve this partial package of Doha outcomes

- For Australia this needs to be a **substantive package**
- including not just elements important to **Least Developed Countries** (LDCs) – cotton, duty-free-quota-free, LDC services waiver, LDC rules of origin
 - : These are undoubtedly important issues that are key to the package, but they are not enough.
- **We also want to see the package include other substantive outcomes.**
- Australia’s assessment is that any package for December **would need to be credible and substantial if we are seriously aiming to set a course for the completion of the Round.**
- **such issues might include** trade facilitation, the elimination of agricultural export subsidies, liberalisation of environmental goods, increased disciplines on fisheries subsidies and a comprehensive standstill on tariffs and subsidies (similar to that of G20 Leaders)
- Some of these issues also have a **strong development focus**, e.g. agricultural export competition and trade facilitation.
- A standstill would provide a bridge to a later market access outcome.
- . **Australia continues to support the current ‘G7 plus’ process** being conducted by WTO Director-General Lamy in Geneva to explore in detail what might be possible.
- . We understand progress in this process and next steps will be discussed at the 26 July 2011 informal TNC meeting.

Response to those who say a December package is impossible

- . My automatic response is: why not? Can we be sure it really can’t be done without properly examining each of the issues proposed for this package?
- . **Some seem to us too ready to declare failure before we’ve properly considered the detail.**
- . That’s why we support allowing the current G7 plus process being allowed to run its course.
- . It’s also unhelpful to keep drawing linkages between issues. This just makes it more difficult to get agreement. We need to discuss the substance of issues first
 - Only once this discussion has taken place, issue by issue, will we be better placed to make an assessment.
- . We would like to see **more creative suggestions on ways to conclude the Doha negotiations, rather than reasons why it can’t be done.**
 - More inputs like the letter to Trade Ministers from Caterpillar head Mr Oberhelman that we heard about from Bill Lane today and the EU NAMA proposal the letter encouraged us all to re-examine.

- And the ideas like that of Jeff Schott from the Peterson Institute of capturing some Doha Commitments in the form of a down payment contingent on the rest of the Round being completed
 - : With the down payment to include 20% of formula cuts on agriculture and NAMA, commitments on agricultural export subsidies and trade facilitation with targeted technical and financial assistance to developing countries.
 - This the responsibility of all WTO Members
 - But particular the major trading economies
 - And in the United States of each of the Administration, Congress, the business community and NGOs.
- . For example, **a bold move by the United States to advocate publicly the inclusion of agricultural export competition** in the December package could bear dividends
- i.e. elimination of agricultural export subsidies by an agreed date and improved disciplines on agricultural export credits, state trading enterprises and food aid.
 - Would be an important sign of commitment to the process from the US.
 - Would show the major emerging economies the US is serious.
 - Would lock in the existing situation in the US with respect to agricultural export subsidies.
 - Would put the pressure back on agricultural protectionists.
 - Of course, nothing is agreed until everything is agreed.

The December Ministerial also needs to address where next on the Round as a whole

- . Particularly a forward work program on market access issues on agriculture, NAMA and services
 - This position is strongly supported by the majority of Cairns Group countries.
- . This discussion is important but not yet underway in Geneva.
- . Can happen at same time as discussion of December package.

The December Ministerial will also address issues beyond the Doha Round

- . Opportunity to reinforce that the WTO has a range of important functions in the oversight of the global trading system that go beyond the Doha Round
 - E.g. the monitoring and surveillance work that is important to countering protectionism – through notifications and committees and the trade policy review mechanism.
 - Dispute settlement system.

ENDS