

PAUL DRAZEK OF DTB ASSOCIATES SPEAKS ON STATUS OF DOHA NEGOTIATIONS AT INTER-AMERICAN LUNCHEON

“Harmonization” is critical objective for Doha Negotiations Drazek remarks during Inter-American Luncheon Series

Washington, D.C., May 24, 2007 – The Inter-American Institute for Cooperation on Agriculture (IICA) brought together private and public sector decision makers in the Nations Capital to address international trade concerns. Paul A. Drazek, Partner, DTB Associates served as key speaker for the event.

Before members of local businesses, government officials and diplomatic community, Drazek provided a brief history that included the Uruguay Round and described the current status of the Doha Negotiations in Agriculture.

Expanding on the Uruguay Round commitments and the 2004 framework for agricultural modalities, the United States presented a comprehensive package in 2005 to spur the WTO Doha talks forward. The proposal called for two stages of reforms. The first stage calls for a substantial reduction of trade-distorting support measures and tariffs, along with the elimination of export subsidies – to be phased in over a five year period. The second stage calls for an additional five year phase-in period that delivers the eliminations of remaining trade distorting subsidies and tariffs in agriculture.

Of great concern for Drazek, is that other Members' proposals have failed to make significant cuts in tariffs below levels already set in place and have sought significant “loopholes” from such reductions for specific products. Furthermore, in order to deliver on the promise of Doha for development, all countries must open their markets and reduce trade-distorting subsidies to allow new trade; and unfortunately currently this is not yet the case. Additionally, Drazek warns that if there is no breakthrough in the upcoming weeks, it is highly likely that an Agreement will not be possible before at least 2010.

As said by a World Bank study, roughly half of global economic benefit from free trade would be enjoyed by developing countries. Eliminating agriculture distortions by developing and developed countries alike would deliver nearly two-thirds (63%) of the potential benefit to developing countries. According to Drazek, “The U.S. Government has focused on the ‘harmonization’ of tariffs, domestic supports and the elimination of export subsidies,” he said. The United States currently has lower Agricultural tariffs than the EU or advanced developing economies.

“A key to development through trade is Agriculture,” offered Drazek. “It is estimated that 63% of good trade gains for developing countries comes from agriculture and 93% of that benefit comes from greater market access,” he reiterated.

Negotiations of the Doha Development Agenda under the World Trade Organization were launched in 2001. Negotiations are now focused on specifying the precise formulas, depth of tariff and subsidy cuts, phase-in periods, and other rules.

Reforming global agricultural trade is widely recognized as an important step towards expanding economic development and is forecasted to lift millions out of poverty.

The Inter-American Luncheon Series is sponsored by The Inter-American Institute for Cooperation on Agriculture (IICA), Caribbean Central American Action (CCAA) and the Inter-American Council (IAC).

ABOUT

DTB Associates was founded by internationally recognized experts in agriculture, trade policy, and trade law to provide legal, strategic, and tactical advice to producers and exporters competing in the global food and fiber market.

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