After Cancún: Continuation or Collapse?

From Doha (and before) to Cancún: Antecedents to Failure

During September 10-14, 2003, WTO members met in Cancún for a mid-term review of the Doha Round of trade negotiations. The November 2001 Doha Ministerial declaration that launched the round accorded particular prominence to concerns of developing countries, explaining why the round was christened the Doha Development Agenda.¹ At the top of the list for developing countries were agriculture, labor-intensive manufactures, and access to patented drugs.

Despite its aspirations, the Uruguay Round (1986-93) had negligible effects in curbing protection in agriculture—some analysts argued that as of the beginning of the Doha round developing countries were in fact confronting higher levels of protection than before the Uruguay Round (see Finger and Nogues, 2001). For labor-intensive manufactures, the Uruguay Round did succeed in establishing a ten-year phase out of import quotas established under the Multi-Fiber Arrangement by end 2004, but many developing countries felt disillusioned at the backloading of the implementation that seemed to contravene the spirit if not the letter of the agreement.

And, finally, negotiations conceived initially to control trade in counterfeit products had by the conclusion of the Uruguay Round metamorphosed into a proposal to establish a comprehensive new regime of protections for intellectual property rights. The TRIPS agreement was approved by many developing countries without a general awareness of the potentially large administrative and financial costs and resource transfers it would imply. This historical backdrop conditioned the thinking of many developing country trade negotiators in important ways: first, they sought concrete and specific commitments in areas of interest to them; second, many were leery about agreeing to negotiate new issues that entailed nonreciprocal obligations, however apparently innocuous, because these could, like TRIPs, evolve into heavy obligations by the end of the negotiations.

The interim between the 4th Ministerial in Doha and the approach of the 5th Ministerial in Cancún was designed to allay the concerns of the skeptics. In Doha, a series of deadlines were agreed for a number of issues, sequenced in a way that key areas of concern to developing countries would be dealt with first. Thus, the subject of strengthening special and differential treatment provisions and dealing with Uruguay Round implementation issues was to be addressed by July 2002; followed by TRIPS and public health (December 2002), agricultural negotiating modalities (March 2003), and non-agricultural negotiating modalities (July 2003). This in principle was to lead up to the major decision to be made in Cancún, agreeing on whether and how to launch negotiations on the so-called Singapore issues. According to developing country negotiators, this sequence was carefully designed to ensure that developing countries would have full information on the balance of the negotiations, allowing an informed decision to be made on Singapore issues (Ismail, 2003).
Unfortunately, this felicitous scenario was not to materialize. In the post-Doha period, most deadlines were missed, sometimes repeatedly. Only one of the major issues of concern to developing countries was settled before Cancún—TRIPS and public health—and then only after nine month delay and rancorous discussion that ultimately only resulted in adding a Chairman’s clarification to a text negotiated the previous December that had been acceptable to most WTO members. Although much progress had been made in technical discussions on moving towards a formula-based approach to reduce agricultural support and both agricultural and non-agricultural market access barriers—potentially creating a powerful vehicle to significantly reduce the most distorting trade policies (export subsidies, tariff peaks)—Ministers arrived in Cancún facing a complex agenda. In the view of many, this dearth of progress doomed the Ministerial even before it convened.²

At Cancún: Negotiating dynamics that lead to unraveling

Trade ministers entered the 5th WTO Ministerial divided on agricultural and non-agricultural negotiating modalities, on the approach to take towards strengthening existing WTO provisions on special and differential treatment (S&DT) for developing countries, how to address implementation problems left over from the Uruguay round, and on whether to launch negotiations on the Singapore issues and cotton.

Agriculture

At the urging of a mini-ministerial meeting in Montreal in late July, the EU and US had negotiated a joint framework paper on agricultural modalities in August 2003. With slight modifications, this became the basis of the text on agriculture in the first draft declaration issued on the eve of the Cancún ministerial. This draft was widely seen as enshrining the more protectionist elements of both the US (e.g., maintaining significant barriers to imports) and the EU (e.g., maintaining significant barriers to imports). The proposed US-EU framework was particularly unacceptable to Brazil because it included language that differentiated between “large net food exporters” and other developing countries in determining the reach of S&DT privileges to delay or avoid new disciplines. Brazil took the lead in organizing a group of developing countries that united around the common cause of reducing trade-distorting policies maintained by the EU and US more than was proposed in the joint EU-US text. The coalition spanned some 20 countries and included Argentina, China, India, and South Africa.³ This group negotiated jointly on agriculture in Cancún. Two Ministers were appointed for each of the three major elements of agricultural agenda (domestic support, market access and export competition), and negotiated on behalf of the bloc in the bilateral discussions that characterize the WTO process. Despite active efforts to split the group through specific offers targeted at individual countries, the coalition remained together. This development was an illustration of the increased level of participation by developing countries in the WTO. The G-20 was noteworthy for being a negotiating coalition, and not an agenda setting or blocking coalition of the type that had been formed in the past.⁴ The world’s two largest trading blocs found themselves having to negotiate with a group expressing common concerns of countries comprising more than half of the world’s population.

Although major gaps remained between the major protagonists, all sides made some concessions at the conference. The US and EU showed some flexibility on reclassifying trade-distorting subsidies (amber box) into a de-coupled subsidy category (blue box), and the EU signaled willingness to eliminate export subsidies “on products of interest to developing countries”. On market access, there was a move in the direction of a complex approach combining tariff reductions through the use of a nonlinear formula, reducing others to zero, a general tariff ceiling, and agreement to address tariff escalation and lower out of quota tariffs. However, the rich countries sought exemptions for a “small number” of lines and proposed the use of a linear reduction for a subset of products. The G-20 argued for a line-by-line minimum reduction requirement to ensure that
the most important tariff peak items would be reduced. The issue of the speed and formula for reductions of protection in developing countries also separated the G-20 and the rich countries. Export subsidies remained contentious in that the G-20 wanted an end date to be negotiated while the EU, as mentioned, was only willing to commit to eliminate subsidies on unspecified “products of interests to developing countries”. The EU, US and G-20 countries professed readiness to make more concessions for the sake of the process. This claim was not to be tested, however. The conference crashed, ostensibly on the Singapore issues.

Singapore Issues

The EU had come to Cancún as the principal demandeur that negotiations be launched on investment, competition, trade facilitation and transparency in government procurement—the so-called Singapore issues. Many middle-income countries, including the Latin American countries, did not have serious concerns about these issues, especially because the degree of ambition on the part of demandeurs had been scaled back significantly in the post-Doha Ministerial period (see e.g., the contributions in Hoekman, Mattoo and English, 2002). However, three groups of developing countries: the ACP, the LDCs and the African Union (AU) had all agreed at Ministerial level before Cancún that they were not supportive of launching negotiations on these topics. Other countries shared this view, most adamantly Malaysia. Concerns included that these were marginal issues with only limited benefits for developing countries, could give rise to potentially significant implementation costs, and would divert scarce negotiating resources and political attention away from more important issues such as market access.

On the final day of the Ministerial, “Green Room” discussions started with the Singapore issues. The EU indicated a willingness to remove competition and investment from the table, going so far as to propose the termination of the working groups on these subjects, but argued to keep trade facilitation and transparency in government procurement. India abandoned its opposition against all four and said it would accept trade facilitation. Korea and Japan indicated that they could not agree to remove any of the four issues, while the representative of the ACP/AU group reiterated that they opposed all the issues. Given the divergent positions, the Chair of the conference decided there was no possibility of consensus and adjourned the meeting. Only in the post-mortems a week later did one leader of the opposition coalition state that a compromise might have been found had agriculture produced an acceptable outcome.

Cotton

One reason the African position was so strong on Singapore issues was that many delegations, particularly those from Africa, felt that the proposals on cotton put forward by the West and Central African states had been treated shabbily. West African countries—Benin, Burkina Faso, Chad and Niger—had formed a pre-Cancún coalition around a proposal to abolish export and other trade-distorting subsidies granted to cotton producers in the US, EU and China, complemented by a proposal that their cotton farmers be compensated during the proposed 3-year transition period during which subsidies were to be phased out. US subsidies to cotton, increasing over the last half of the 1990s, amounted to over $3.7 billion in 2002, and Chinese subsidies, though declining over the same period, were about $1 billion (see Baffes, 2003). This was also a first for the WTO—African countries coming forward with a specific demand. Cotton accounts for up to 40 percent of merchandise exports of some of these countries, while US and other subsidies have been estimated to lower world prices by some 10-15 percent. The West African proposal attracted much support from other developing countries, as well as the donor community in several OECD nations.

The US strongly resisted, arguing that agricultural policies needed to be addressed horizontally as part of an overall agreement on agriculture and not on a product-specific basis. It also argued that these countries should focus on diversifying their economies away from a reliance on cotton towards producing textiles, which could then be granted preferential market access to the US via the US African Growth and Opportunity Act. The 2nd
draft of the Ministerial text called on the WTO Director General to consult with the international agencies, including the Bretton Woods institutions, to redirect their programs and resources to assist these countries diversify out of cotton; the same draft was deafeningly silent on price-depressing subsidies in the US, China and elsewhere. This was reported to have strengthened the resolve of all African delegations to hold firm on the Singapore issues.

A brave new world? Lessons and implications

Cancún marks a sea change in the participation of developing countries in global trade negotiations. Developing countries came prepared to push for specific negotiating modalities and targets, and organized coalitions to promote their objectives. Prior to Cancún, developing countries had secured agreement on modifying TRIPS so as to allow nonproducing countries more flexibility to import generic drugs, and while its actual economic consequences will take time to assess, the agreement foreshadowed the shift that was to become evident in Cancún. Agriculture is important not only for middle-income exporters such as Argentina, Brazil, and Thailand, but also for poor countries such as Benin and Burkina Faso. The Singapore issues were of particular concern to many low-income African and LDC governments, as well as a number of more advanced countries such as Malaysia. On both subjects, developing countries formed new coalitions. The larger countries proved they are able to form, lead and maintain negotiating coalitions even though specific national interests differed. This represents an unprecedented level of engagement for developing countries, and in that sense it is a major achievement that can be beneficial for the WTO as an institution in the long run.

The G-20’s sophisticated approach to agricultural negotiations

However, the sense of purpose, technical sophistication, and awareness of best alternatives to negotiated outcomes was vastly different in the three arenas of agriculture, the Singapore issues and cotton. The agricultural negotiations, by all accounts, revealed a greater strategic sense that was arguably leading to win-win outcomes for all parties, and, painful as they were, new positions gravitating toward compromise arose from all three of the main groups. The politics outside the negotiation, however, were handled much less adroitly than the negotiations themselves. After the negotiations broke down, negotiators left Cancun with a lingering bitter taste in their mouths because of positioning of parties in public events at the conference and afterward. The US and EU focused animosity on Brazil and India, and the latter responded in their local media with no less disparaging and at times nationalist remarks, leading some in the media and NGO community to mistakenly interpret the failure of the agricultural discussions as a North-South dispute.

The coalitions against – and for – the Singapore issues

If the negotiations themselves were handled relatively well in agriculture, this was not the case in the negotiations on the Singapore issues. The posture of the AU/ACP/LDC groups as the meeting entered into the end game was arguably not informed by serious consideration of the alternatives. It is hard to argue that extended postponement or delay in the entire round, the now probable outcome, was a better outcome from the vantage of this coalition than some movement on agriculture and some compromise on the Singapore agenda. For example, a good case can be made that accepting to discuss trade facilitation would have little in the way of a downside, and might well help mobilize additional resources over time to improve trade logistics. Of more immediate relevance, such a concession might have allowed progress to be made on the other agenda items.

One lesson is that some of the large coalitions did not seem to have a fall back position. While resource constraints help to explain this, it is also possible that negotiating positions did not necessarily reflect demands or interests of national constituencies, and so in many cases the agenda remains largely a defensive and inflexible one.
The reciprocity dynamics of the WTO negotiating process require that developing countries offer “enough” to OECD countries to induce them to take on the interests that benefit from trade protection. The main thing they have to offer is further reforms to their own trade policies for goods and services. There is still a lot of scope to make such trades on market access—in both goods and services— because it implies trading “bad policies” so everyone gains at the end of the day. However, the regulatory agenda of the WTO—e.g., TRIPS, Singapore issues, or geographical indications—is different. In contrast to market access, regulatory issues or demands for the stronger enforcement of rights to intangible assets (intellectual property, geographical indications) often entail a zero-sum bargain (creation or protection of rents), wherein only one of the parties shoulders the burdens and the other parties benefit. This means that the only way the zero sum game can be made positive is to embed it in a larger negotiating framework where trade-offs are possible and issues can be taken off the table. The sequencing in Cancún, with benefit of hindsight, foreclosed this option because parties would have had to make commitments on investment and competition, for example, without knowledge about what they could expect on the agriculture and nonagricultural market access modalities.

Seeking to expand the negotiating set by adding behind-the-border issues to link to agriculture in the end proved counterproductive. This linkage strategy proved highly divisive, with poor countries in particular concerned that multilateral rules might not be in their interest, would do little to promote progress on key market access issues and could give rise to major implementation burdens (Finger, 2002). At the end of the day, no compelling case could be made on either economic (development) or on tactical issue-linkage (negotiating) grounds for taking up subjects such as investment and competition.

The presence of the Singapore issues allowed the intransigent to block progress on subjects on which they had major political problems. Thus, it is not surprising that Korea and Japan—two of the most protectionist countries on agriculture—insisted that negotiations on all four Singapore issues be launched in Cancún. It would have been much better if these issues had been removed from the table in Doha, allowing WTO members to focus fully on the market access agenda. Movement towards this outcome in Cancún came too late.

**Cotton highlighted the problems of the poor, but complicated the agenda**

Cotton offered additional lessons about negotiating strategy. From a publicity standpoint, the West African Four gained considerably from tabling their initiative—the direct link between policies in the most powerful trading economies and their anti-development consequences in depressing incomes of the world’s poorest emerged with world wide notoriety. However, the proposal for “special treatment” or “early harvest” met resistance from developed and developing countries alike, and has gained only minimal support within the WTO membership. Moreover, the proposal for compensation—arguably a legitimate request if it were to have arisen out of a WTO panel judgment—was difficult for trade ministers to address. In retrospect, it would have been better ruled out of order at the outset and handled through separate meetings of donors. In any case, neither the West Africans nor the United States had formulated alternatives to the WTO petition—despite a last minute US mission to West Africa in August on the eve of the Cancún ministerial—nor had enough time been devoted to move on alternatives.

**Developing countries were more knowledgeable and skilled than ever before**

Finally, information and knowledge assumed a heightened importance at Cancún. Past investments in research, capacity building and advocacy made a difference in enhancing the knowledge that delegations brought to their positions. Looking forward, more research and advocacy is required to help identify the costs and benefits of alternative options—not only because countries will better understand the economic consequences of deals they are striking but because information naturally frames and delimits negotiating parameters once overall objectives are set. If countries had had a better understanding and felt more comfortable about an issue like trade
facilitation—which from an economic perspective is of direct relevance for all countries—the meeting might have been successful.

More generally, more work is needed to analyze the effects of specific proposed reforms and to identify the extent to which the poor will gain from them in order to increase public support for reforms. For example, farmers and NGOs in OECD countries often argue that they are willing to accept own reforms if it can be shown that this will benefit poor countries, but resist reforms that are perceived to benefit larger, middle-income countries. One reason for this is a perception that gains will mostly accrue to intermediaries or elites, and not the poor producers of the products concerned. Arguments that overall growth in trade will support economic growth and the poor through ‘trickle down’ are often not compelling to civil society, farm or development groups.

Additional efforts are also needed to identify complementary policies to ensure that the gains from trade are distributed more equitably in terms of reaching poor producers and consumers.

The high cost of Doha delay or demise

The cost of extended delay or eventual abandonment of the Doha round are high — particularly to the world’s poor and poorest countries. A likely result of the failure of multilateral talks will be an acceleration of regional and bilateral talks. USTR Ambassador Zoellick in his first declaration after the Cancún collapse, indicated he would aggressively expand regional and bilateral efforts. While these agreements can at times be helpful, they constitute a distant second best relative to multilateral agreements for several reasons.

- First, the market access they produce is far more limited in scope. To take one example, Brazil, in seeking a bilateral agreement with Peru, would have access to a market of 20 million people, a mere fraction of the global opportunities should Doha succeed. Similarly, all the bilateral deals the US has so far negotiated account for less than 5% of its overall trade.
- Second, negotiations on regional or bilateral accords with an industrial country inevitably put a developing country at a weaker negotiating position because, aside from asymmetric access to information, the developing country will usually need the agreement more than the rich country. When Chile, a sophisticated developing country, negotiated its recent FTA with the US, it was compelled to accept changes in domestic policies that went far beyond what it would have had to concede in a multilateral level, including disciplines on the use of capital controls in times of emergency.
- Third, since they are not MFN agreements, many countries are excluded from the agreement and by definition must compete with their privileged counterparts who do have market preferential access. When Singapore signs a free trade agreement with Canada, Malaysian exporters that compete with Singaporean exports there suddenly are at a disadvantage.
- None of the regional or bilateral negotiations have the potential to move forward on key issues such as agriculture or anti-dumping. These issues are simply too big. They require alliances with large market industrial countries against entrenched interests in other markets.

There is a real danger that, should Doha lose momentum and policy salience in capitals around the world, one small check on protection would be removed. As long as Doha moves forward, requests to executive branches to increase protection can be fended off in the name of policy consistency with efforts to get others to reduce barriers to exports. The costs of allowing Doha to languish are therefore high indeed.

Moving forward

The coming months will be critical to the fate of the Doha Development Agenda. If recriminations and posturing supplant serious efforts to seriously negotiate, the political timetable of elections in the US (March-November 2004), India (2004), the EU Parliamentary elections (2004) and elsewhere will by March soon overtake any negotiating
momentum. New administrations with new leadership will have to pick up the Doha pieces—and it may not be possible to put them back together. A key challenge confronting WTO members is therefore to rapidly resuscitate the talks. This will require leadership, both by the EU and US, and, as important, by the leaders of the G-20.

At the same time, more work has to be done on the architectural issues weighing down the efficiency of the WTO. As Commissioner Lamy lamented, the WTO negotiating format is worse than “medieval” but rather “Neolithic” (WTO News Sept 26, 2003). Global ministerial negotiations may well be obsolescent. With 148 members, they are cumbersome, awkward, and chaotic. Strengthening the Geneva process and increasing the periodicity of high level political attention and involvement in the WTO could help reduce the pressure and high expectations associated with bi-annual Ministerial meetings.

**Delivering a Doha Deal**

The highest priority is to define a realistic agenda. There is substantial scope to capitalize on the movement of the three big parties to an agricultural deal. This means that the US, EU, and the G-20 should reconvene the negotiators for market access, domestic support, and export subsidies as rapidly as possible. Concurrently, negotiations should proceed on the non-agricultural market access modalities. The objectives of these discussions should be to conclude an agreed framework for modalities by early 2004.

Cotton is best handled as part of overall disciplines on agriculture within the Doha negotiations. However, in addition, major donors may wish to meet with the affected governments of cotton producing countries with per capita incomes of less than $400 and where cotton accounts for a large share of export earnings, and explore ways to make available additional development assistance to increase the sector’s efficiency. Handling financial assistance outside the WTO would ameliorate concerns and help simplify the Doha agenda.

Huge scope exists to trade “concessions” on tariffs—both applied rates and tariff bindings—for greater access to service markets (Mattoo, 2003). Services were given little attention in Cancún, as there was no need for Ministerial decisions on the subject. Looking ahead, from both a negotiating and a development perspective, much more political attention should be given to the services agenda, both because it is economically very important and offers scope for *quid pro quo* bargaining of the type that will be needed to move forward in other areas.

As regards the Singapore issues, the fact that the EU was willing to take competition and investment off the WTO table, and that the US is not a strong demandeur in these areas, suggests that agreement on a narrower agenda should be feasible, although account should be taken of the fact that investment is a major interest to some countries (e.g., Japan). The *quid pro quo* will have to be a strong signal that there is a willingness to lower trade barriers in the South, especially the middle income countries. Ensuring appropriate provisions to allow countries to implement new agreements in accordance with their capacity to do so, without distorting other national priorities could help pave the way for acceptance to discuss transparency in procurement and trade facilitation.

**Alternative strategies**

*MFN agreements among the leaders.* If one or a handful of countries appear disposed to block agreements in any of these areas, major countries and coalitions could consider an alternative strategy of abandoning the single undertaking and opting for more systematic plurilateral agreements—with the proviso that they result in MFN application. In this option, major trading regions could agree to trade “bad policies” by lowering tariffs and cutting subsidies; the only condition would be that all WTO members would enjoy the same market access as the most favorable. Since the top 20 trading countries (including the EU) account for the great bulk of global trade, such deals could realize a good portion of the possible gains without undermining the multilateral system. If the agreements focus on border barriers and trade-distorting subsidies, there would be no disadvantage to countries that opt out except that...
they forego the opportunity to use reciprocity to leverage their own domestic reforms.

*Flexibility on Singapore Issues.* A plurilateral approach has been suggested for the Singapore issues. If it appears impossible to proceed with trade facilitation and government procurement, members might seek to set up a voluntary opt-in arrangement. In the spirit of MFN, if this path is pursued, any agreement among a self-selected subgroup of members should be implemented on an MFN basis. There are downsides to this approach, as it moves the WTO towards a two-track regime in which countries are not equal partners. Many developing countries object to a plurilateral approach because smaller members are susceptible to pressures from large, developed trading partners to join such agreement, and they would have had little voice in its formation; countries that have not yet acceded to the WTO but desire to do so are particularly vulnerable. A preferable approach would be to ensure that all agreements apply to all members in principle, but that poorer developing countries would be able to invoke a new form of special and differential treatment (S&DT).

*S&DT.* Cancún suggests WTO members should revisit the concept and content of special and differential treatment. The case for exempting developing countries from liberalization is not compelling—own trade protection also hurts poor people in poor countries. But low-income countries with weak institutional capacity may not be able or may not benefit from implementing resource-intensive WTO agreements. At a minimum, greater differentiation between countries is needed in determining the reach of S&DT. Deciding on a new framework for S&DT in the WTO could do much to move the market access agenda forward, and could also facilitate movement on new behind the border regulatory policies where members agree cooperation is beneficial.

*Negotiating processes.* As was the case post-Seattle, Cancún raises questions regarding the negotiating procedures of the WTO. Consensus is both a major strength and a weakness of the WTO. It is obviously difficult and cumbersome to negotiate among 148 countries. Major improvements were made since Seattle to enhance the transparency of the WTO process and to permit greater participation of members in Ministerials. At the same time, this made it more difficult to use the Ministerial meeting as a venue for effective negotiations and to come to closure on key issues that are on the table. The move towards the creation of negotiating coalitions of groups of countries may reduce the number of “principals” but at the cost of a need to allow groups to consult and negotiate internally, possibly leading to greater inflexibility of positions and a higher risk of breakdown. This is especially true in a setting such as a Ministerial where there is little time to consult with capitals. Whether it makes sense to have periodic Ministerial meetings as opposed to strengthening the Geneva process is therefore a question that should be given greater attention. A more productive process might be to increase Ministerial involvement with the Geneva-based process, through, e.g., bi-annual meetings of the WTO Council where ministers participate.

**Aid for trade**

Although much greater attention has recently been given to expanding “aid for trade”, Cancún suggests more work is needed to integrate development considerations into the trade policy process and to mobilize resources for trade-related investments and reforms. Some countries that are highly dependent on only a few exports that benefit from effective trade preferences oppose further multilateral liberalization due to a fear of preference erosion. Maintaining preference margins is not the answer; what is needed is more aid to assist countries to adjust to such erosion and ensuring that there are offsetting benefits through other dimensions of the Doha round. The “aid and trade” agenda is mostly a national agenda and revolves around both policy and investment decisions. In order to benefit from market access a country must have supply capacity and be competitive on world markets. This in turn requires efficient transport logistics and low trade-related transactions costs for firms, which in turn requires public as well as private investment in infrastructure, hard and soft. The required action must reflect national circumstances and priorities. This agenda is best approached as development issues through a process of project evaluation and cost-benefit analysis, not international negotiation.
This labeling proved somewhat controversial among veteran development practitioners, who pointed to the limits of trade negotiations as development vehicles. See Finger (2002).

2 See for example, Malmgren (2003); this view was seconded by Clayton Yeutter in his remarks to the conference.

3 The group was formed pre-Cancún as the G-20. It included Argentina, Bolivia, Brazil, Chile, China, Colombia, Costa Rica, Cuba, Ecuador, El Salvador, Guatemala, India, Mexico, Pakistan, Paraguay, Peru, the Philippines, South Africa, Thailand and Venezuela. In Cancún, El Salvador withdrew, Nigeria and Indonesia joined, and Egypt and Kenya, among others endorsed the G-20 position. In the weeks following the Ministerial, an additional five countries -- Colombia, Costa Rica, Ecuador, Guatemala and Peru -- left the group, bringing the number of Latin American countries that withdrew to six. All of these countries are seeking to negotiate free trade agreements with the US. We use the term G-20 here.

4 The Cairns Group is an exception, but this group comprises both developed and developing countries. The opposition by Latin American countries to accept a proposed deal on agriculture at the 1988 GATT Ministerial in Montreal was more an example of a blocking coalition than a negotiating coalition.

5 This actually was potentially a major concession as developing countries produce all of the commodities that benefit from export subsidies in the EU.

6 The LDC spokesperson, Bangladeshi Trade Minister Amir Chowdhury said he thought the alliance would have been more forthcoming if more had been offered in agriculture, particularly cotton (ICTSD 2003). Arguably at issue here is the sequencing of issues brought forward for discussion. Many developing country delegations have noted that they did not want to make concessions on launching negotiations on the Singapore issues before knowing what would be the quid pro quo on agriculture.

7 This is supported by recent research—see, e.g., World Bank (2003).

8 There was much debate after the end of the conference as to what might have happened if more time had been spent on the last day to explore this possibility.


10 See Hoekman, Michalopoulos and Winters (2003) for a discussion of S&DT options in the WTO.

References


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