WORLD TRADE ORGANIZATION

Limited Progress at Hong Kong Ministerial Clouds Prospects for Doha Agreement

What GAO Found

WTO members made little progress in 2005 toward their goal of completing the steps needed to set the stage for finalizing the Doha Round of global trade talks. The key milestones for progress through July were missed. Despite new proposals on agricultural subsidy and tariff cuts submitted in October 2005, it was clear by November that key players were too far apart to achieve the major decisions planned for the December ministerial. To avoid a failure, members agreed to lower expectations for the meeting.

The Hong Kong ministerial resulted in modest agreements on a narrow range of agricultural and development issues. Ministers made little progress on the broader Doha negotiating agenda, including two other U.S. priorities—services and nonagricultural market access. Nevertheless, WTO members renewed their resolve to successfully conclude the Doha Round by the end of 2006 and set new interim deadlines under a compressed schedule to meet that goal. Critical decisions that will determine each member’s cuts in tariffs and other barriers were due April 30 and July 31, 2006, but the April 30 deadline will be missed.

WTO members continue to profess commitment to accomplish the ambitious agenda set at Doha. However, with nearly all tough decisions put off, the tension between members’ original high ambitions and the U.S. TPA timeframe has become acute. Since the Hong Kong ministerial, members have taken concrete steps to help build consensus. Yet, the ongoing impasse on core areas such as agriculture, and the difficult political decisions needed to resolve it, cause many experts to be skeptical. As illustrated below, numerous time-consuming steps still must be completed in the little more than a year left before TPA expires. While holding out hope for an agreement that lives up to Doha’s promise, experts say outright collapse, substantial delay, or modest results are all possible outcomes.

Key Selected Deadlines in 2006 for Doha Negotiations

- Feb. 28: Submit plurilateral requests for services
- Apr. 30: Establish modalities for agriculture and NAMA
- Jul. 31: Submit schedules for agriculture and NAMA
- Oct. 31: Submit final commitment schedules for services
- Dec. 31: Conclude Doha negotiations

NAMA: Nonagricultural market access

Source: GAO, based on WTO documents.

To view the full product, including the scope and methodology, click on the link above.

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