

# Another deadline slipping away

By DEBORAH ELMS  
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**O**N TUESDAY in Geneva, the long-stalled trade talks in the World Trade Organisation (WTO) moved one step closer to death. Mr Pascal Lamy, director-general of the WTO, admitted that his latest deadline cannot be met now.

Officials had pledged to exchange negotiating texts across the full range of issues by April 24-25. However, Mr Lamy noted that officials are not on target to do so, as no forward progress has been made recently.

This not only means that the deadline will be missed, but that the hopes of concluding the talks in 2011 are also highly

unlikely to be met. Given that 2012 is an election year in the United States, there was never any hope of concluding the talks next year.

The talks, known as the Doha Development Round, have been underway since November 2001. After a decade of discussions, countries remain deeply divided.

The sources of the divide are many, but the most critical problem is a gap between how much additional access to their own markets that developed and developing economies are willing to grant to one another.

The economies of the developed world, especially the US and the European Union, expect that the key developing countries of China, Brazil and India will open their markets more than the rest of the developing world. This is because

these three countries have grown to hold such a prominent place in the global economy across a range of products and services that they cannot be held to the same weak rules that apply to other developing economies.

Opening up more, claim the Europeans and the Americans, will also show "leadership" in the global trading system. Mr Lamy argued that the countries with the "greatest responsibility" should think carefully about the consequences of collapse.

Brazil, India and China counter that they have already shown sufficient flexibility in taking on new commitments in various areas and need not accept developed country levels of openness yet. This is particularly true since the major developed economies have not made sufficient similar and painful cuts in their own levels of protection.

If the round collapses or is put into the freezer for an undetermined length of time, the smallest and least developed countries will lose the most. In Asia, a country like Cambodia or Laos will not get the free access to global markets promised in Doha.

Other smaller developing countries will have a hard time attracting interest from possible trade partners to do regional or bilateral trade deals. They will have

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to settle for commitments made in the last round of multilateral rules crafted in 1993.

Global trade will also suffer. It is only in global settings that the major players discuss trade liberalisation with one another. Absent progress in Doha, the US or Europe will not agree to significantly reduce subsidies in agriculture or to reduce barriers to trade in manufactured goods or services.

Agriculture as a whole is addressed in meaningful ways only in global trade regimes. Every country intervenes to a greater or lesser extent in agricultural trade. Most of these interventions are not addressed in smaller bilateral or regional trade agreements but can be tackled only at the global level.

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newed push for sewing up trade preferences in smaller deals.

This will increase the importance of the Trans-Pacific Partnership (TPP) agreement. The TPP is a rare deal that intends to address barriers to trade in agricultural products, as well as other kinds of goods and services. It includes new rules for investment, competition, government procurement, and intellectual property.

The TPP may help to harmonise standards, streamline Customs procedures, and tackle a range of "behind the border" issues that impede the easy flow of goods and services between member countries.

If Doha is dying, the TPP represents the next-best way to handle trade since it includes nine different member countries in three continents with differing levels of economic development.

It has become even more critical that officials meeting in Singapore this week for another round of negotiations on the TPP, think as broadly and creatively as possible about new approaches to trade agreements. It is possible that the rules drafted in the TPP will become the standard-bearers for future trade agreements in the absence of any new global commitments.

The writer is Head, Temasek Foundation Centre for Trade & Negotiations at the S. Rajaratnam School of International Studies, Nanyang Technological University.