



Statement on the Doha Round Negotiations

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“WHEN WE helped launch the Doha Development Agenda in November 2001, we knew that the path to ultimate success would face twists and turns, ups and downs. Given the 145 economies involved, the scope of issues in the world economy, the range of interests, and the diversity of development represented by the participants, the one certainty about these global negotiations was that they would not be simple, straightforward, or easy.

“The United States believes that this great worldwide venture needs to target grand trade goals: to slash agricultural subsidies and tariffs; to eliminate tariffs on industrial and consumer goods; and to vastly expand opportunities for the fast-emerging services trade. U.S. proposals have backed this vision of global openness, growth and development with bold offers, demonstrating concretely what actions the United States will take to open its markets if others join with us.

“Agriculture has been and will be at the heart of the Doha Development Agenda negotiations. Trade cannot promote the development of countries across Latin America, Africa, and Asia without much freer movement of farm products among all WTO members. Agricultural exporters have a justifiable interest in reducing barriers to their trade, just as past global negotiations have cut the cost of trade in industrial and consumer goods; indeed, major industrial powers should recognize this need for more equal treatment. By opening agricultural markets, consumers around the world would benefit from more choice of foods at lower prices, with the greatest benefits gained by families with lower incomes and less money to spend on their meals.

“The U.S. proposal to reform the world agricultural trade takes a long stride toward the goals we should be seeking, and which were detailed in the Doha mandate. We want to eliminate export subsidies. We want to cut other subsidies that distort farm production by \$100 billion, in the process harmonizing the amount of permitted subsidies at much lower levels — moving toward fairer, more equal treatment on the path to eliminating these subsidies, too. We want to cut global agricultural tariffs by 75 percent, with no tariff higher than 25 percent.

“The core question is whether the members of the WTO are willing to step up to the challenge of serious reform of the world agricultural trade, a goal we specified in the Doha mandate.

“The Chair of the agricultural negotiating group, Stuart Harbinson, should be commended for his leadership in moving the process forward.

“Chairman Harbinson’s paper is not completely satisfactory to the United States at this stage. But it does highlight that a large number of countries, including the United States, are ready to advance significant reform, to cut subsidies and tariffs substantially, if we all move together. But a number of key countries are holding back.

“The United States is disappointed, but not surprised, that resistance to change and reform of the world agricultural trade stymied agreement on the modalities for cuts in subsidies and tariffs by the March 31 deadline.

“Yet there are still win-win possibilities to be recognized and promoted. We hope the member states of the European Union recognize that the European Commission’s proposals for reform of Europe’s Common Agricultural Program would serve Europe’s own interests for the future and simultaneously give the Commission more flexibility to meet the mandate of the Doha Development Agenda. CAP reform is essential as the EU enlarges with ten new entrants and addresses rural, environmental, and other objectives. Yet the reforms would also enable the EU to play a critical role in negotiating broader trade and agricultural liberalization in the Doha trade talks. Such action would bring benefits for the developing world, European businesses and consumers, and the EU economy as a whole. The Commission’s reforms of the CAP may not be sufficient for a good WTO result, but they are absolutely necessary.

“Japan and a few other countries that should otherwise join us to support broad agricultural subsidy and tariff reform and more open markets for farm exports are holding back the Doha Development Agenda in order to preserve tariffs for a few products. A path forward needs to be found so that these high protective tariffs — 500 to 1000 percent -- do not hold back the Doha negotiations.

“Finally, developing countries have a powerful interest in broad-based reform for all countries. In particular, reducing trade barriers in developing countries will yield benefits through expanded south-south trade and by increasing market openness in their own economies. Global agricultural liberalization will create economic opportunity, greater certainty, and more liberal economic policies, thereby encouraging investment, growth, and development.

“All countries face political difficulties in these negotiations. We need to help one another work through them, seeking constructive solutions.

“In doing so, we should not settle for insignificant changes in the global agricultural trade. This is a once in a generation opportunity to make meaningful changes to the global trading system. We need to keep our eye on the goal of freer markets for developing and developed countries alike.

“We also should not lose our commitment to the Doha Development Agenda effort just because we encounter problems. The United States counsels patience, but also determination and concentration. WTO participants need to keep working across the Doha Development Agenda, exploring ways to bring parties together, to match interests so that we can move the process toward higher common ground. As we do so, key participants may gain more flexibility to lower barriers to world agriculture.

“As the United States works with others toward the Cancun Ministerial in September, we will support efforts of the Chair to organize the negotiating process to facilitate convergence between the members on a result that delivers substantial reform.”

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