

FROM DOHA TO HONG KONG VIA GENEVA (V)

Latest Developments at Geneva before the Conference

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Hong Kong,

SUMMARY

26 November: first ministerial draft declaration; presentation to the Heads of delegation and to the Committee of the trade negotiations of the WTO: very many and highly critical.

29 November: the Council of the TRIPS decides to extend the application deadline of the TRIPS to the LDCs from 1 January 2006 to 1 July 2013. LDCs had asked that it be extended until 1 January 2021. They sought 15 years, they obtained 7.5.

30 November: African group, G 33 and Brazil consider that the ministerial draft declaration does not reflect the expressed positions.

1 December: 2nd ministerial draft declaration submitted as a “revised version” of the first; this text does not contain substantial changes, except that it stresses that annexes are the sole responsibility for the heads of negotiation and that it amplifies the description of the various positions on Agriculture and NAMA. On the other hand, concerning the services, § 19 to 21 and the Annex C are unchanged. On cotton, the text reflects the expectation of the African Group so that an effective solution should come in Hong Kong.

2 December: meeting of the general Council: the statute of the text (a document under the sole responsibility of the Director-General or a document reflecting the consensus of the general Council ?) and the GATS are the two principal subjects discussed.

Concerning the status of the document, the Director-General promises that the text of the ministerial draft declaration sent in Hong Kong will be preceded by the introduction note which stresses that except for Annex F concerning the facilitation of trade, none of the annexes was the subject of an agreement. By means of this engagement, the general Council gives its agreement to declare that the document is supported by consensus.

Concerning the GATS, it is decided, on the insistence of the African countries which resist the European threats, to put, at § 21, the reference to the Annex C in square brackets. Which means that

this Annex is not the subject of an agreement.

Decisions concerning the operation of the conference:

- it will be chaired by the Hong Kong Trade Secretary, M. John Tsang

- 6 facilitators were designated:

Agriculture: the Minister of Kenya

NAMA: Pakistan

GATS: Korea

Development: Guyana

Rules: Norway

Other subjects: Chile

Numerous informal meetings began on 2/12. In particular, at the highest level (ministers or European Commissioner) between the EU, US, Brazil, India, Japan and Australia.

THE DECISIONS OF GENEVA: LAMY'S TAKEOVER BY FORCE

Regarding the TRIPS, in addition to the agreement on the extension by 7.5 years of the application deadline for the LDCs, an agreement was reached on 5 December to incorporate the decision of 30 August 2003 into the TRIPS. One knows that this decision brings no practicable solution to the problem of the access to medicines. This involves in fact a major victory of the EU and the USA which do not want a true reform of the TRIPS. Those which govern us chose deliberately the deaths of hundreds of thousands of human beings.

On 7 December, the Director General for the WTO publishes the 3rd version of the ministerial draft declaration. It is the definitive version. It does not contain the introduction note which formed an integral part of the 2nd version. This note is replaced by a separate letter sent to the President of the conference, Trade Secretary of Hong Kong, Mr Tsang. But such a letter has no legal effect. It is not even referred by figures and letters as an official document of the WTO! Mr Lamy abused the confidence of the members of the general Council.

Without this note, on the admission of the Geneva-based diplomats', it will be much more difficult to realise that the document does not have a consensus. The ministers, who did not follow the Geneva deliberations step by step, will have much more difficulty in perceiving the elements of agreement and of disagreement for each subject. But during the ministerial conference, it is frequent that informal meetings are convened by the Director-General with the support of the EU and the USA where ministers of countries in development do not have the right to be accompanied by their ambassador in Geneva. That was done in Doha and in Cancun.

Brazil and Venezuela immediately protested and asked that the introductory note be integrated in the ministerial draft declaration as promised, but unsuccessfully.

THE FORECASTS FOR HONG KONG

Generally, observers expect that the conference gives rise to intense negotiations on services. For the first time in a ministerial conference of the WTO, the probability is large that the GATS is in the centre of the debates. Japan, which would require the adoption of the Annex C (see my IV) note, would make proposals for a timetable for multilateral negotiations on the implementation of this agreement. But pushing too far in this direction can lead to a failure.

One would not try to obtain an agreement on the files of agriculture and of access to the market for manufactured goods (NAMA). One would endeavour to advance in the negotiations until the limits of the possible by means of replies to 6 questions about the agricultural file and to 3 questions about the NAMA file (these questions are on the site of the WTO: www.wto.org).

The image of the conference would be saved while agreeing on a number of proposals presented as favourable to development. It is what Japan suggested by putting forward the idea of a “development package” of which the detail shows that it will in fact be an empty package. Indeed, it would contain especially the notice of important aid (“aid for trade”) to facilitate the implementation of the agreements of the WTO (while these countries have been requiring for ten years a negotiation on the detailed rules of these agreements), some proposals regarding special and differentiated treatment (but not those that the countries of the South await) and it would incorporate the decisions taken in Geneva on the TRIPS. One can expect, on this hypothesis, a media bludgeoning on “the development placed at the centre of the negotiations in the WTO.”

However, in a recent analysis (6 December), Martin Khor, Third World Network’s director, mentions a joint initiative by Brazil and India with a view to resolving the negotiations. At a meeting of the G7’s Ministers for Finance, held in London on 4 December, these two countries were to announce that they were going to make proposals on the NAMA and services to try to resolve the negotiations. India were to propose a reduction of 50% of the customs tariffs on the manufactured goods. It would have made offers in the services file and would have declared to be favourable to Annex C. Brazil would also have stated to be ready to make concessions on the NAMA provided that the EU and USA move on agriculture. Brazil would also have expressed its availability regarding the services.

One knows that the Ministers for Finance of these two countries are close to Strauss-Kahn, very partisan to a most thorough liberalisation although belonging to formations considered on the left or to the left-centre. One can also think that it is a question of preparing for the absence of decision in Hong Kong and designating the persons responsible of it. Let us not speculate, but, that being the case, one can fear that the developing countries, in Hong Kong or later, will be dropped by these two emergent countries.