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Winners and losers

Another look at the potential impacts of a Doha Round agreement on agriculture

David Vanzetti

Australian National University

Contributed presentation at the 60th AARES Annual Conference,
Canberra, ACT, 2-5 February 2016

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* Funded by UNCTAD

Can Doha be revived?

- WTO Doha Round unresolved since 2008
- Much is agreed
- Obstacles remain
- Renewed interest, new proposals

Trading environment has changed since 2008

- Rising prices
- Food security
- Domestic support
- Public stockholding
- RTAs (TTP, RCEP, TTIP)
- Emerging markets (BRICS)

Look at two proposals

- Revision 4 Draft Modalities (2008)
- Paraguay proposal (2015)
 - average cut 54% with minimum of 20%.
 - 5% Sensitive Products with cut of 10%
 - Developing 36/15%, 12% SP
 - LDCs no change

Assess impact on 77 ACP countries

Average cut not cut in average

- Tariff cuts are unweighted
- To get 54% average, cut 42.5% by 100%
- Remainder by 20%
- Larger cut could be on low tariffs

Little better than minimum.

Tariff peaks untouched.

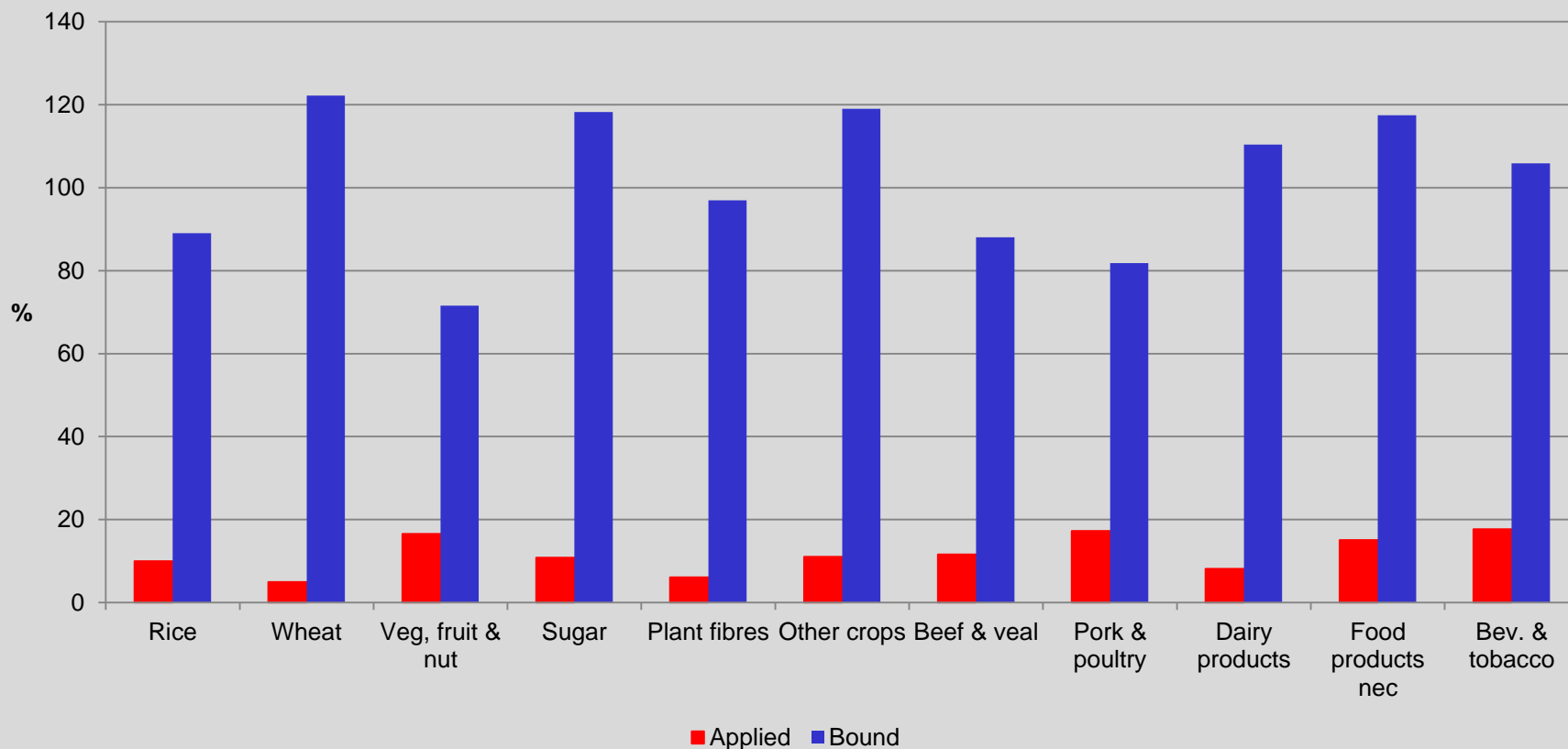
Request and offer difficult to quantify.

Global general equilibrium model

- GTAP
- Version 9, base 2011
- Bilateral trade and tariffs
- Includes preferential tariffs

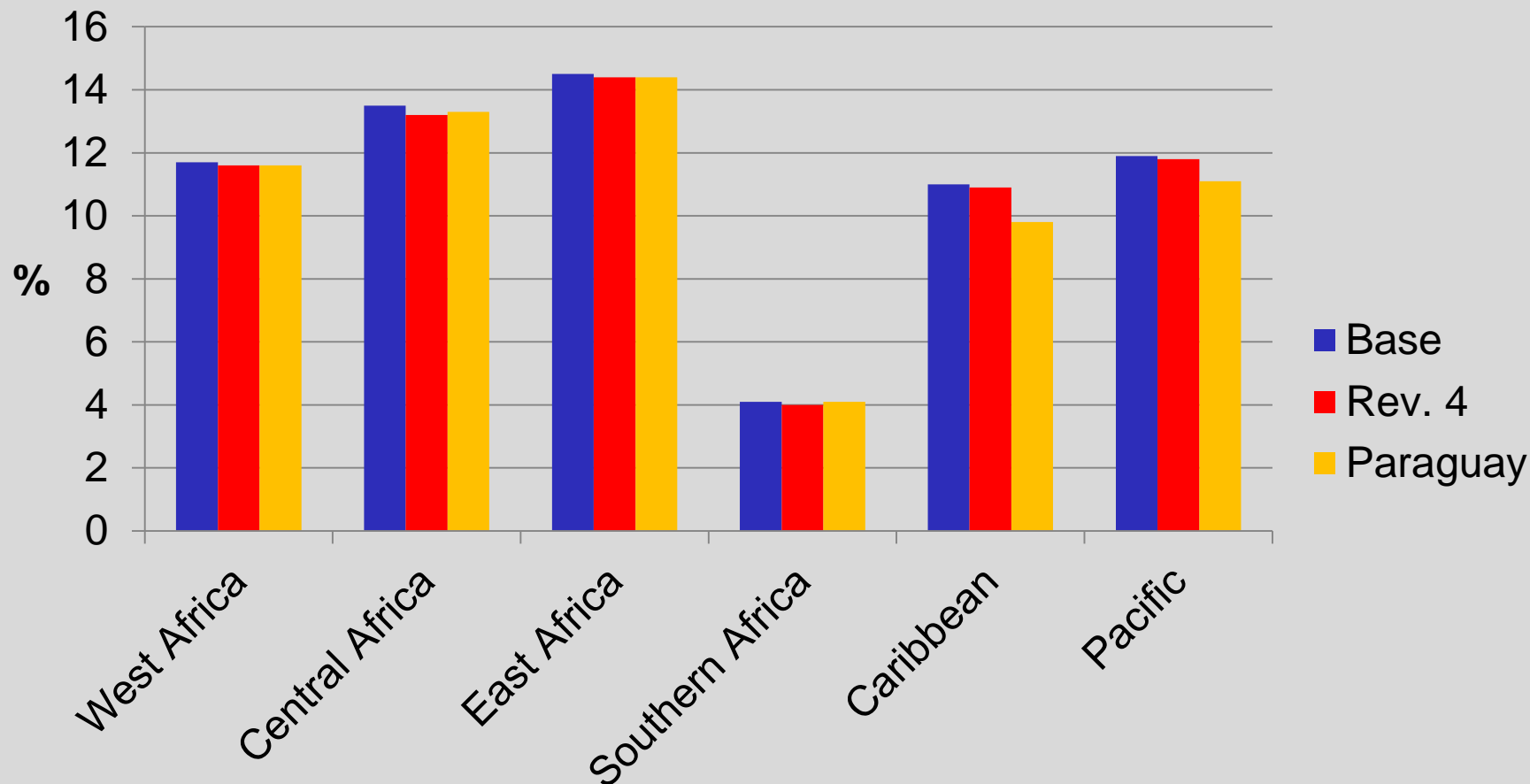
Gap between bound vs applied tariffs

West Africa



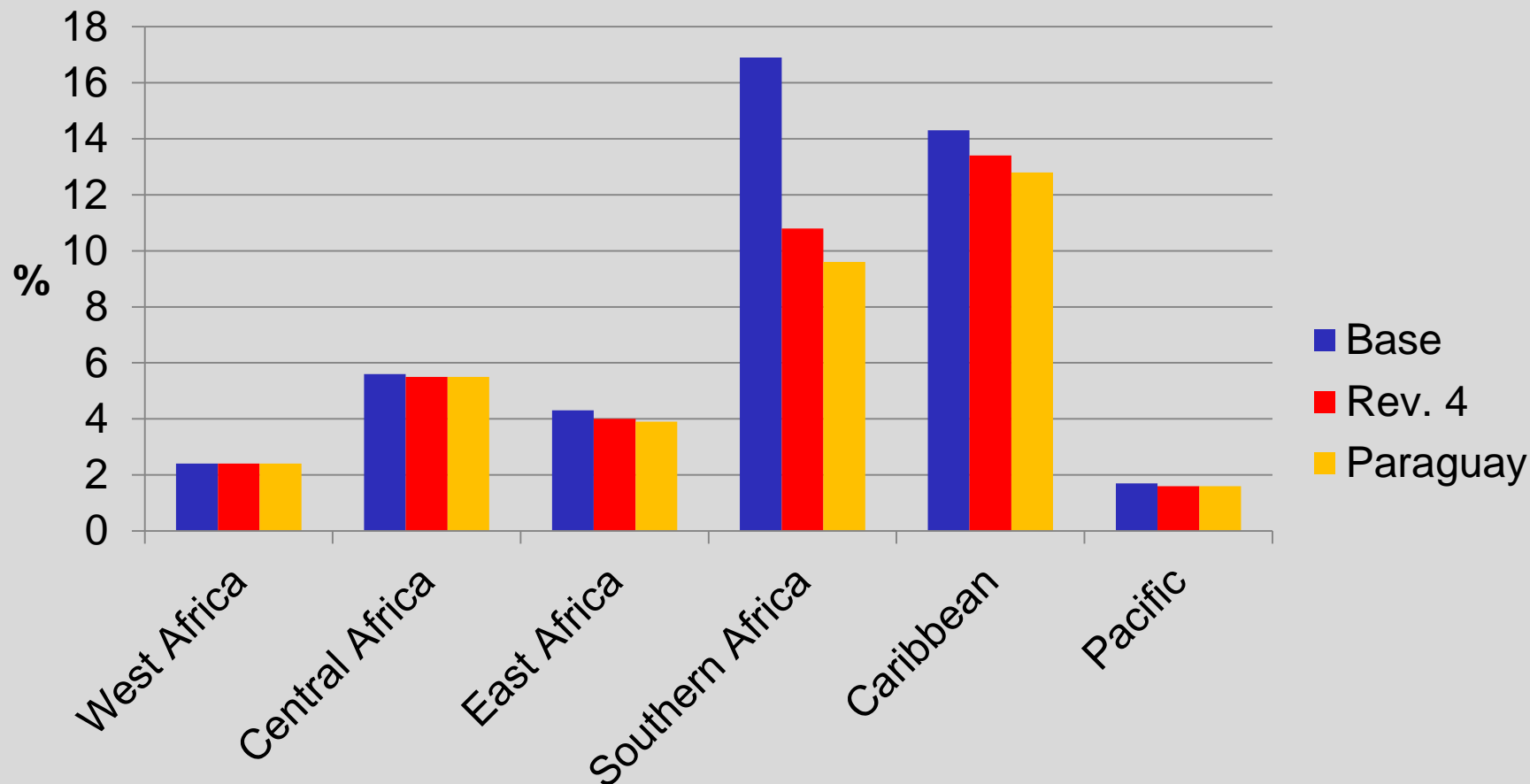
Source: GTAP v9

ACP applied tariffs under alternative proposals



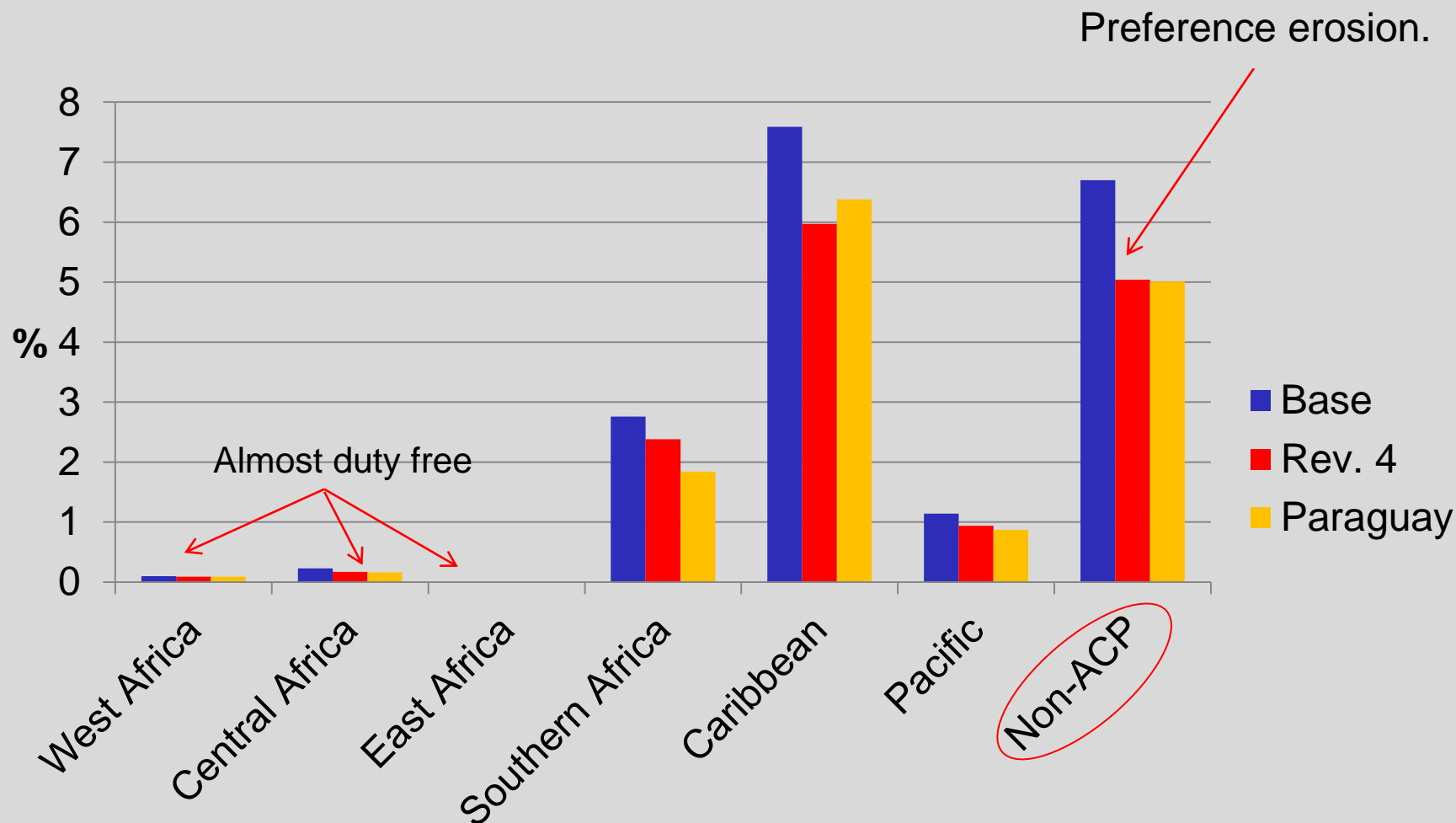
Source: Calculations with TASTE.

Applied tariffs facing ACP



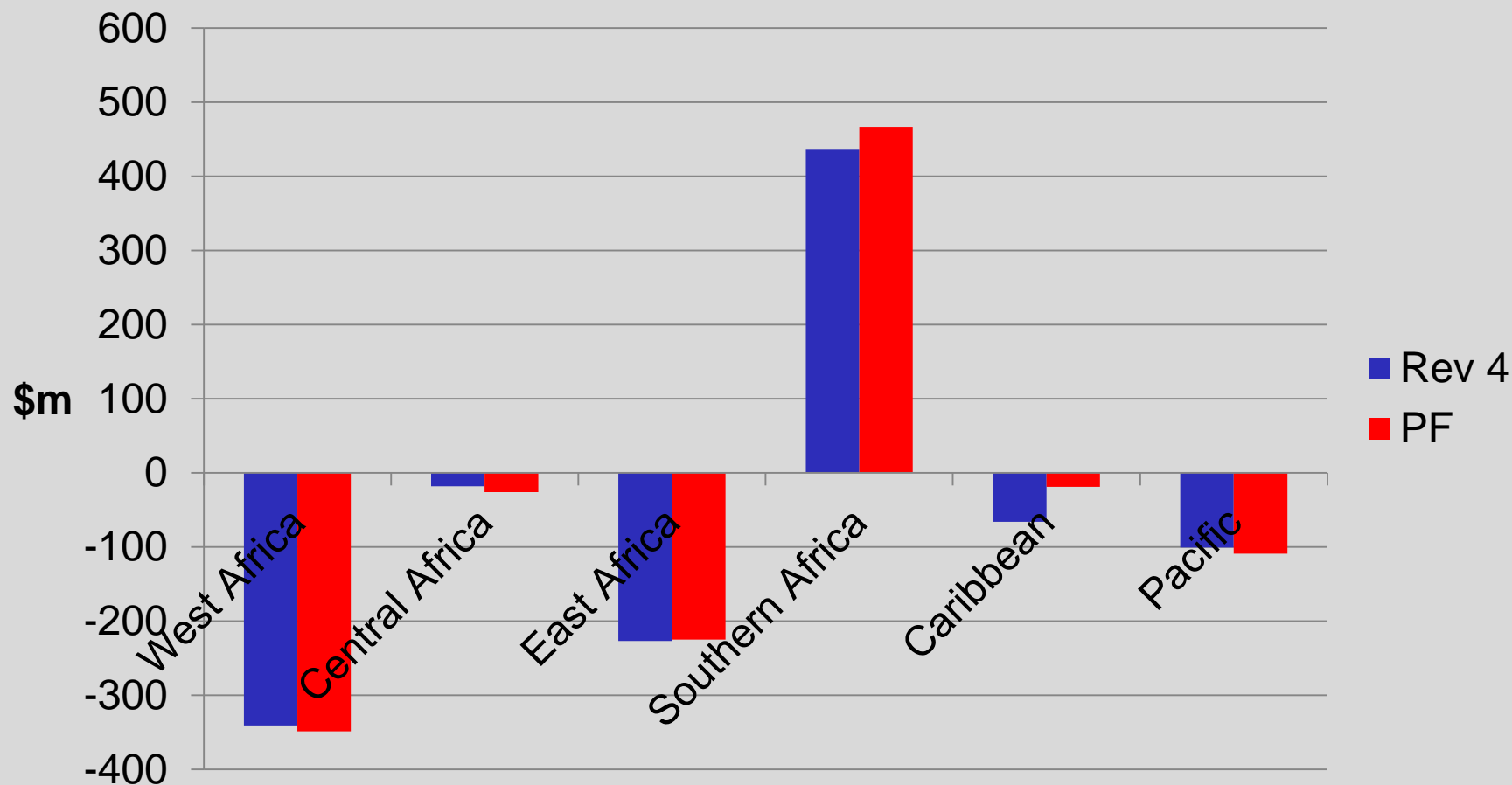
Source: Calculations with TASTE.

Applied tariffs facing ACP exports to EU



Source: Calculations with TASTE.

Welfare impacts



Source: GTAP simulations.

- Preference erosion a problem
- Rising prices of temperate product imports
- Less ambitious outcome would suit
- Not much difference between Rev. 4 and PF
- But PF not harmonising, not transparent
- Industrial tariffs (NAMA) also important. Less ambitious favours ACP
- Export subsidies not significant for ACP

- Would tariff cuts be implemented as modelled here?
- NTBs, AD ignored
- Ignore R&O approach
- Aggregation into six ACP groups from 77.
- Static not dynamic.

The End