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Multilateral and Regional Trade Negotiations: A view from Uruguay

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Multilateral and Regional Trade Negotiations: A view from Uruguay

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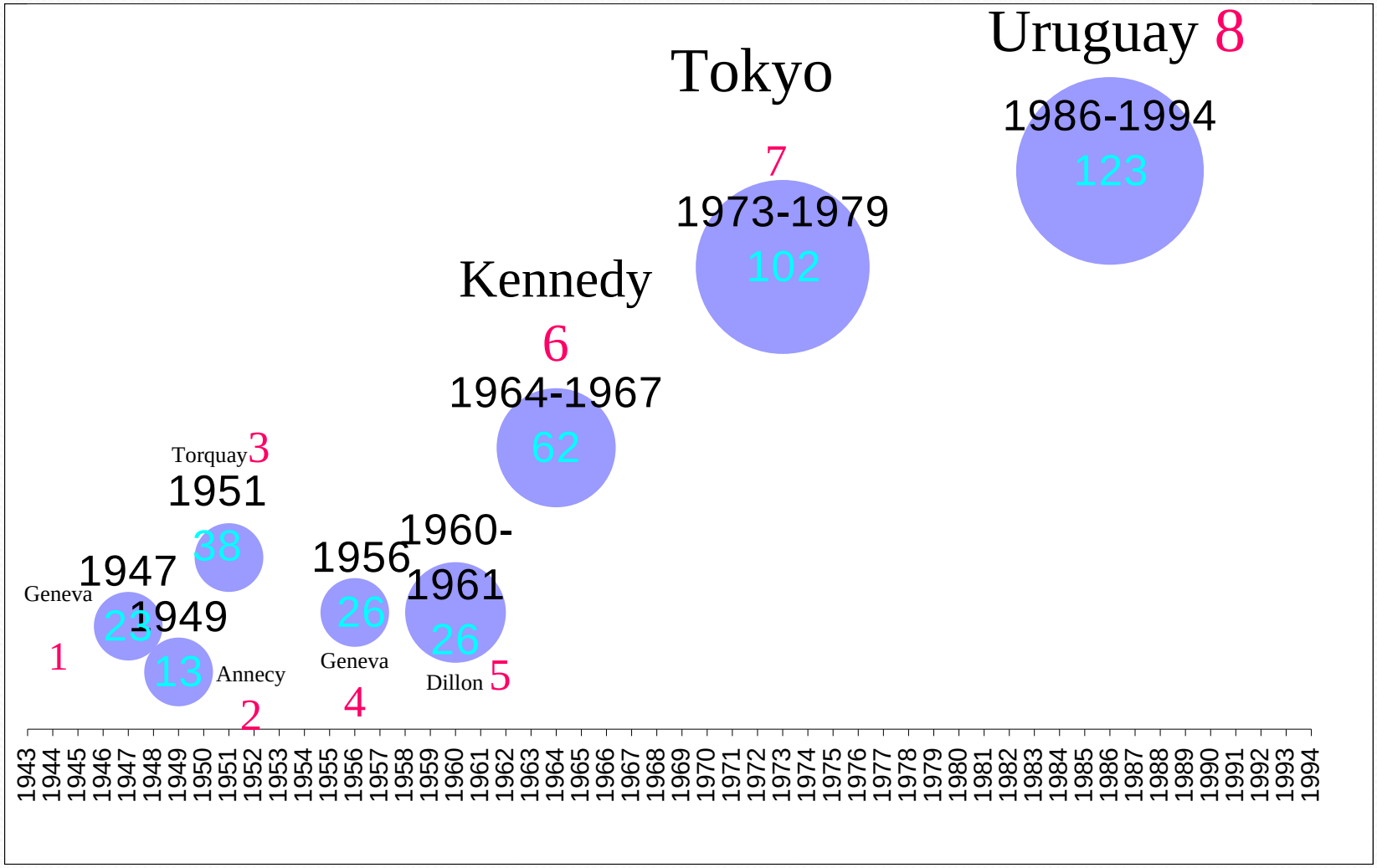
- *1. The importance of the Multilateral Trade Negotiations*

The importance of the multilateral negotiations

- The multilateral trade negotiations are important to all countries, but in particular to developing countries, like Uruguay.

GATT Rounds: Number of Participants



Multilateral trade negotiations

- Multilateral trade negotiations are long and complex, but they establish rules and disciplines that last for many years.

- They are also important for its coverage in number of countries (123 in the Uruguay Round, 151 in the current Doha Round) and scope (areas and disciplines covered)

Multilateral trade negotiations

- As an example, the elimination of export subsidies and the substantial reductions of trade-distorting domestic support in agriculture can only be reached at a multilateral level. Why? Because, no country or group of countries will eliminate its subsidies at a bilateral or regional levels.

- The multilateral negotiations establish multilateral rules and disciplines and also provide new market access opportunities

Uruguay Round

Some examples of new market access opportunities obtained *by Uruguay* in a multilateral trade negotiation (the Uruguay Round):

- ***Beef meat:***
  - a quota of 20,000 annual tons in the US market;
  - the binding of a quota of 6,300 annual tons -"Hilton" quota- in the EC market (composed by previous 4,300 tons plus 2,000 tons obtained in the Uruguay Round)
- **Ovine meat**
  - an increase in the EC quota, from 5,220 annual tons to 5,800 annual tons
- **Dairy products (cheese)**
  - an increase of 1,000 tons in the US quota which, added to the previous 428 tons, amounted to a total of 1,428 annual tons)

Uruguay Round

- Also, as a result of the Uruguay Round, different TRQ's (Tariff rate quotas) were established and the tariffs of many agricultural products were reduced, providing new market access opportunities to WTO Members.

Doha Round

- The Doha Round is the 9th multilateral trade negotiating round.

- Since the creation of the GATT in 1947 until now, all multilateral trade rounds have concluded. Therefore, the Doha Round will also conclude; the question is when.

Doha Round - Objectives of the agricultural negotiations

- substantial improvements in market access
- reductions of, with a view to phasing out, all forms of export subsidies, and
- substantial reductions in trade-distorting domestic support

Doha agricultural negotiations

- Uruguay is in favor of ambitious results in the current WTO agricultural negotiations

Doha agricultural negotiations- The revised draft modalities

(Feb.8, 2008)

- The revised draft modalities for agriculture (and non agricultural market access, NAMA) were released in February 8, 2008
- Issues like sensitive products, special products (SP), Special Safeguard Mechanism (SSM), Special Agricultural Safeguard (SSG), erosion of preferences, could affect the final results in the market access pillar of the agricultural negotiations.

Objective of the WTO agricultural negotiations

- It is important to keep in mind that the objective of the WTO agricultural negotiations is to establish a fair and market-oriented agricultural trading system.

- 2. The importance of the Regional Trade Negotiations

RTAs

- Regional Trade Agreements (RTAs) are an important element of today's multilateral trading system.
- According to the last annual report of the CRTA (WT/REG/18), more than 380 RTAs have been notified to the GATT or WTO
- Almost all WTO members are engaged in RTAs.

RTAs

- In the case of some WTO Members, preferential trade accounts for 90% of their total trade.

- Some statistics show that preferential trade is at the moment around 50% of the dutiable trade (i.e. after having excluded trade that is already duty-free on a MFN basis).

RTAs

- It is possible to expect that the negotiation of RTAs will continue in the future.
- If the Doha Round does not conclude in the near future, one of the possible consequences could be that the number of RTAs could increase.
- Other possibility is that many RTAs could be negotiated among big trading partners.

- *3. Complementarity of the Multilateral and Regional trade negotiations*

Multilateral and Regional trade negotiations: *complementarity*

- The different negotiating frameworks (at multilateral and regional levels) are not mutually exclusive but complementary.

Multilateral and Regional trade negotiations: *complementarity*

- There are some issues (for example, the issue of subsidies) in which the natural framework to deal with them is the multilateral level.

- And there are other issues, like new market access opportunities, where progress can be achieved at both multilateral and regional levels.

RTAs

- It seems that countries will continue to negotiate regional trade agreements, but it is possible to foresee that a failure to conclude the Doha Round in the near future could increase the number of RTAs.

Doha- The importance of achieving a substantial agreement

- It is important to achieve an agreement in the current Doha negotiations.
- And it will not be possible to regard the Doha Development Agenda (DDA) as having been satisfactorily concluded unless substantial results and progress are achieved in the three pillars of liberalization of agricultural trade (market access, domestic support and export subsidies)

Final comment

- Finally, it should be important to remember that the balance in the Doha Development Agenda (DDA) should be achieved in the negotiations as a whole (an overall balance), taking into account the different areas under negotiation and not in one single area.

Thank you.