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## **Doha Has To Reach Goals For The Sake Of Poor Countries**

WTO members must act now to end the impasse on trade controls. The future of the developing world depends on the negotiations, writes Harold McGraw, an adviser to President George Bush.

ANTICIPATION is in the air as the World Cup tournament prepares to kick off next month, with 32 teams taking part.

Countries such as Togo, Trinidad & Tobago and Ghana will go head-to-head with the likes of England, France and Germany. The diverse field of World Cup competitors represents rich and poor, developed and developing nations alike. But while the matches in Germany will capture the attention of the world, many of these countries will be engaged in another match, with much higher stakes.

This is the “Doha round” of World Trade Organisation (WTO) negotiations on liberalising trade. A successful outcome holds the promise of boosting the world’s economy and pulling millions of people out of poverty — high stakes indeed.

To borrow a football phrase, the WTO and its 149 member nations are now in “stoppage time” — the period that makes up for time lost in dealing with injuries and substitutions. The teams are still on the field, but time is rapidly running out.

When the Doha round began nearly five years ago, aspirations were high. This was to be the deal that would bring the world’s developing countries more equitably into the world economy — providing the framework for these countries’ economies to grow and to help their poorest citizens.

To be sure, there would have to be incentives for the developed nations to get them to agree to reduce import tariffs, domestic subsidies and other barriers to free trade. But the overriding goal was to build on past agreements to expand the benefits of trade to all nations.

Aspirations, however, have taken a back seat to self-interest as domestic political considerations have brought negotiations to the brink of failure. With many issues yet to be resolved, negotiators are already talking of cutting back on the original goal of the Doha round and settling for “Doha Lite” — a trade agreement that would fall far short in terms of its overall benefit.

A minimalist deal will be a failure. Most American business leaders will urge American and other negotiators to reject proposals for a Doha Lite deal that would produce only modest trade liberalisation and reforms.

In my eyes, such an outcome would constitute a wasted opportunity. The original goal of the Doha round was to create a clear basis for free and open trade. A final package that fell short of this would draw little support from agriculture, business or consumer interests, making it difficult to get approval from the US Congress.

Consider what is at stake. If there is no agreement, all bets are off with regard to reforming agricultural policies that include protective tariffs and trade-distorting domestic support. Current commitments to eliminate agricultural export subsidies would be lost. Also lost would be the package of duty-free, quota-free access for the world's poorest countries that was set to coincide with the conclusion of the round.

These accomplishments represent some of the key elements of the package that is now on the table.

Greater still are the far-reaching gains members could achieve if they come together on the aggressive opening of markets for manufactured and agricultural goods as well as greater openness for trade in services. European companies, workers and consumers stand to benefit from the greater economic opportunities that a successful deal would bring.

It is already clear that among the greatest beneficiaries of this round would be developing countries. The world's poorest citizens would benefit because there would be greater demand for their products.

A successful and timely conclusion to the Doha round could make history, with its potential to boost the world economy by \$300 billion (£160 billion) over the next decade. But if members do not work to break the current impasse immediately, the round will instead make history as the first of its kind to end in failure.

Negotiations involve give and take — all members must contribute and be willing to make some sacrifices if they expect to benefit. The time to stop posturing and make tough decisions is now. If the Doha round is allowed to fail, everyone will lose — and unlike the World Cup, far more than the outcome of a game is at stake.

*Harold McGraw is head of the McGraw-Hill Companies, which owns Standard & Poor's and Business Week, and chairman of the Business Roundtable International Trade and Investment Task Force.*