

## **COTTON UPDATE – 19<sup>th</sup> April 2007**

### **A stroll in New Delhi?**

---

The G4 met last week in New Delhi. A series of meetings took place with Brazil, the US, India and the EU, which were joined by Australia and Japan. This G6 session closed with very little to show, thereby adding to the general pessimism. The summit meeting, which was billed as another “last chance”, yielded precious little in terms of results.

### **A meaningless declaration?**

At first sight, the final declaration of this G6 meeting does not seem to serve any other purpose than to inform the other WTO members that the G6 indeed met in New Delhi. The participants plan to step up their efforts to achieve convergence of views, thereby helping to ensure the successful conclusion of the Doha Round by the end of 2007. They feel that they can act as facilitators in hammering out a consensus with all WTO members. Given the slim pickings, it is not clear just how seriously they take this role and how they intend to arrive at an overall result by year's end when these plurilateral consultations have not produced even partial results. Before the declaration had even been finalized, it was clear that there was no point expecting very much. Whereas the Europeans recalled the importance of such meetings, the Americans announced that there would not be any breakthrough but that they remained open-minded. India said that it did not feel concerned by the deadline for Fast Track expiry (30 June 2007) that is worrying the Americans. The discussions on special products hit a snag, and the G6 spent more time stressing the difficulties than trying to agree on possible results. What is the point of holding more G6 meetings if its members are still not prepared to tackle thorny issues?

There were, however, three points worth noting in the declaration. First, stepping up G6 meetings would keep up the pressure and keep the talks on the agenda. Second, setting a new deadline is designed to push the US Congress into granting the Bush Administration a fresh six-month TPA extension for the Doha Round. Third, the idea that

the G6 will continue to work in tandem with Geneva tends to lock the WTO actors into a wait-and-see role which some may not appreciate.

### **Who is responsible?**

The reason why nothing is moving is probably because each of the major players still thinks that it is up to the others to lead off with new proposals. Nobody wants to drop his guard. For example, the Americans are saying that there has to be some progress with Doha if they are to obtain a TPA extension; they are complaining that India is trying to gain time and see the country as a major obstacle to negotiations. The European Union, which expects the US to make a substantive offer to reduce subsidies, is criticized because it cannot move ahead owing to the presidential elections in France. Finally, the two Western great powers are asking the emerging countries to make an additional effort in terms of market access in the field of industry and services. As far as all are concerned, agriculture remains the Gordian knot of the talks. This climate of suspicion is anything but conducive to discussions. The non-results are also trying the patience of the other WTO members, who feel shut out of negotiations by the G6.

The Trade Ministers plan to see each other again in mid-May, without specifying exactly where or how. In any case, they will meet again by default in Paris for the OECD General Assembly, scheduled for 14-15 May 2007. Even though a new deadline has been set for the end of December, it seems clear to all that failing a breakthrough before summer, the future of Doha – which is already shaky – will be very gloomy indeed.

### **Texts from the Committee Chairpersons**

As noted in the previous newsletter, the Chairperson of the agriculture negotiations and the Chairperson of the Negotiating Group on Market Access are due to bring out texts in the next few days. From everything we know, the text on agriculture, which is less ambitious than might be expected, will probably raise issues and questions rather than providing answers. When asked whether he himself could bring out a paper that would serve as a basis for the agreement, Pascal Lamy replied: "This would not be my choice, because it doesn't fit with the culture of the organization, which is based on consensus, transparency and a bottom-up approach. However, if it came down to a choice between letting the Doha talks fail or making a last-ditch attempt, I would not hesitate. There comes a time when surgeons say to themselves that, given a choice between that or

death, it would be better to operate!"<sup>1</sup>. The rate things are going, maybe we should ask ourselves when rather than if Pascal Lamy should take up his pen...

---

IDEAS Centre offers policy advice services to developing and transition country governments in the areas of international trade, development and economic governance. In relation to the World Trade Organization (WTO), IDEAS Centre helps low-income countries defend their trade interests and thus use their WTO membership in a way that supports their development.

Our previous newsletters are posted on our website: [www.ideascentre.ch](http://www.ideascentre.ch).

IDEAS Centre, 10, rue de l'Arquebuse, 1204 Geneva, Switzerland  
T +41 22 807 17 40, F +41 22 807 17 41

---

<sup>1</sup> L'Express, 12 April 2007.