

## **Lamy assembling panel to study trade changes, relax tensions**

By JERRY HAGSTROM

GENEVA - World Trade Organization Director General Pascal Lamy's plan to assemble a panel of stakeholders to examine "the real drivers" of trade and obstacles to it won an endorsement from a key group that represents major international agribusinesses, but the statement also reveals a list of issues that member countries may find difficult to agree on.

Lamy, who announced at a meeting of the trade ministers here last week that he will not be a candidate again when his term expires on Sept. 2, 2013, said that the impasse in the Doha round negotiations and the inability of members to deal with new topics such as climate change and the role of once-poor-but-growing economies such as Brazil and China has led him to assemble a panel to report to the group by the end of 2012.

Even though the benefits of trade are not in question, Lamy told the trade ministers in his opening remarks, "So far, you have failed in your endeavors to amend the WTO rule-book to make global trade fairer and more open."

Lamy noted that bilateral and regional trade agreements have omitted "the most politically difficult issues such as agriculture and fisheries subsidies, anti-dumping rules or tariff peaks."

"You will need to address the essential question behind the current impasse: different views as to what constitutes a fair balance of rights and obligations within the trading system, among members with different levels of development," he continued.

"What is the right share in the contributions and aspirations of advanced economies and emerging markets? What is the right combination of reciprocity among trade partners with similar levels of development and flexibility, which would provide weaker members with space to adjust to greater competition? It is clear that progress in multilateral trade negotiations, as in climate change negotiations, will require a political response to this political question."

"We also need to look at the real drivers of today's and tomorrow's world trade, at today's and tomorrow's obstacles to trade, at today's and tomorrow's trade patterns, at how to keep transforming trade into development, growth, jobs and poverty alleviation," Lamy said. "In sum, we must equip the WTO with 21st century software."

Lamy said he will convene a "panel of multi-stakeholders of the WTO" in 2012 to analyze all these elements and report to the entire membership by the end of the year.

But he also noted to reporters in a final press conference that one reason he is launching the

panel is to "relax tensions" among members who are divided over whether raising new issues means abandoning old issues that are still on the table.

The International Food & Agricultural Trade Policy Council said in a statement issued early today that it supports Lamy's call.

"The global food system is indeed different than it was when the Uruguay round agreement on agriculture was concluded in 1995, or when the Doha round was launched in 2002," the IPC said.

"The aims set forth in the agricultural modalities of the Doha round are still valid, and given the ongoing sensitivities over agricultural liberalization, a multilateral approach - which offers countries trade-offs outside of agriculture - remains optimal for further reforms in the international food and agricultural trade system.

IPC, whose board consists of many former agriculture officials and which receives support from major corporations, said that the present impasse presents a good opportunity to consider "whether and how negotiations should address a number of new developments," such as:

- \* A fundamental shift from a supply- to a demand-driven global food system, with worries about the impact of surpluses giving way to concerns about scarce and affordable food for the poor.
  - \* Importing countries looking for greater assurances about the availability of supplies.
  - \* More global supply chains face new types of constraints and require more emphasis on trade facilitation and on addressing behind-the-border regulatory issues.
  - \* Countries are concluding more bilateral and regional trade agreements, with varying degrees of coverage of the food and agricultural sector.
  - \* A growing share of agricultural feed-stocks is used for non-food purposes under government mandates and subsidies.
  - \* The growing economic and political power of emerging economies may justify a different look at special treatment provisions.
  - \* Standards imposed both by governments and private entities indicate a growing emphasis on how food and agricultural products have been produced and processed, in particular whether they meet environmental sustainability tests.
- \* IPC's Position Paper - Doha and Beyond: Continuing the Reform of the International Trade System for Food and Agricultural Products  
<<http://go.madmimi.com/redirects/09123c5d6df246d266c229eff4dd642a?pa=6814081508>>