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European Union

Trade Policy Monitoring

EU set to revamp Doha and Cancun issues at December 15th WTO meetings

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Report Highlights:

EU Agriculture Commissioner Franz Fischler has called for a return to the negotiation table in regards to Cancun, and presented a five-point strategy for promoting the talks when the WTO meets again for farm trade talks on December 15th. This declaration comes one week after the European Commission adopted a strategy paper on the Doha Development Round, whose objectives the EC would also like to re-initiate at the talks in Geneva this month.

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After participating in the FAO Conference in Rome on December 2nd, EU Agriculture Commissioner Franz Fischler called for a return to the negotiation table in regards to Cancun, and presented a five-point strategy for promoting the talks when the WTO meets again for farm trade talks at the General Council meeting on December 15th. This declaration comes one week after the European Commission adopted a strategy paper on the Doha Development Round, whose objectives the EC would also like to re-initiate at the talks in Geneva this month.

Fischler's proposals for successful WTO farm negotiations

In relation to the failure of the WTO talks in Cancun, Fischler laid out five main points that he and the EU believe will result in a successful General Council meeting in Geneva on the 15th. These points include:

1. "Developing countries have to get a better deal." Fischler proposes that developed countries should drop all duties and quotas for imports from the 49 poorest countries. He further states that developed countries should give zero duty access to at least half of the imports from the remaining developing countries.
2. "Give and take is the name of the game." The G-19 need to be prepared to make trade liberalization offers to developing countries. Fischler claims that the EU has modified their original position and is prepared to be flexible, and encourages all G-19 countries to do likewise.
3. "Reforms have to be recognized, not penalized." Fischler claims that the EU has weeded out trade-distorting support in their farm policy through CAP reform. He calls for farm policy reforms to be recognized in the Doha Development Round so that the impact of farm policies on world markets is recognized.
4. "Substance has to prevail over slogans." Fischler presents this point in defense of the latest argument against the EU, which says "While most of the world's poor live on a dollar per day, the European cow receives more than twice this amount." Fischler stated that this comparison is false, irrelevant, and does not say anything about the true impact of farm subsidies in the developed world on trade with developing countries.
5. "The rich can't go it alone." In order for developing countries to benefit from trade liberalization, they need to work on bringing down trade barriers between themselves. The responsibility for liberalizing trade does not lie with the developed countries alone.

The EU report on Fischler's comments may be found online at:

http://europa.eu.int/rapid/start/cgi/guesten.ksh?p_action.gettxt=gt&doc=IP/03/1640|0|RAP ID&lg=EN

Attempt to re-launch Doha talks

Just one week before on November 26th, the EC adopted a strategy paper to re-launch the Doha Development Round in Geneva on December 15th. Commissioner Lamy stated that a major effort was needed on the part of all the parties involved in order to get the discussions going again. The EU concluded from consultations that multilateral negotiations, balance between rule-making and market access, focus on development, and the promotion of participation by developing countries are the main areas on which the next meetings need to focus.

The EU stated that the main areas in which it needs to show more flexibility are Singapore issues, Trade and Environment, and Geographical Indications. Areas where the EU would like to see more flexibility from other countries are in Services and Industrial Tariffs.

The EU claims that it has made great strides in the areas of agricultural reforms and cotton, and that the General Council should use the EU's revised policies as a starting point for negotiations. Commissioner Lamy stressed that CAP reform lends the EU room to negotiate, and encourages developing countries to submit their own proposals for duty- and quota-free access for the poorest countries. Regarding cotton, the EU wants to take the issue further in a multilateral forum, and also encourages developing countries (such as Brazil) to cut duties and quotas for LDCs (such as Burkina Faso).

The EU report on the strategy paper may be found online at:

http://europa.eu.int/rapid/start/cgi/guesten.ksh?p_action.gettxt=gt&doc=IP/03/1600|0|RAPID&lg=EN

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