

**Bi-monthly Report
July – August 2006**

Geneva Office

I. SUMMARY

The Ministers of the G6¹ met in Geneva in late July but could not bridge the gaps between their positions in the World Trade Organisation (WTO) Doha Development Agenda (DDA) negotiations. Faced with this impasse, the WTO Director-General recommended to suspend the negotiations to enable serious reflection by Members. Members accepted the recommendation and the situation has basically remained the same since.

II. DETAILS

Agriculture Negotiations

Members agreed at the beginning of July that the Director-General should act as facilitator for an agreement on the modalities starting with the major Members and the core issues, in particular in agriculture. Discussion since then took place essentially at the Ministerial level, in particular among members of the G6. Towards the end of July, when it was clear that no agreement could be reached without any flexibilities in Members' negotiating positions, Members endorsed the Director-General's suggestion that the DDA negotiations be suspended. The Special Session of the Committee on Agriculture had been left in recess since.

Non-Agricultural Market Access Negotiations

With the impasse in the negotiations in agriculture, the negotiations on non-agricultural market access did not move in July. Work under the Negotiation Group on Market Access had also been put on hold following the suspension of the DDA negotiations.

Services Negotiations

Following the suspension of the DDA negotiations, all the timelines on services negotiations as prescribed in the Hong Kong Ministerial Declaration had been held over. These included the timeframe for the submission of the second revised offer by 31 July. The Chairman of the Working Party on Domestic Regulations also called off his informal open-ended meeting originally scheduled for 27 July, on account that it was part of the DDA negotiations.

¹ G6 comprises Australia, Brazil, the European Communities, India, Japan and the United States.

Rules Negotiations

The Negotiating Group on Rules' draft decision on the transparency mechanism for regional trade agreements, which was meant for adoption by the Trade Negotiations Committee and the General Council, had been held off following the suspension of the DDA negotiations. The plan of the Chairman of the Negotiating Group to circulate to Members in late July a draft text on anti-dumping and subsidies (including fisheries subsidies) had also been deferred.

Trade Facilitation Negotiations

Two plenary meetings of the Negotiating Group on Trade Facilitation were held in July. Members had a constructive dialogue at the meeting held on 10 and 11 July. Hong Kong, China's textual proposal was also discussed in the meeting. A number of Members had indicated support and some useful comments had been received. At the plenary held from 24 to 26 July, there was steady progressive movement in the focused discussion on textual proposals submitted by Members. However the plenary was immediately followed by the suspension of the DDA negotiations and work under the Negotiating Group on Trade Facilitation had been put on hold.

Development-related Issues

With the overall development and eventual suspension of the DDA negotiations, discussion on the proposals on special and differential treatment for developing countries was put on the shelf. Work on proposals by "Small Economies" that does not fall under the DDA negotiations nevertheless continued, with focus on a proposal to encourage the use of regional bodies in the provision of technical support to "Small Economies" in the areas of the technical barriers to trade, sanitary and phytosanitary measures and trade-related aspects of intellectual property rights. The Task Force on Aid for Trade, set up by the Director-General, also released its recommendations in July and further discussion is expected after the summer break.

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