GLOBAL TRADE OPINION POLL
SURVEY No. 13  (June 2006)

SUMMARY

It does not take rocket science to appreciate that the WTO’s ongoing Doha Round is in trouble. The question is how much trouble?

The number of respondents in our current poll who expect to see the Round completed in 2006 has fallen from our January poll and only a small minority expects to see American trade promotion authority extended in 2007. Faced with this central issue and admittedly gloomy picture, capitals-based officials and Geneva-based poll respondents are reacting in very different ways.

Already in January, experts were predicting that the April targets set in Hong Kong would not be met and they were not met. Failing to meet negotiating targets can only go on for so long. Without doubt, the next few weeks are going to be critical. Even the most experienced experts can be wrong, but it seems that an extra effort is going to be required to get the talks where they need to be by the anticipated August break.

This poll was conducted over two weeks in late May and early June and included our regular pool of more than 100 respondents comprised of negotiators, policy-makers and experts from both developed and developing countries located in Geneva and key capital cities around the world.

RESULTS

Overall Prospects for the DDA

Seventy-one percent of all respondents now think it unlikely that it will be possible to conclude the DDA in 2006. This is up from sixty-three percent of respondents who held this view in January and it is a view that is more or less evenly shared by capitals- and Geneva-based participants in the survey.

Just 18 percent of all respondents think that the American Congress will act to extend US Trade Promotion Authority when it expires next year (and only fourteen percent of capitals-based participants think this is likely). When you combine this with the perceived inability to finish in 2006, where does that leave the DDA?

This gloomy picture produces a very different reaction from Geneva and from capitals. Sixty-seven percent of Geneva respondents agreed with the suggestion that the Doha Round cannot be completed with a result that reflects a high level of ambition and that WTO Members should therefore try to find a way out by settling for a lower common denominator outcome. Just twenty-seven percent of capitals-based respondents shared this view – leaving us with the impression that survey participants in capitals may not believe that a less ambitious result from the Round would be politically saleable.
Key Aspects to the Agriculture Negotiations

As always, agriculture will be the key to a successful Doha Round and to get there a number of thorny issues will need to be worked out.

Seventy-six percent of all respondents (82 percent of capitals-based and 70 percent of Geneva-based) respondents think that reaching agreement on modalities for agricultural market access negotiations will require limiting so-called “sensitive products” to less than five percent of dutiable agriculture tariff lines.

Eighty-one percent of all respondents believe that the American offer on domestic support reductions now on the table would need to be improved by Washington’s agreement to deeper cuts in subsidies before an eventual agreement can be arrived at in the agricultural negotiations. More than 85 percent of Geneva-based respondents held this view while 72 percent of capitals-based officials responded in this way.

Overall, seventy-seven percent of all respondents think that the text that the Chairman will put on the table in the week of June 19 is more likely to be his own best guess than it is to be the result of a negotiated compromise.

Non-Agricultural Market Access

Just 18 percent of all respondents – with capitals and Geneva in agreement – think it likely that DG Lamy's Ministerial-level discussions called for the end of June are likely to produce an agreement on modalities for the Non-agricultural market access negotiations. In light of the huge number of exceptions the Chairman of the Negotiating Group has to wrestle with in his effort to forge agreement on modalities, this pessimism is not surprising.

Seventy-eight percent of all respondents think that it is now technically impossible for WTO Members to meet the Hong Kong target of submitting comprehensive draft tariff schedules by 31 July.

Trade in Services Negotiations

There still does not seem to be much traction in the services negotiations at the WTO.

Seventy-nine percent of all respondents believe that only a minority of WTO Members is likely to submit a second round of revised services offers by the target date of 31 July.

Asked whether a critical mass of responses could be achieved in the plurilateral services negotiations, just under sixty percent of all of our respondents doubted that such a critical mass could be achieved. Only eleven percent held the view that achieving critical mass in plurilaterals was likely.

RELEASED 13 JUNE 2006

Andrew Stoler
Executive Director

©2006 Institute for International Business, Economics & Law, The University of Adelaide