

Ongoing WTO Doha Round Negotiations *Concerns and interests of Bangladesh and other LDCs*

Centre for Policy Dialogue (CPD) organised a dialogue titled *Ongoing WTO Doha Round Negotiations: Concerns and interests of Bangladesh and other LDCs* at the BRAC Centre Inn Auditorium, Dhaka on 6 April, 2009. The open floor discussion was preceded by two presentations titled *The Doha Round in the context of the Economic Crisis* and *WTO and Bangladesh: The Way Forward*. The two keynote presenters were Dr Shishir Priyadarshi, Director, Development Division, WTO Secretariat and Dr Debapriya Bhattacharya, the immediate past Ambassador and Permanent Representative of Bangladesh to the WTO and UN offices in Geneva and now Distinguished Fellow – Designate at the CPD. The Guest of Honour at the dialogue was Mr Syeduzzaman, Former Finance Minister and Member of the CPD Board of trustees. H E Mr Robert McDougall, High Commissioner, Canadian High Commission was the Special Guest at the dialogue. Professor Mustafizur Rahman, Executive Director, CPD was the Chair and Moderator of the session.

Key Issues Discussed

- The current global financial crisis has attached much additional importance and urgency to a successful conclusion of the Doha Round. Three core divergent issues continue to persist which relate to sectoral negotiations, special safeguard mechanisms (SSMs) and cotton.
- LDCs are poised at a critical balance in view of the ongoing global economic crisis. Though LDCs witnessed an overall exports growth of 36 per cent (in terms of value, mainly thanks to rise in commodity prices) in 2008, a decline in their export growth rates in the second and third quarters of 2008 was registered.
- The WTO has estimated the volume of world trade to fall by 9 per cent in 2009.
- Flows of aid increased substantially in Africa from 2002 to 2007 whilst the reverse occurred in case of Asia.
- The Overseas Development Institute (ODI) estimates revealed that official aid may decline by US\$ 20 billion in 2009.
- The World Bank has forecasted a financing shortfall of between US\$ 270 billion and US\$ 700 billion for emerging markets. UNCTAD has estimated a 10 per cent decrease in foreign direct investment (FDI), where it expects the developing countries to be the most severely affected.
- Financial uncertainty has resulted in many instances in the adoption of protectionist policies by many developed countries, including the US. The WTO has been stressing that raising trade barriers, though tempting, will be a misguided political option.
- In the second keynote presentation, eight key challenges were identified – (a) the core challenge; (b) the complementary challenge; (c) the contingent challenge; (d) the constant challenge; (e) the consequential challenge; (f) the coalition challenge; (g) the conditional challenge; and (h) the capacity challenge.
- Of importance is the core challenge of ensuring an early implementation of the Duty-free and Quota-free (DFQF) market access provision. Accessing services markets under Mode 4 in developed countries is an issue of key interest and concern for LDCs.
- The ongoing debates in the WTO are focusing on both the successful realisation of the Doha Development Agenda (DDA) and also on issues outside the purview of the DDA. These concern revisiting the Doha mandate and whether the WTO architecture will lose its over the years accumulated utility due to the collapse of the Doha Round. The non DDA issues concern the AfT agenda and Rules relating to anti-dumping duties.
- Capacity building and political outreach of the country, in other words, particularly building alliances with other countries including those in South Asia and the African LDCs, were two other important issues discussed in the session.

Recommendations

- Consolidate progress across the negotiations, and also strengthen the relevance of the WTO as a system. This could help facilitate a speedy conclusion of the current round of trade negotiations. Concluding the Doha Round of trade negotiations would be the equivalent of a stimulus package for consumers of over US\$150 billion.
- Do the needful and contribute towards successful conclusion of the Doha Round. This will enhance multilateral cooperation and help restore confidence of entrepreneurs in both developing, developed and LDC world.

- In case of the AfT agenda, it was recommended that Bangladesh should become a member of the Enhanced Integrated Framework (EIF), in order to avail funds under the AfT initiative.
- Bangladesh needs do to the necessary homework to address the issues of interest to the LDCs on the table – tariff lines for disproportionately affected countries (DAC), ‘Waiver’ as LDC priority mechanism for services, Mode 4 request list – and also engage in other outstanding issues (Rules, TRIPS, AfT agenda).
- Ministry of Commerce and the Ministry of Foreign Affairs may jointly strategise to approach regional partners, especially SAARC members, to support the country’s position in the WTO negotiations. They should work on strengthening national partnerships with participation of the government, private sector, think-tanks and individual trade experts. It was also recommended that effective use of public-private partnerships (PPPs) can help meet the prevailing capacity deficit in the government.
- In the context of strengthening political outreach, it is vital for the country to improve the interface among the offices in the Capital, Geneva, Washington DC and Brussels. It is also imperative to send delegations to African LDCs (particularly to Lesotho, Uganda and Tanzania) in order to assuage their apprehensions, if Bangladesh is granted DFQF market access to the US, and persuade them in supporting the country’s position.
- As the new US administration undertakes trade policy reviews and revisits various preference schemes, Bangladesh will need to initiate a multi-dimensional strategy to secure political attention in order to convince the economic rationales of an effective DFQF, both multilaterally at the WTO and bilaterally under the New Partnership for Development Act 2007 (NPDA 2007). Towards this, all available capacities including advocacy groups overseas will need to be harnessed so that Bangladesh market access interests are promoted.

