



WTO BALI CONFERENCE IS A STEPPING STONE TOWARDS DOHA ROUND TRADE NEGOTIATIONS

The WTO's ninth Ministry of conference meeting met at Bali, Indonesia last week. Trade officials in Geneva had negotiated on various issues. It came out with a trade reform which could give a \$1 trillion boost to the global economy and create more than 21 million jobs, particularly in the developing world. The reform would bring measures to ease barriers to trade by simplifying customs procedures and making them more transparent, give improved terms of trade to the poorest countries and gave developing nations a temporary dispensation from subsidy limit and shelving the issue for negotiations at a later stage. The binding agreement requires countries to implement reforms in a number of areas, but allows them to decide how quickly to do that and promises technical assistance from rich countries for the more challenging commitments. The deal also includes agriculture provisions encouraging the elimination of export subsidies and better administration of tariff-rate quotas. The new quota rules are intended to encourage more imports under the quotas, but the United States is expected to opt out because they would not apply to large developing countries such as China. The development provisions include measures to help African countries increase cotton production, to encourage developed countries to eliminate quotas and duties on imports from least-developed countries and to lower barriers to services companies from least-developed countries. The talks were temporarily threatened for

some time when Cuba objected to removal of a reference to the decades-long U.S. trade embargo that Cuba wants lifted.

This reform would revive confidence in the WTO's ability to negotiate global trade deals, after it found it difficult to clinch agreement in the Doha round of talks that started in 2001. It will also establish a globally binding framework of trade rules fair to both rich and poor countries.**It is also a stepping-stone toward the completion of the Doha Round of trade negotiations.** In recent years the Doha round of talks came to a halt over a divide on major issues, such as agriculture, industrial tariffs and non-tariff barriers, services, and trade remedies-and the momentum was shifted away from global trade pacts in favour of regional deals such as the Trans-Pacific Partnership which US pursued with other countries and similar agreements of European union.