

Press Briefing with
U.S. Trade Representative
Susan Schwab

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World Trade Organization
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AMBASSADOR SCHWAB: Okay, why don't we get started. I know everybody has a busy schedule and I'm sure there will be others of my colleagues who will drop by, and I'm anxious to get back to the TNC.

I'm very pleased to be here. I just had an opportunity to present the opening statement for the United States. We arrived here on Friday and were able to have a number of bilateral interactions over the course of the weekend. Meetings with small groups of our counterparts. Had a chance to meet with India and the EU, China, New Zealand, Australia, Canada, Mexico, a variety of other colleagues. It's always good to see everyone again and I think there is a sense of anticipation, a sense of momentum, and a great desire to see a successful conclusion to this week so that we really have the Doha Round on a path to success, to a successful conclusion this year.

The U.S. is unalterably committed to the outcome of this round. There is no question about that, cannot be a question about that. We have been all along and will continue to be a leader in this round. We know that we have a responsibility of leadership. We also know that a single country or two countries or five countries alone are not going to be able to deliver the Doha Round to a successful conclusion without the active engagement and goodwill and participation and above all contribution of all of our colleagues.

To have a meaningful development outcome to this round, the Doha development agenda, to have a meaningful outcome we know that we have to secure meaningful new market access in agriculture, in manufacturing and in services, and that is particularly true when it comes to the interests of the developing countries involved and of the rapidly emerging markets that are so key to this negotiation in terms of their involvement and in terms of the contribution that they can make to a successful outcome.

We are willing to do our share. We know we're going to need to make further contributions than the many contributions we already have on the table. We are looking forward to seeing the contributions of others, including these most significant emerging markets.

Let me just conclude my opening comments with the following observation that may not be in keeping with your agenda as members of the media. But that is, this is not the time and not the week for falling back on tired rhetoric and rhetoric designed to perpetuate old divisions or to create new ones. And we do not intend to engage in that. I hope and trust that my colleagues in

the spirit of having a meaningful and businesslike process and above all a successful outcome will not resort to that either.

Let me stop at this point. I think Sean will take it from here.

MR. SPICER: One quick announcement. Ambassador Schwab's time today is extremely limited. We're going to take a couple of questions. We will be back plenty of times, and both Gretchen and I are here, we can follow up. So with that.

QUESTION: Ambassador Schwab, Daniel Prusen from BNA. I wonder if you could tell us how your meeting yesterday with Minister Chen of China went. You've expressed a lot of concerns about China not stepping up to the plate and playing a leadership role. Were those concerns addressed at all? And did you resolve any of the outstanding issues with China such as the tariff preference issue on industrial products? Thank you.

AMBASSADOR SCHWAB: I'm obviously not going to get into specifics on any particular conversation or negotiating session bilateral that we have. We had a good meeting yesterday with Minister Chen and his delegation. Some of these issues are tough. We know they're going to be tough. We also know that China is going to be one of the principal if not the principal beneficiary of this round and we share in the objective of supporting an open, vibrant, dynamic, multilateral trading system.

So I came away with the sense that we can and certainly should be working together both bilaterally and with our other colleagues to move the ball forward. We all know that we're going to have to make some difficult choices. We have signaled our willingness as the United States to play the leadership role that we know we need to, and we look forward to China and other key developed and developing countries doing the same.

QUESTION: Ambassador Schwab, [Inaudible], Sao Paolo. The high price of commodities have brought down the amount of subsidies that are given basically everywhere in the world. Do you think this can help the U.S. to put a new proposal on the table?

Secondly, sorry to comment on this, Minister Amorim talking about rhetoric, has made a couple of comments two days ago. How do you see this as a starter for the negotiation?

AMBASSADOR SCHWAB: Let me start by dispensing with the second part of your question which is I'm here to work, I'm here to get a job done and get a Doha Round, the successful outcome to the Doha Round.

On the question of high food prices, it's one of the things I commented on in my TNC statement this morning. High food prices, high energy prices, economic uncertainties in the world. We're operating in a context where a successful Doha outcome really could make a positive contribution in the near term psychological contribution, mid term and long term, a meaningful contribution to economic development, particularly as it relates to developing countries and also in terms of poverty alleviation.

When it comes specifically to food, first and foremost, the elimination reduction of export restrictions on food, as was discussed, for example, at the recent G8 outreach meetings, that's critical. One country's act to achieve food security generates food insecurity in most of the rest of the world. So I think that is important.

In the context of our Doha Round discussions I would like to think that elevated food prices will enable countries to lower import barriers, lower subsidies, eliminate export subsidies, and use this negotiation to help reduce some of the distortions in the market, rather than use the situation in the market as an excuse not to act.

QUESTION: Can I ask you, do you have any comment on the statement made by the [inaudible] for Africa, saying that the developed countries [inaudible] responsibility towards regions [inaudible], by high oil prices in Africa? Do you have anything to say on that?

AMBASSADOR SCHWAB: I think that Minister Rashid is very articulate when he talks about the challenges faced by many African nations, particularly sub-Saharan African nations. We had 40 countries represented primarily by their Ministers last week in Washington, D.C. as part of our annual AGOA Forum. And this is a program where the United States provides duty-free access to imports from, virtually all imports from African nations, sub-Saharan African nations as well as trade capacity building and so on. I think this points up the critical role that a successful Doha Round can contribute to African nations and other parts of the world where you have a disproportionate number of LDCs.

Many of these countries already have duty-free access to developed country markets like the United States. They do not have duty-free access to the rapidly emerging markets. And in fact the rapidly emerging markets, the largest, fastest growing markets in the world, don't have necessarily ready access to each other. Seventy percent of the tariffs paid by developing countries are paid to other developing countries. They aren't paid to the developed countries.

So I think the points I was making about each of us making a contribution. We know the developed countries have to carry the greatest burden of this round, but the emerging markets really have a fundamental and fundamentally important critical role to play when it comes to sub-Saharan Africa, when it comes to LDCs, when it comes to the 80 or so WTO members that really are not going to be called upon to open their markets or to contribute significant market opening in this round, but who rather are the target beneficiaries of this round. So thank you for the question.

QUESTION: Ambassador Schwab, [inaudible] from BBC. A number of delegations characterized the [inaudible] farm subsidy. I wonder what you have to say about that and whether you have any further movement. You're not going to negotiate on the floor of this press conference, but given that single view by a number of delegations.

Secondly, do you have any movement on that, given congressional approval of the farm bill?

AMBASSADOR SCHWAB: In response to your question, we know that we have a contribution to make when it comes to our trade distorting domestic subsidies. We will make that contribution. We know we have a leadership role to play in this round.

We also know two things. One, the U.S. move on subsidies has been a convenient target for a lot of countries that would rather not get to the other parts of the negotiation, namely the market access parts of the negotiation whether in terms of agricultural market access or manufactured goods or indeed services.

Which leads me to my second point. Namely, any study that you look at, at what will contribute the most to economic development, to economic growth and poverty alleviation. When it comes to a trade negotiation the vast, overwhelming proportion of the contribution has to come from market liberalization rather than the subsidy side.

That said, we know we have a contribution to make. We are prepared to make that contribution. And we're prepared to do so in the context of a successful round that has the promise of generating new trade flows because that is in fact what will contribute to the economic growth and development target goal objectives that we all share for Doha.

MR. SPICER: Thank you guys very much. We'll be back.

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