

U.S. DEPARTMENT OF STATE

THE U.S. COMMITMENT TO GLOBAL FREE TRADE Supporting the Doha Development Round

“Trade is the engine for the sustained expansion of prosperity around the world. Through a successful Doha Round, we can realize that opportunity.”
President George W. Bush

Free trade is integral to President Bush’s vision of expanded economic opportunity, prosperity and freedom throughout the world. Since providing the leadership that launched the WTO Doha Development Agenda in 2001, the United States has been working for over four years through the Doha Round of trade negotiations to bring about a comprehensive multilateral agreement to create new market openings for trade in agriculture, manufactured goods, and services—and thereby bring new economic opportunities worldwide and meet the development promise of Doha.

Trade as Key to Development

The economics are clear: trade liberalization, combined with pro-market, developmental domestic reforms, enhances the economic growth potential of developing countries. The U.S. is deeply committed to helping the world’s developing countries grow their way into greater prosperity. To catalyze far-reaching trade liberalization through the Doha Round, the United States has put forth bold reform proposals to open markets, spur economic growth and alleviate poverty.

Agriculture’s Vital Role

The agriculture sector is a major contributor to developing countries’ GNPs, and agricultural liberalization is a direct and powerful anti-poverty measure. Agriculture is at the heart of the Doha Round because of its importance to the developing world and because of the current high barriers to agricultural trade. World Bank studies show that the biggest gains for developing countries will come from opening new markets through reduced tariff barriers, including their own, to greater trade in agricultural goods.

Agriculture and Developing Countries

- 70% of people in developing countries make their livings in agriculture
- 63% would receive income gains from more open trade in agriculture
- 93% of these gains would come from improved market access

(Sources: World Bank and OECD)

Bold U.S. Doha Proposal

According to the OECD, the single most important thing developed countries can do to benefit developing countries is to make deep cuts in agricultural tariffs. The U.S. proposal does just that. Last October, the U.S. took aim at the logjam in the Doha negotiations and tabled an ambitious proposal to open markets by eliminating export subsidies in agriculture, making deep cuts in agricultural tariffs, and sharply reducing trade-distorting domestic subsidies. Since then, our WTO partners have failed to match that offer with equally ambitious proposals, particularly on market access, stalling overall progress in the negotiations.

Urgent Doha Actions Needed

Leadership is needed from the largest stakeholders in global trade, who must take real steps to open markets in order to bridge the fundamental divisions in the Doha negotiations. Substantial contributions that provide new and real market access in agricultural and manufactured good and services, are urgently needed, in order to achieve the ambitious result that bring Doha to a successful ambitious outcome. Unless this happens soon, an historic opportunity to expand global economic growth and alleviate poverty may be missed.