



Highlights of [GAO-06-596](#), a report to the Chairman, House Committee on Ways and Means

# WORLD TRADE ORGANIZATION

## Limited Progress at Hong Kong Ministerial Clouds Prospects for Doha Agreement

### Why GAO Did This Study

U.S. officials often call the World Trade Organization’s (WTO) Doha Development Agenda or “Round” of global trade talks, launched in Doha, Qatar, in November 2001, a “once in a generation opportunity” to expand trade. President Bush has identified their success as his administration’s top trade priority. Due to various U.S. notification and consultation requirements, concluding the negotiations in 2006 is essential for a Doha agreement to qualify for congressional consideration under U.S. Trade Promotion Authority (TPA), which expires July 1, 2007. A ministerial meeting among the WTO’s 149 members was held on December 13-18, 2005, in Hong Kong, China, to make decisions needed to advance the talks.

Given the importance of the WTO Doha Round to the United States, GAO was asked to provide an update on the status of the negotiations. In this report, the latest in a series on the negotiations, we (1) provide the status of the Doha negotiations on the eve of the Hong Kong ministerial, (2) review the outcome of the Hong Kong ministerial, and (3) discuss the prospects for concluding the Doha Round before TPA expires in July 2007.

[www.gao.gov/cgi-bin/getrpt?GAO-06-596](http://www.gao.gov/cgi-bin/getrpt?GAO-06-596).

To view the full product, including the scope and methodology, click on the link above. For more information, contact Loren Yager at (202) 512-4347 or [yagerl@gao.gov](mailto:yagerl@gao.gov).

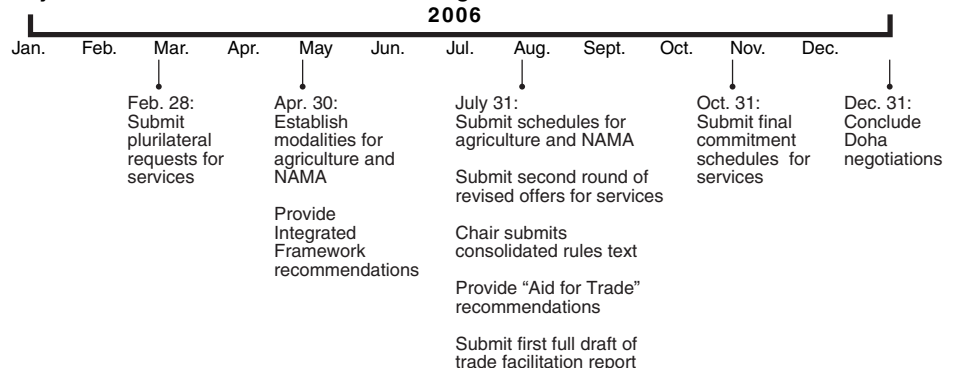
### What GAO Found

WTO members made little progress in 2005 toward their goal of completing the steps needed to set the stage for finalizing the Doha Round of global trade talks. The key milestones for progress through July were missed. Despite new proposals on agricultural subsidy and tariff cuts submitted in October 2005, it was clear by November that key players were too far apart to achieve the major decisions planned for the December ministerial. To avoid a failure, members agreed to lower expectations for the meeting.

The Hong Kong ministerial resulted in modest agreements on a narrow range of agricultural and development issues. Ministers made little progress on the broader Doha negotiating agenda, including two other U.S. priorities—services and nonagricultural market access. Nevertheless, WTO members renewed their resolve to successfully conclude the Doha Round by the end of 2006 and set new interim deadlines under a compressed schedule to meet that goal. Critical decisions that will determine each member’s cuts in tariffs and other barriers were due April 30 and July 31, 2006, but the April 30 deadline will be missed.

WTO members continue to profess commitment to accomplish the ambitious agenda set at Doha. However, with nearly all tough decisions put off, the tension between members’ original high ambitions and the U.S. TPA timeframe has become acute. Since the Hong Kong ministerial, members have taken concrete steps to help build consensus. Yet, the ongoing impasse on core areas such as agriculture, and the difficult political decisions needed to resolve it, cause many experts to be skeptical. As illustrated below, numerous time-consuming steps still must be completed in the little more than a year left before TPA expires. While holding out hope for an agreement that lives up to Doha’s promise, experts say outright collapse, substantial delay, or modest results are all possible outcomes.

**Key Selected Deadlines in 2006 for Doha Negotiations**



NAMA: Nonagricultural market access

Source: GAO, based on WTO documents.