



Highlights of [GAO-07-379](#), a report to congressional requesters

## Why GAO Did This Study

President Bush has identified the success of global trade talks launched in Doha, Qatar, in November 2001 as one of the United States' top trade policy priorities. Known as the Doha Development Agenda, the talks are an important means of spurring global growth and development. Completing the talks in 2006 was considered essential for an agreement to qualify for streamlined congressional consideration under the U.S. Trade Promotion Authority. However, the talks collapsed in late July 2006 in the face of wide differences over the extent of agricultural reform and how best to promote economic development in poor countries. Efforts to break the deadlock continue.

Given the tenuous state of this central plank of U.S. trade policy, GAO updated its series of prior reports. In this report, we assess (1) the overall status of the Doha Round negotiations now and the progress that had been made prior to and since the breakdown of the talks, (2) the substantive divisions among key World Trade Organization (WTO) members that led to an environment of deadlock and the eventual suspension of the negotiations, and (3) the possible economic and other ramifications if the round is not concluded satisfactorily.

[www.gao.gov/cgi-bin/getrpt?GAO-07-379](http://www.gao.gov/cgi-bin/getrpt?GAO-07-379).

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).

## WORLD TRADE ORGANIZATION

### Congress Faces Key Decisions as Efforts to Reach Doha Agreement Intensify

#### What GAO Found

The Doha talks remain deadlocked, and their ultimate success is uncertain. However, the recent resumption in negotiations and renewal decisions facing Congress in 2007 create a window for breaking the deadlock.

- Regarding agriculture, WTO members differ sharply over how much to reduce barriers that distort production and trade, namely import restrictions such as tariffs (import taxes) and government payments and other “domestic support” to farmers. As the world’s largest agricultural exporter, the United States is seeking to sharply reduce foreign barriers to U.S. exports and has insisted on attaining greater promise of commensurate market access gains before agreeing to further cut its trade-distorting payments to U.S. farmers. The European Union (EU) is among the major agricultural players that have resisted this, and it has joined forces with developing countries in demanding U.S. subsidy cuts far beyond those already offered. In particular, the EU and developing countries have pressed the United States to cut subsidies below current spending and to disavow certain programs that could lead to future increases.
- Regarding development, members remain divided over how the WTO can best promote economic growth and reduce poverty in the developing countries. Despite their diverse interests, developing countries maintain solidarity in pressing myriad demands for special treatment that would shield them from liberalizing their own imports. The United States believes such liberalization is not only critical to fostering development, but needed for WTO members to maximize the likely economic gains to both developed and developing countries, and to offset anticipated losses for some countries.

Participants and observers offer mixed views on the implications if Doha is not successfully concluded. Some warn of forgone economic gains, a weakened global trading system, and a more difficult U.S. trade policy environment. Others suggest that the ramifications are much more limited. Congress faces renewal decisions in 2007 on two key pieces of legislation—Trade Promotion Authority and the Farm Bill—that could spur a breakthrough and be pivotal to the trading system and the future U.S. role in it.