The Doha Development Agenda — What's in it for Developing Countries?

No single change could make a greater contribution to eliminating poverty than fully opening up the markets of prosperous countries to the goods produced by poor ones.

Kofi Annan,
Secretary General of the United Nations

What is the Doha Round?

- A new series of World Trade Organisation (WTO) negotiations launched in Doha, Qatar, in November 2001 to redefine the rules of international trade.
- A chance to increase market access and promote economic growth — leading to poverty reduction.
- A chance to focus on issues of importance to developing countries, such as access to medicines and provisions for special and differential treatment in trade rules.

But most of all, the Doha Round is a chance to negotiate a better deal for developing countries — that's why the work program is called the Doha Development Agenda.

What advantages are there for developing countries in *agricultural* negotiations?

Income gains — removal of agricultural trade protection will produce gains in developing countries of around US$30 billion annually.

Increased exports — developing countries, over two-thirds of the WTO's membership, are overwhelmingly agricultural exporters.

Higher prices for farm products — current rules are unfair and allow rich countries, such as the EU, Japan and US, to support inefficient farming with high subsidies and tariffs. This has depressed world farm prices and reduced incomes to developing country exporters.

Poverty reduction — freeing up agricultural trade is arguably the greatest role the Doha Round can play in reducing poverty — 75 per cent of the world's poor are directly or indirectly involved in agriculture.

What can the *industrials* negotiations achieve for developing countries?

A boost in exports and growth in domestic industries — through lower tariffs and non-tariff barriers on important exports for developing countries, such as textiles and clothing.

Financial benefits — the gains from eliminating protection for industrial products are up to US$620 billion annually, with one-third to one-half going to developing countries.

Employment — up to 27 million jobs will be created in developing countries by dismantling protection in wealthy countries. On average, a job saved in a wealthy country by protection costs 35 jobs in developing countries.

Enhanced competitiveness — major gains will accrue by developing countries reducing their own trade barriers. Developing countries pay a massive 70 per cent of all tariffs to each other.

Australian Government
AusAID
Department of Foreign Affairs and Trade

What will successful negotiations on *services* mean for developing countries?

Huge gains — experts estimate that by liberalising services, real incomes in developing countries could increase by US$130 billion annually.

A boost to employment and earnings — most developing countries derive the bulk (40–60 per cent) of their employment and income from the services sector.

Improved economic performance — more open trade in financial, communications and transport services is vital for the productivity of other sectors such as agriculture, manufacturing and retail.

New export opportunities — particularly in industries where labour is a major input, such as tourism, construction and transport services, as well as in emerging areas such as communications and computer services.

Can developing countries *really* harness these potential gains from the Doha Round?

Yes, but developing countries do face challenges and constraints in capturing the potential gains from trade liberalisation.

Australia is playing a key role in helping developing countries address these challenges and constraints so that trade works for development.

Australia's overseas aid program is providing multi-year trade-related assistance totalling $245 million, with an estimated $31 million in 2003–04. Australian assistance focuses on:

- trade negotiation and policy
- implementation of trade rules
- trade promotion and tariff reform
- strengthening trading infrastructure such as customs and quarantine systems.

This assistance helps developing countries maximise the benefits of trade, grow their economies and ultimately reduce poverty.

Developing countries that take advantage of globalisation through trade and investment liberalisation are more able to experience the sustained economic growth essential to poverty reduction. But these benefits cannot be fully realised without the resources and abilities to cope with the institutional and regulatory requirements of the global trading system.

Hon Alexander Downer MP,
Australian Minister for Foreign Affairs

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