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**Article**

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## **Can the Doha Round be completed in 2006?**

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Although the Hong Kong Ministerial Declaration officially commits World Trade Organization (WTO) members to making significant strides in their negotiations before 30 April 2006, there must be considerable doubt as to whether the Doha Round can be completed in the near to medium term. In this paper I identify several political factors on both sides of the Atlantic that call into question whether the Doha Round of trade negotiations can be successfully completed in 2006. Furthermore, given the presidential elections in France and the United States in 2007 and 2008, respectively, I argue that the next plausible window of opportunity for completing the Doha Round will open in 2009.

*Keywords:* World Trade Organization (WTO), Doha Round,  
Political Economy, Agriculture.

*JEL Codes:* F 02, F 13

### **1 Introduction**

The Sixth Session of the WTO's Ministerial Conference took place in Hong Kong during 13–18 December 2005. A Ministerial Declaration was issued at the conclusion of the conference and opened with the following four claims:

„We reaffirm the Declarations and Decisions we adopted at Doha, as well as the Decision adopted by the General Council on 1 August 2004, and our full commitment to give effect to them. We renew our resolve to complete the Doha Work Programme fully and to conclude the negotiations launched at Doha successfully in 2006.“ (paragraph 1, WT/MIN(05)/W/3/Rev.2)

There may well have been private agreements or tacit understandings reached at this Conference and these may qualify any third party assessment of the outcome in Hong Kong. However, a review of the Ministerial Declaration and associated press reports indicate that the following happened in Hong Kong: (1) WTO members were unable to make much pro-

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gress in the agricultural trade negotiations beyond agreeing to eliminate export subsidies, (2) although a formula approach was agreed for the Non-Agricultural Market Access (NAMA) negotiations, the specific parameters to be applied by different WTO members (in determining how much they will cut their tariff bindings and how many goods they can exempt from such cuts) have yet to be agreed, (3) little progress was made in the service sector negotiations, (4) WTO members have committed themselves to intensify their negotiations on the above matters in 2006, with the overall objective of completing these negotiations by the end of this year, and (5) various matters of interests to developing countries received attention in Hong Kong and that they will remain part of the WTO's work programme in the coming year.

In this paper I examine the feasibility of completing the Doha Round in 2006. So as to set the appropriate context my argument begins with a review of some important aspects of trade politics in 2005, a discussion that can be found in section two of this paper. Then I discuss the likely political developments in the USA in 2006. This is followed by an analysis of the corresponding factors in the European Union. On the basis of material presented in these two sections I cast doubt on whether the Doha Round can be completed in 2006 or before the US administration's trade negotiating authority expires in the middle of 2007. Moreover, in section five I identify a number of factors that will cast a long shadow over multilateral trade negotiations in 2007 and 2008, implying that the next plausible window of opportunity for concluding the Doha Round will be in 2009. I close with some concluding remarks in section six.

## **2 As trade politics goes, 2005 was an unusual year**

In order to assess the factors likely to influence the Doha Round of multilateral trade negotiations in 2006 and afterwards, first it is worth reflecting on how unusual the year 2005 was.

In recent times it would be hard to find a year when senior policy-makers were confronted more forcefully with the circumstances facing developing countries, or to evidence on the effects of certain industrialised countries' policies on poor countries, than 2005. For one the 'Make Poverty History'-campaign received an enormous amount of media attention around the world and, if the opinion polls are to be believed, a considerable amount of public support. Moreover, the U.K. government used its presi-

dency of the Group of Eight (G8) industrial countries to draw attention to the fight against poverty in developing countries, to debt relief, and to trade reform. A U.K.-led Commission for Africa reported in time to be discussed at a number of major international meetings, including the G8 Annual Summit in Gleneagles, Scotland. Proposals for Aid for Trade, initially made by the British with lukewarm support from other donor nations, gained momentum and resulted throughout the year in pledges of large amounts of money by several industrialised countries and development banks.

To this brew intra-European Union (EU) politics added further ingredients. The rejection of the proposed European Constitution by French and Dutch voters was thought to be, in part, due to various concerns about globalisation, adjustment to economic change in general, and the abilities of national leaders to chart ways through an era that is seen as involving a faster pace of change than before. Coupled with this, EU member states were unable to agree to the multiyear budget proposed by the Luxembourg presidency in June 2005. Thus, the U.K. took over the EU presidency in July 2005 at a particularly sensitive time.

With a decision taken by EU member states to launch accession negotiations with the Turks taken in October 2005, and the time needed to overcome the budgetary deadlock, only the traditional December European Council meeting was realistically available to the U.K. to forge an agreement on the EU budget for the fiscal years 2007–2013. Given that approximately 40 percent of the EU's budget is currently spent on the Common Agricultural Policy (CAP), and the fact that the EU's trading partners were demanding substantial cuts in budgetary support for European farmers, budgetary politics and trade politics became intertwined. In principle here was an opportunity to use the EU budget negotiations to cut back on agricultural support, allowing potentially for a breakthrough at the Hong Kong Ministerial Conference. This was not to come to pass as the opponents of CAP reform had prepared well. The latter argued that support for European farms for the years through 2013 had already been agreed in 2003 and that that agreement should be honoured. No amount of concessions by the U.K. government, notably on the size of Britain's contributions to the UK budget, overcome the opponents, but the latter did concede that a 'review' of EU spending, which might include the CAP, could take place in 2008–2009. Moreover, the opponents ensured that the mandate of the European Commission's (EC's) trade negotiators for the Doha Round (and, therefore, for the Hong Kong Ministerial Conference)

did not permit them to offer concessions that went materially beyond the CAP reform agreed in 2003. In this respect, it is worth noting the following ‘Conclusion’ of an extraordinary meeting of the European General Affairs Council on 18 October 2005:

„The Council recalled as regards the negotiations in agriculture that the CAP reform is Europe’s important contribution to the DDA and constitutes the limits of the Commission’s negotiating brief in the WTO Round.”

This conclusion was unanimously adopted by all 25 EU Member States. For all of these reasons, then, 2005 was pretty unusual.

Looking forward to 2006, a number of factors that are likely to influence the pace of multilateral trade negotiations can be identified. I will divide my observations into two major parts, discussing in turn the likely developments in the United States and in the European Union in 2006. This choice is not to suggest that only these jurisdictions matter, rather it reflects the fact that I have more to say about them than elsewhere. Changing circumstances in Brazil, China, and India, to name just three of the other key players in the Doha Round, will surely shape any eventual conclusion to this multilateral trade negotiation too.

### **3 What Comes Next? Likely political developments in the United States.**

With respect to developments in the United States there are at least three factors worthy of consideration: the midterm Congressional elections of 2006, the renewal of U.S. agricultural support (the current legislation concerning agricultural support, enacted in 2002, covers the fiscal years up to 2007), and the expiration of the so-called ‘Fast Track negotiating authority’ on 1 July 2007. The latter, of course, is what has been driving much of the stated desire to conclude the Doha Round in 2006.

Under U.S. law the Administration would have to notify Congress by 1 April 2007 of its intention to sign any Doha Round agreement and Congress would then vote up-or-down (that is, without amendment) on the text that the Administration formally submits to Congress. This procedure is thought necessary to stop Congress from rewriting or reopening trade agreements once they have been by signed by the U.S.’ trading partners

and is said to be essential to inspire confidence in the latter as they negotiate with the U.S. Administration.

U.S. Administration and Congressional officials have been signalling to their trading partners that the renewal of Fast Track negotiating authority should not be taken for granted,<sup>1</sup> especially in the light of last year's particularly fraught Congressional debate and vote on approving legislation for the U.S. free trade agreement with the Central American nations. Moreover, given the apparent unpopularity of trade reform with U.S. voters and the fact that fast track negotiating authority would not expire until the middle of 2007, the renewal of this authority before or during the Congressional elections of 2006 is thought unlikely.

While the ending of the Fast Track negotiating authority certainly adds to the pressure on those nations who wish to complete the Doha Round to make more ambitious offers in 2006, there are other implications to be considered, especially when the Congressional elections scheduled for November 2006 are factored in. It should be remembered that in President Bush's first midterm Congressional election in 2002 U.S. trade policy moved in a restrictive direction, principally to garner votes in key 'swing' Congressional districts. The U.S. steel safeguard actions of 2002, which resulted in significant tariffs on imported steel, was motivated in part by electoral calculations.

Moreover, in 2002 the U.S. Congress passed (and the President signed) a Farm Bill, which was widely condemned abroad for cushioning U.S. farmers at the expense of other countries' agricultural interests. In addition, if electoral considerations play the same role in 2006 as they did in 2002 then they are likely to have a dampening effect on the concessions that the U.S. can make in concluding the Doha Round. Put another way, any further U.S. concessions in politically-sensitive sectors would probably have to come very early in 2006 if they are not to cast an unwelcome shadow over the Congressional elections in November 2006.

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1 U.S. officials and trade experts may be overstating this fear especially since foreign and security policy considerations have taken a larger role in determining U.S. trade policy in the Bush Administration. Without the renewal of Fast Track negotiating authority, one of the biggest carrots (negotiating a free trade agreement) for inducing countries to support the U.S. in the so-called War on Terror would be lost. This factor alone should make the U.S. State Department and National Security Adviser supportive of the renewal of Fast Track, which may prove important in the political calculations that the White House will necessarily make on this matter.

The renewal of the 2002 Farm Act could pose additional problems for a WTO Round where agricultural negotiations are central. The 2002 Farm Act finally passed the U.S. Senate by 64 to 35 votes with one abstention. (The Senate had originally passed a more generous version of this legislation than the House of Representatives). Of the 33 U.S. senators up for re-election this year, 27 voted on the original 2002 Farm Act and 16 voted for this Act.

According to the well-regarded Cook Political Report in its recent assessment (5 December 2005) of the likely outcomes of each senate race, 10 Democrats are up for re-election in contests where they face little or no serious competition. Of those 10 senators, nine voted for the 2002 Farm Act. On the Republican side, nine senators do not face much competition in their re-elections. Of the nine, three voted for the 2002 Farm Act. Of the eight senators facing competitive re-elections, four voted for the 2002 Farm Act. This implies that 12 of the 19 senators most likely to be re-elected were supporters of the 2002 Farm Act, supporting the U.S. Senate's majority in favour of farm support. It would take an unusual set of election results in the 14 other more competitive senate contests<sup>2</sup> to make a significant dent in the support for American farmers in the next U.S. Senate.

From the perspective of the Doha round negotiations, all of this bodes badly for whenever the U.S. Senate begins drafting the next farm bill. Perhaps the most one could hope for is a Doha Round agreement that 'locks in' the U.S. Congress when it gets around to writing the next Farm Bill.<sup>3</sup> But those elected representatives who fear being locked in may well bring forward to 2006 hearings and debates on the next farm bill (essentially trying to turn the tables and lock in U.S. agricultural programmes over a number of years).<sup>4</sup> The potential for the latter to disrupt ongoing negotiations in the Doha Round cannot be ruled out. If securing an accord on agriculture is the lynch pin of the Doha Round, then for all of these reasons the political climate in the USA in 2006 and 2007 is unlikely to be a positive contributing factor. More generally, the precedent of the

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2 Due to retirements from the U.S. Senate the total number of competitive senate contests exceeds the number of senators seeking re-election and facing competitive contests.

3 Of course, there is the not-insignificant matter of getting the U.S. Congress to agree to a Doha Round agreement when its members know that they will soon be debating the next programme of support for U.S. farmers!

4 In this respect it is noteworthy that the Chairman of the U.S. Senate Agriculture Committee, Senator SAXBY CHAMBLISS of Georgia, has publicly suggested that such hearings take place in 2006. See: INSIDE U.S. TRADE (2006).

2002 Congressional election suggests that disruptive trade disputes in 2006 cannot be ruled out. None of this is particularly welcome in a year when the give-and-take necessary to complete a multilateral trade round will be at a premium.

#### **4 Continued entrenched opposition to agricultural trade reform in Europe.**

Matters are little better in Europe and arguably a lot worse. Many of the opponents to expanding the European Commission's negotiating mandate on agricultural matters in the Doha Round remain in place in 2006. Moreover, the power of initiative associated with the presidency of the EU has shifted away from a nation inclined towards open borders (the U.K.) towards two nations that are more circumspect about the benefits of trade liberalisation (Austria and, to a lesser extent, Finland.) In addition, the latter nations do not have the same weight within the EU as the former. Austria took over the EU presidency on 1 January 2006 and Finland takes over from Austria on 1 July 2006.

A review of some of the major discussions between the European Commission and the 25 member states on WTO-related matters in 2005 provides an indication of the enduring factors that will shape the political climate in 2006 as they relate to multilateral trade reform. This review is overwhelmingly negative and reflects the fact that I could not find any positive counter-examples! One finding is that, although France plays a prominent role in European debates on the Doha Round, she is certainly not alone when it comes to opposing further concessions on agricultural matters. The following discussion should be seen in the light of the European practice whereby the Council of Ministers sets the mandate for Europe's sole trade negotiator, the Directorate-General for Trade in the European Commission. As Commissioner MANDELSON once put it, the Council deals with substance and the European Commission deals with tactics.

An early skirmish occurred at the Agriculture and Fisheries Council in Luxembourg on 25 April 2005. France argued that the EC should 'return to a more transparent (with regular reports in writing, a tradition which seems to have got lost) and firmer negotiating method' in ongoing agricultural trade talks in Geneva. France's position was supported by Italy, the U.K., Ireland, Germany, Austria, Belgium, Hungary and Poland, al-



though it should be noted that the U.K. and Sweden delegations also added that it was important for the Doha Round to be completed at the Hong Kong Ministerial Conference (AGENCE EUROPE 2005a).

In the last week of July 2005 eight member state representatives at the EU's 133 Committee are said to have criticised the negotiating strategy of the European Commission in the Doha Round. A spokesman for the Council of the European Union noted that France, Ireland, Italy, Poland, Hungary, Austria, Greece and Portugal expressed concerns about the European Commission's tactics at an informal WTO Ministerial meeting in Dalian, China. More generally, the Commission was urged to push harder for progress in all aspects of the Doha Round, and not concentrate on agriculture. These member states were said to be particularly concerned about the concessions made at that meeting on agricultural market access (AGRA EUROPE 2005).

Following discussions between senior EC officials and their American, Brazilian and India counterparts in Washington, D.C., on 13 September 2005, representatives from seven EU member states criticised the EC's tactics in multilateral agricultural trade negotiations. At an Agriculture and Fisheries Council meeting on 19 September 2005, France, Spain, Italy, Ireland, Austria, Hungary and Cyprus argued that the EC had made too many concessions on export subsidies and on reducing customs duties on agricultural produce (market access). These moves by the Commission were regarded as 'the abandonment of the Community Preference'. Moreover, these member states argued that the United States, Australia and Canada had failed to match the EU's offer on export credits, food aid and state undertakings in agriculture. These criticisms may have been taken to heart by Commissioner MANDELSON who, on the same day as this Council meeting, gave a speech in which he said:

„My member states will quite simply not agree to make any further gestures to the benefit of others, unless they move forward in parallel with us.” (AGENCE EUROPE 2005b)

On 7 October 2005 agricultural ministers from 14 member states sent a joint letter to EU Farm Commissioner, Ms. MARIANN FISCHER BOEL, asking that they be given a larger role in developing EC positions in the ongoing WTO agricultural negotiation. They also asked that Commissioner BOEL should participate more actively in these negotiations, working more closely with Commissioner MANDELSON. The letter argued that the EC is not abiding by the guidance given to it by the Member States on these

matters. That guidance, it was argued, limits concessions to be compatible with the reform of the CAP that was agreed in 2003. Moreover, the letter states:

„The time has come to confirm that the European Union does not intend on being alone in making concessions, and to obtain parallelism of effort defined in the mandate and supplemented by the Geneva framework agreement of 2004.”

This letter was signed initially by ministers from France, Austria, Belgium, Cyprus, Spain, Finland, Greece, Hungary, Ireland, Italy, Lithuania, Luxembourg and Poland. Portugal signed the letter later. Germany, the Netherlands and Denmark did not sign the letter, according to officials (INSIDE U.S. TRADE 2005a).

Soon after the signing of this letter France called an extraordinary meeting of the General Affairs Council and sought an agreement that would prevent EC trade negotiators from making new offers without the prior approval of the EU member states. Although France's bid was to fail it was agreed that a purely advisory meeting of experts from the member states would be convened to assess the impact of the Commission's latest agricultural concessions at the WTO. In its conclusions, this Council reiterated (as noted on page 32 above) that the 2003 reform of the CAP was Europe's contribution to agricultural reform in the Doha Round and that the 2003 reform represented the limits of the Commission's negotiating mandate. On the transparency of Commission's negotiating practice Austria, Denmark, and Ireland expressed concerns and requested regular information from the EC. With respect to the 'balance' in negotiations, at this meeting Commissioner Mandelson was said to have noted that balance was needed within the agricultural negotiation at the WTO and across agricultural and non-agricultural matters (AGENCE EUROPE, 2005c).

EU member states continued to express their views on the pace of agricultural trade negotiations right up to and throughout the Hong Kong Ministerial Conference. It was reported that Commissioner MANDELSON was able to agree to the Ministerial Declaration in Hong Kong because, at a 18 December 2005 General Council meeting, no EU member state objected to the inclusion of an end date for agricultural export subsidies (INSIDE U.S. TRADE 2005b). Before 18 December 2005 matters were not so clear as France, Italy, Hungary, Ireland and Poland made their opposition to such a move clear at a comparable meeting on 17 December 2005.

Moreover, the conclusions of the 18 December Council of the European Union meeting provided guidance to the European Commission as to how it should interpret the commitment to eliminate export subsidies made in the Hong Kong Ministerial Declaration. The first observation was that the Ministerial Declaration does not specify whether export subsidies should be reduced in value or in volume terms. The EU tends to cut export subsidies in value terms, and so in the implementation period this still allows for flexibility in allocating remaining export subsidies to different commodities. The second suggestion is that the EC phase out export subsidies precisely in accordance with the timetable established in the 2003 reform of the Common Agricultural Policy. This would appear to rule out the early elimination of export subsidies. It should also be noted that after the conclusion of the Hong Kong Ministerial Conference French Trade Minister, CHRISTINE LAGARDE, stated for the first time that the European Commission had 'fully respected' its negotiating mandate (INSIDE U.S. TRADE 2005b).

What are the likely implications of this track record for Europe's stance during multilateral trade negotiations in 2006? First, the large group of EU member states who sought to constrain the European Commission's negotiating tactics in 2005 are likely to persist in doing so in 2006, especially if the agricultural trade negotiations broaden in scope to include market access matters. Second, the willingness of Austria to broker the type of agreement among member states that the British did in October 2005, which headed off French moves to severely constrain the ability of the European Commission to make further concessions, must surely be in doubt. Time and again in 2005 Austria sided with those member states concerned with the EC exceeding its negotiating mandate. This is particularly unsettling as negotiations on the Doha Round are supposed to intensify in the first half of 2006, which coincides precisely with Austria's EU presidency. The pressure on the European Commission from member states in 2006 is likely to intensify markedly.<sup>5</sup>

Perhaps a more significant question to pose is the following: "What, if any, factors are likely to make the EU member states more inclined to

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5 Developments in early 2006 were not at all promising. In January 2006 the European Commission made it known that it was unable to make any new offers as it was still undertaking a 'period of reflection'. Surely such pauses call into question the capacity, if not the willingness, to meet the April 30th 2006 deadline contained in the Hong Kong Ministerial Declaration. This factor may well account for the fact that trade diplomats were signalling by the end of January 2006 that the deadline would now likely be met in June 2006. It seems then the June is the new April! By the time this article is published the goal posts are likely to have shifted further.

agree to agricultural trade concessions in 2006 than they were in 2005?" As the examples above make clear, opposition to significant concessions in agriculture is not limited to one nation or a small group of nations. The timing of national elections being what they are, we are unlikely to see any major changes in the number of supporters or opponents of European agricultural reform in 2006.

It is true that the change in the German government, which was completed in November 2005, is an important event in European politics, but it should be remembered that this is a coalition government which is expected to last only a year or two. Plus, one party to that government, the Christian Social Union, represents a heavily agricultural area of Germany. This must call into question how far German support for further agricultural concessions by the EC will go. Having said that, a number of news reports indicated Germany's open and consistent support for the European Commission's negotiating tactics. Another ray of hope is that a substantial advance in the NAMA or service sector negotiations might galvanise European commercial interests. But such an advance, or prospect of it, would have to come very early in 2006 for these commercial interests to be able to counter the defensive posture of many European governments towards their agricultural sectors.

On both sides of the Atlantic, then, the conditions are not particularly ripe for a swift completion of the Doha Round of trade negotiations in 2006. There are good reasons for believing that the political climate is likely to be more unfavourable in 2006 than in was in 2005, especially as negotiations intensify on the market access aspects of agricultural trade.

## **5 The limited prospects for concluding the Doha Round in 2007 and 2008.**

Should it prove impossible to conclude the Doha Round in 2006, what are the prospects for doing so in 2007 and 2008? In 2007 the timing of the expiration of Fast Track negotiating authority in the USA and the next French presidential election could not be worse. So as to meet the 1 April 2007 deadline for submission of a Doha Round agreement to the U.S. Congress, multilateral trade negotiations would have to be concluded precisely when the French presidential election is underway. Given the prominent role of agriculture in this round, its significance in French politics, and the apparent opportunism of certain likely candidates for the French

presidency, only an eternal optimist could expect the Doha Round to be completed in early 2007.

Unfortunately, just as Fast Track lapses the U.S. begins to gear up for its own presidential election in 2008.<sup>6</sup> The U.S. primary process, the run up to each party's national convention, and the general election campaign itself have, in the past, not provided the most opportune moments to advance the cause of trade liberalisation in America. Having said that, should concerns about his legacy grow President Bush may well support a significant multilateral trade reform (just as President Clinton was said to support the entry of China into the WTO when his legacy needed burnishing.) The reform would indeed have to be significant if it is to win the support of American business, who in turn help to lobby the U.S. Congress. (Plus, a legacy-inspired agreement must, almost by definition, be large if it is to alter how a presidency is perceived for years to come.) Whether the U.S. trading partners will oblige with a highly ambitious round is another matter, especially if the U.S. Administration does not have Fast Track negotiating authority. Indeed, should the Doha Round continue until the second half of 2007 President Bush may first have to win renewed Fast Track authority from Congress, using the argument that he is seeking a very ambitious negotiated outcome for the round. By then, however, Congress may have concluded that U.S. trade partners are not so inclined to play ball and, consequently, U.S. senators and representatives may decide that the contingent benefit of supporting Fast Track's renewal does not outweigh the actual political costs of supporting another protrade measure.

Given the doubts expressed above about the likelihood of concluding the Doha Round in 2006–2008, the next window of opportunity for hard bargaining that might plausibly wrap up the Doha Round would appear to be in 2009. This pessimistic conclusion is subject to a couple of caveats, however. First, should some significant geopolitical event or economic shock call for a demonstration of collective action by the international community, then, progress may be made faster than anticipated here. (After all, the launch of the Doha Round itself was partly facilitated by

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6 Some trade experts have argued that it may be possible to get a short extension of fast track negotiating authority from Congress and that the Doha Round agreement could be submitted after the French presidential election. While intriguing I do not find this argument particularly plausible as the French election would still cast a shadow over the last months of critical negotiations, making concessions (especially on agricultural market access) by the EC particularly hard to swallow. It should be recalled that the EC avoided antagonising France before the important vote on the European Union Constitution in 2005. Boldness from Brussels has tended not in the past to coincide with important votes in France.

the international community's desire to stand together in the aftermath of the terrorist attacks in September 2001.)

The second caveat is that certain groups of WTO members may turn out to be less effective in advancing their views than in the past, especially if the give-and-take of trade negotiations exposes fissures between members of the same group. For example, the comprehensive nature of the agricultural negotiations that are due to take place in 2006 will require agreement within groups of WTO members on a wide range of matters. To date, some of the groupings within the WTO, in particular the so-called G20 and G110, have demonstrated their ability to advance together on one or two items at the same time (the elimination of export subsidies at the Hong Kong Ministerial Conference being a case in point). A broad-based negotiation might expose fault lines in these groupings and could make concluding the Round easier than previously thought. (Of course, such fault lines could also create greater opposition in some quarters to the conclusion of the Doha Round. If so, that reinforces the general thrust of my pessimistic argument.)

Assuming there is some momentum in negotiations in the first half of this year, as WTO members attempt to meet the deadlines agreed in the Hong Kong Ministerial Declaration, and supposing that the next window of opportunity to conclude this round opens in 2009, then that leaves a two-and-a-half year interval in between. This, in turn, raises the question of how this interval could be used by trade policymakers. One option, which the U.S. and EC have already signalled renewed interest in, is to negotiate more bilateral and regional preferential trade agreements. Another is that countries will seek to obtain from the WTO's Dispute Settlement Understanding what they cannot accomplish through negotiations, especially in agriculture. Neither are particularly appealing prospects from the perspective of the world trading system; the former marginalises the multilateral approach further and the latter puts existing multilateral institutions under greater strain. Ideally, this interval should be used to reflect on whether the WTO is, in fact, a 'medieval institution',<sup>7</sup> what steps nations can take to prepare their populations and firms for the adjustments that would follow any completion of the Doha Round, the potential specifics for implementing Aid for Trade, and whether new WTO rules would ac-

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7 This could include a discussion on the merits of different negotiating modalities, the balance between the negotiating/legislative and the judicial functions of the WTO, and mechanisms to enhance participation in WTO decision-making by members without compromising the ability to come to agreement in the first place.

tually threaten the ability of its members to conduct industrial policy and provide public services.

## 6 Concluding remarks

Although the Hong Kong Ministerial Conference did not share the same fate as its predecessor, this does not mean the prospects for completing the Doha Round in 2006 are good. I have argued that for a number of reasons the political climate on both sides of the Atlantic, plus the unfortunate timing of certain elections during 2006–2008, will be less conducive to finalising this Round than it was in 2005. The next window of opportunity for completing the Doha Round is likely to be in 2009. We can, for sure, expect a flurry of activity in the first half of 2006 but, sadly, this is likely to come to no avail. Once the associated excitement dies down, a two-and-a-half year lull could well set in. The challenge for trade policy-makers and analysts will be to ensure that this lull is used productively.

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