

**The Nightly Business Report**  
**The Doha Round – Win or Lose?**  
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Developing countries have long clamored for freer trade in agriculture. This would boost their exports. But global trade rounds have long ducked the issue. So when the Doha Round was kicked off with an agreement to tackle trade in agriculture, along with goods and services, it was welcomed.

But after four years of negotiations, we are nowhere near an agreement, and the year-end target date for completion is looming. The recent ministerial meeting in Hong Kong made only modest progress. There was agreement on a date, 2013, to end farm subsidies. But this will yield only 2% of the gains possible from freer agriculture trade. The rest must come from lowering tariffs. And here we are at a stalemate.

Last fall, the United States put forth a far-reaching proposal to cut agriculture tariffs. This was supported by the G-20 group of developing nations. In response, the European Union offered little. The US and the large developing countries – India, China, and Brazil – called this proposal “inadequate.” But the EU says it won’t offer more until those large developing countries agree to cut tariffs on goods and services. And those countries say they won’t until the EU moves on agriculture.

To break the gridlock, the EU should make the first move. That takes political will. I hope they find it. Otherwise, we could jeopardize a great opportunity to advance global prosperity.

I’m Barbara Hackman Franklin.