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Press Release

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„Poorest countries should not be left empty-handed at the WTO negotiating table in Hong Kong”

Two economic experts from the Center for Development Research of the University of Bonn (ZEF), warn that agricultural trade liberalization can be a stumbling block for the next “Doha Round”.

Klaus Froberg and Ulrich Hiemenz of ZEF show in their analysis, published in ZEF Policy Brief no. 4: “Agricultural Trade Liberalization: Stumbling Block of the ‘Doha Round’”, which crucial role the agricultural sector plays for the outcome of the sixth ministerial meeting of the WTO negotiations, taking place in Hong Kong from December 13-18 2005.

“A solution for the highly controversial issues relating to agriculture should be at the heart of this agreement”, says Ulrich Hiemenz, former OECD Director and currently a Senior Researcher at ZEF. “Agriculture plays a major role in the negotiations, since it remains the most protected sector. Moreover, many developing countries enjoy a comparative advantage in agricultural production. Finally, most poor people in poor countries live in rural areas. Thus, the removal of trade barriers in agricultural markets, which would benefit farmers in developing countries, can contribute to reducing poverty as stipulated in the UN Millennium Development Goals”, summarizes Hiemenz.

“The interests of the negotiating partners are so diverging, that an agreement at this stage seems unlikely”, explains Klaus Froberg, Director at ZEF. “The starting point of the Doha Round was the North-South dimension, whereas in the meantime South-South trade has become an important part of developing countries’ trade. Numerous larger middle-income developing countries such as Argentina, Brazil, India and South Africa have built up agricultural protection levels similar to those in the US or the EU. These countries would need to contribute as well to the Round by offering some concessions regarding their own policies. Otherwise the poorest countries, that benefit disproportionately from a system based on rules rather than power, would be left empty-handed in the end”, concludes Froberg.

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