

IPC Alert

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THE INTERNATIONAL TRADING SYSTEM SHOULD BE STRENGTHENED, NOT WEAKENED: HIGH STAKES FOR AGRICULTURE

The International Food & Agricultural Trade Policy Council (IPC), a group of food and agricultural trade experts from around the world, adds its voice to those who continue to argue that a successfully concluded Doha Development Round will bring enormous benefits, both in economic terms, but also in systemic terms. **“The Agreement on Agriculture (URAA) was indeed a major step towards the reform of the trade system for agricultural products, but subjecting a highly distorted international agricultural trading system to only one Round is clearly not sufficient,”** states IPC member Tim Josling, co-author of a forthcoming IPC paper on the need for ongoing reform of the international trade system for food and agricultural products.

The Doha Round provides for a further set of important advances in agricultural reform: it paves the way for an elimination of export subsidies and for a significant reduction of trade distorting support. While IPC shares concerns that exemptions from market access disciplines lessen the impact of tariff reductions, the group does not believe that these negate the progress that such cuts would represent. **“The stakes are high for the entire trade system, but particularly so for agriculture since the Doha Round is only the second round to tackle agriculture – whereas it is the ninth round for industrial products,”** reminds IPC Chairperson Carlo Trojan. IPC therefore urges negotiators to go the final mile to bridge remaining gaps in order to conclude the Round. **“Given the sensitivities over agricultural liberalization, a multilateral approach – which offers countries trade-offs outside of agriculture – has always been considered crucial for further reforms in the international food and agricultural trade system,”** emphasizes IPC member Debapriya Bhattacharya of Bangladesh.

There is another important reason to conclude the Doha Round: it would free WTO members up to consider a host of food and agricultural policy issues that require serious analysis and deliberation within and beyond the WTO. Among these is the need to examine and improve the treatment of agriculture in preferential trade agreements and to make more progress on food standards-related issues. The international community also needs to consider implications for trade rules of increased food price volatility and concerns about supply availability. Added to this is the need to review the negotiating and decision making process within the WTO and the need to delve more deeply into the trade-climate change debate. **“These issues are complex and will not be easily solved,”** cautions IPC Chief Executive Charlotte Hebebrand, **“but there is no doubt that the international community will be better equipped to tackle these pressing issues if it can successfully wrap up the current agricultural negotiations.”**

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About IPC

The International Food & Agricultural Trade Policy Council promotes the role of trade in creating a more open, equitable, productive and sustainable global food & agricultural system. IPC makes pragmatic trade policy recommendations to help solve the major challenges facing the global food & agricultural system in the 21st century—the need to promote global food security, to sustainably increase productivity, and to contribute to economic growth and development.

IPC convenes influential policymakers, agribusiness executives, farm and civil society leaders, and academics from around the world in order to clarify complex issues, foster broad stakeholder participation in policy deliberations, and build consensus around pragmatic policy recommendations. More information about the organization and its membership can be found on our website: www.agritrade.org.