

United States Senate Committee on Finance

Senator Chuck Grassley of Iowa, Chairman

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Grassley Urges WTO Ministerial to Focus On Agricultural Market Access to Break the Logjam

HONG KONG -- Sen. Chuck Grassley, chairman of the Senate Finance Committee, the Senate committee with jurisdiction over international trade, made the following statement on the opening day of the World Trade Organization (WTO) Ministerial in Hong Kong.

“The completion of the Doha Round is important to farmers, manufacturers, and workers in the United States and around the world. Negotiators need to keep the focus on the biggest issues that are clogging up the works. At the top of this list is market access for agriculture.

“That’s why I’m concerned that cotton and quota-free, duty-free proposals could become the overriding focus of the Hong Kong Ministerial. I understand that those issues are important to some WTO members, and the United States is willing to negotiate on those issues as part of a comprehensive package. But in the end, the least developed countries, other developing countries, and developed countries will all benefit from the lowering of tariffs on all agricultural products. The World Bank says 63 percent of all gains from full trade liberalization will come from agriculture, and 93 percent of those gains will come from reducing agricultural tariffs. So we need to keep the focus on market access for agriculture.

“The European Union is trying change the subject. This means shining the spotlight on the cotton and quota-free, duty-free issues in an attempt to take the spotlight off of its weak offer on agricultural market access. That’s a red herring. Without a better EU market access offer, countries won’t reach agreement on agriculture. And without agreement being reached on agriculture, the Doha Round won’t conclude. If the Doha Round doesn’t conclude, the cotton countries, the least developed countries, and all other WTO countries can expect more of the status quo.

“The United States wants to go beyond the status quo. We stepped up to the plate in October and made a bold and ambitious offer on agriculture. We responded to our trading partners, including the EU, who were calling for cuts in U.S. domestic support. It’s been 64 days since we made our offer, and we’re still waiting for the EU to deliver an agricultural offer that will move these talks forward. Time is running out. Because of the expiration of Trade Promotion Authority in 2007, and the procedural deadlines it establishes, these talks need to wrap up by the end of 2006, and that’s pushing it.

“It’s been clear for years that market access for agricultural products is the key to concluding these negotiations. I encourage negotiators in Hong Kong to refocus on agricultural market access to break the logjam.”

