

Remarks by US Trade Representative Susan C. Schwab
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It's great to be back. Yesterday I made it clear that the US was committed to the Doha Round and understood the responsibility that went along with the leadership role we have and continue to play that role.

Last night in the Green Room, we sent a strong signal to trading partners that we are here to get a deal done.

As you know, the US's current allowable agriculture domestic support is in excess of \$48 billion --- in 2005 we attempted to get this Round back on track by making an offer to reduce our allowable subsidies to \$22.5 billion. More recently in Potsdam (last June), it wasn't a well kept secret, but we signaled that under the right circumstances, we could get close to \$17 billion.

To move these negotiations forward this week, and in exchange for an ambitious market access outcome in agriculture and NAMA, today I will be informing my colleagues in the Green Room that we stand ready to reduce our OTDS to \$15 billion.

This is a major move, taken in good faith with an expectation that others will reciprocate and step forward with improved offers in market access.

These cuts will deliver effective and significant reductions in trade distorting domestic support.

They would require adjustments to our farm programs. We are prepared to make these changes, but we must also have assurances that if our programs meet these disciplines they are not subject to subsequent legal challenges that reduce them further.

We are making our offer without knowing what others will do. But for this Round to succeed as a development round, all of the main developed and developing country players will be faced with hard decisions, and all of us -- developed and emerging markets -- must be prepared to make tough decisions.

This is a very forward leaning offer and a strong sign of our commitment to achieving a successful outcome.

* The US OTDS level would have exceeded \$15 billion in 7 out of the last 10 years.

* It is nearly \$2 billion below our average OTDS over the last 10 years (\$16.8 billion). As recently as 2005, our OTDS was \$18.9 billion.

Let me say again that these reductions are not offered in isolation and must be accompanied by significant market openings in agriculture and NAMA. The “development” mandate of the DDA requires that developed and advanced developing countries contribute to market access.

This is an iterative process -- we have a ways to go, but I expect others to come forward with areas where they can do more.

When the NAMA text is addressed, I will be calling for meaningful offers from the emerging markets that are going to be the fastest growing markets in the next decade.

In order to achieve a successful outcome, we need more ministers to start talking about what they can do, not what they can't do.

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