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1. Singapore Issues breaks Cancun's back  
By Luke Eric Peterson

The WTO ministerial conference in Cancun has collapsed in the face of a disagreement between members on the so-called Singapore issues.

On Saturday afternoon, a draft ministerial declaration had been released by the conference Chair, Mexican Foreign Affairs Minister Luis Ernesto Derbez. This document, if approved by the membership, would have de-coupled the four Singapore issues, and initiated immediate negotiations on trade facilitation and transparency in government procurement. Talks on competition would not have gone forward, while those on investment would have been launched at a later date to be specified in the text.

Critically, the draft also would have delayed any decision on modalities in agriculture - a key issue for developing countries - until the prescribed date for the launch of investment talks.

Following the release of the draft declaration, it was clear the document enjoyed little support. It was roundly criticized by many developing countries who have consistently opposed the Singapore issues, and in particular, the issue of investment.

And with several major trading powers including the EU, Japan, South Korea and Switzerland pushing hard for investment negotiations - while fending off developing country demands for reductions in agricultural subsidies and tariffs - the scene was set for deadlock.

In an effort to push members towards a compromise on the Singapore issues late on Saturday, the Conference Chair Mr. Derbez proposed that investment also be taken off the table, with only trade facilitation and government procurement to be negotiated.

However, this late attempt at compromise failed.

In a post-conference press briefing, Mr. Derbez noted that some developing countries continued to oppose the launch of any of the four Singapore issues, while some developed countries rejected any attempt to not launch talks on all four.

Ultimately, failure to reach agreement on the Singapore issues proved to be the straw which broke the Conference's back.

EU trade commissioner Pascal Lamy said in a press conference that the EU had signaled its own willingness to abandon its demands for investment and competition rules - a significant step for a country which has been

one of the major demandeurs on these issues.

However, other members declined to come off their respective sidelines and to join the EU on the playing field. In particular, developing country delegates point to continuing Japanese insistence that all 4 issues, including investment, be negotiated.

Failing to see any way out of the deadlock, Minister Derbez elected to pull the plug on the Conference proceedings at around 4pm local time in Cancun.

The collapse of talks came as a surprise to many who had expected that the Conference might stretch on into Monday - past its scheduled conclusion on Sunday evening.

WTO members will now go back to Geneva and continue to talk through the issues, with a deadline of December 15 having been set for a progress report.

Several ministers conceded in their post-conference press briefings that the collapse of the Conference is a serious blow to the multilateral trading system and will further increase the likelihood that the Doha Round of trade talks will not meet its ambitious Jan.1 2005 deadline.

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