

ments have introduced a different legal regime to govern international trade while globalization has changed the business environment, including through the massive expansion of foreign direct investment and the organization of production in global value chains. Trade is increasingly accounted for by South-South flows; and the growing share of global growth accounted for by China means that at least some commodity prices are driven more by developments in China than in the United States. The South might thus be at least partially insulated from tensions in, or with, the North.

The geopolitical and geoeconomic shift in the power dynamic brought about by the expanded role in trade of Brazil, China and India has made itself felt in the WTO context. The traditional forum for trade leadership, the Quad, was described as effectively "finished". The ability of the US-EU partnership to drive the process has also been considerably diminished. For example, prior to Cancún, the impasse on agriculture led to a request by WTO Members to the United States and the European Union to develop a draft agreement; they agreed but Brazil said no, effectively blocking the agreement. Meanwhile, in the Geneva process leading up to the July 2004 agreement on a negotiating framework, the group that drove the process on agriculture was the Five Interested Parties (FIPs), which included Brazil and India alongside the United States and the European Union, with Australia as Cairns Group representative, and with Kenya being brought into the discussions to provide an African perspective. Pointedly, Chinese officials have privately described FIPs as "not large enough".

In the view of some, these developments underline the fact that, in the economic sphere, the United States now needs the cooperation of other nations to get things done. It cannot pressure them relentlessly on economic policy and is in any case hampered by the inward focus of its politics.

Some observers questioned just how important a priority trade would be for the present US Administration. Trade, it was noted, was not mentioned in the 2005 State of the Union address. While the United States was very active on trade during Robert Zoellick's tenure as United States Trade Representative