

WTO scrambles for fresh options on trade pact

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GENEVA -- Top negotiators prepared to turn to fresh proposals Monday in a bid to nail a new global trade free trade pact despite growing discord and warnings that years of painstaking negotiations could unravel at the last minute.

Squabbles among emerging economies threatened to shatter fragile gains in the fraught quest for an agreement, as top negotiators slogged on into a second week of talks.

Delegates said much remained unresolved after a meeting late Sunday that sought to cement a tentative breakthrough on farming and industrial products.

US Trade Representative Susan Schwab accused emerging economies of delaying an agreement.

"We had a path on Friday for a successful outcome on Friday night. It wasn't perfect, but it was delicately balanced and had a strong endorsement," she told reporters after the talks.

"Unfortunately a few emerging markets have decided that somehow they want to re-balance it in favour of one or another issue," she said.

"That was a very delicate balance that was struck. You pull one thread, it threatens to unravel."

As if to prove her point, key African and Caribbean banana producers also threatened Sunday to torpedo any deal if the European Union and Latin American states went ahead with a plan to cut EU banana import tariffs.

"We will block the (WTO) negotiations if our latest counter-proposal is not accepted," Cameroon's Trade Minister Luc Magloire Mbarga Atangana, spokesman for the African, Caribbean and Pacific (ACP) trade grouping, told AFP.

His comment referred to the ACP's bid to amend an agreement by the European Union to lower banana import tariffs for certain Latin American states, which ACP countries fear will harm the competitiveness of their banana industries.

Ministers from over 35 key trading nations were due to consult all 153 members of the World Trade Organization at a full meeting on Monday.

The WTO's chief negotiators on agriculture and industrial goods -- respectively ambassadors Crawford Falconer of New Zealand, and Don Stephenson of Canada -- were also set to issue new texts that would hopefully serve as the basis for any final agreement, delegates said.

New Zealand's Trade Minister Phil Goff said Sunday that there was "no great animosity" in the talks but conceded that many differences remain.

Optimism had grown after a perceived breakthrough Friday in deadlocked talks on farming and industrial products, followed by further encouraging signs from key players after discussions on the services sector.

But as negotiators began picking through the finer details on Sunday, a split opened up among emerging nations, underlining the vast differences in their interests.

India stuck to its hard line of protecting its small-scale farmers, claiming that it had rallied 100 countries to its cause, but other developing economies said they opposed India's stance on the issue.

Commerce Minister Kamal Nath told reporters Sunday night's meeting was "constructive" but said there was still disagreement on the persistent sore points of agricultural import tariffs and sector-specific proposals for industrial goods. Nath told reporters that "100 countries" had signed a paper backing India's concerns on the so-called special safeguard mechanism (SSM) which would allow developing countries to raise farm tariffs if imports surge.

But an African diplomat told AFP: "Who are these 100 countries? They (India) are thriving on a pack of lies."

Other developing countries which oppose India's stance include Latin American economies such as Paraguay and Uruguay, much of whose farm exports go to developing states.

"We are not ready to accept a solution that will impose a different balance of rights and obligations than the one we agreed upon in the Uruguay Round" of talks in 1994, said Uruguay's ambassador to the WTO, Guillermo Valles Galmes.

Meanwhile, Asian export giant China annoyed other developing countries as it insisted on protecting its rice, cotton and sugar producers, another diplomat told AFP.

"China is becoming a major problem. It is going back on a lot of its promises," said the diplomat on condition of anonymity, adding that the Asian exporter said it would not lower its tariffs on these three products.

WTO spokesman Keith Rockwell told reporters after Sunday's meeting that SSMs and cotton were among the hot issues going into Monday's talks.

Anything approved by the 35 key countries meeting here would still have to be cleared by all 153 WTO member states.