

WTO states will fail to restart trade talks by Dec 15 deadline

GENEVA (AFP) WTO members will fail to relaunch global trade talks by a December 15 deadline and hopes are dimming that the round will be finished by the end of 2004 as planned due to disagreements on key issues such as agriculture, diplomats warned.

At the same time, the director general of the World Trade Organisation, Supachai Panitchpakdi, and his top negotiator, Carlos Perez del Castillo, insisted progress had been made since negotiations collapsed at a meeting in Mexico in September amid deep divisions between rich and poor nations.

"We have made progress towards a full relaunching in a sense of doing by 15 December what ministers failed to do in Cancun (Mexico)," said Castillo, chairman of the general council -- the WTO's executive body.

"But we are not yet there and we will need some more time," he told a news conference Tuesday after an informal meeting of the organisation's 146 member states.

"I would not call it a failure, I would call it unfinished business."

Unable to agree on core issues such as agriculture at the Mexico conference, ministers told their WTO ambassadors to find a compromise by December 15 at the latest to restart the so-called Doha Development Agenda.

In a sign of the problems experienced by Supachai and Castillo, who have been consulting individual nations since then on how to revive the round, the WTO chief said: "There is no point in glossing over the difficulties."

"It is worrying that we have seen too little negotiation in recent weeks, and too little searching for common ground," Supachai told delegates Tuesday.

Instead of a framework to relaunch the talks on December 15, Castillo plans to outline what progress has been made since Cancun and how to move forward.

The meeting in the Mexican resort failed when bickering over cross-border investment and competition added to a more fundamental dispute about agricultural subsidies in developed countries.

"I hope that with a little bit more time available ... we will be able to make progress in the next few months and finally we will be able to get this process ... completely back on track early next year," said Castillo, who is also Uruguay's WTO ambassador.

Member states will formally agree next week that eight negotiating groups -- which were created to discuss the main themes in the Doha round but have been suspended since Cancun -- should be re-activated.

But this will only occur once the heads of each group are replaced next month along with Castillo's own job as chairman -- a process that will likely drag on until mid-February.

Castillo remained confident negotiations on a framework for agriculture and

non-agricultural market access would continue, while also welcoming flexibility shown by countries regarding the four so-called Singapore issues.

Late Monday, the EU approved a new mandate for its executive arm to pursue a more flexible approach to help revive the WTO talks, which included a willingness to separate one or all of the issues of cross-border investment, competition policies, trade facilitation and government procurement.

In Cancun, the European Union and South Korea wanted to extend the mandate of the WTO to embrace the four areas, while developing countries refused to consider them before progress was made on agriculture.

Despite his optimistic tone, Castillo remained wary about the prospect of failure to complete the talks by January 1, 2005, as member states have missed a series of deadlines since the Doha round was launched in the capital of Qatar in November 2001.

"My fear is that if we do not engage in substantive negotiations and in the search for common ground early next year, we may not be able to secure a basis for future negotiations," he said.

The Doha round is due to be concluded by January 1, 2005.