

# EU, U.S still hoping for 2008 Doha deal

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BRUSSELS - The European Union and the United States said on Monday they still hoped to seal a long-delayed global trade deal this year and trade ministers this week could help pave the way for a breakthrough. "We are rapidly moving towards a moment of truth for the Doha round," EU Trade Commissioner Peter Mandelson said after meeting his U.S. counterpart Susan Schwab.

Mandelson said a deal on core issues such as tariff cuts was needed by the early spring and he hoped a meeting of ministers on Saturday would "help put a clear roadmap in place in the direction that we want these negotiations to lead to".

Mandelson and Schwab and other trade ministers will gather in the Swiss Alpine resort of Davos this week, culminating in a lunch on Saturday, to discuss ways to rescue the World Trade Organisation's Doha round of talks for a global trade deal.

The round was launched in 2001 to boost the global economy and help poor countries to trade their way out of poverty.

But big differences have emerged on how to bring down barriers to trade especially in the area of farm and manufactured goods, and the round risks years of further delay soon as the United States heads into its presidential elections.

Schwab hoped technical talks would come together "the sooner the better to achieve closure on the Doha round in 2008".

"We think this is incredibly important in terms of global economic growth, economic development and alleviating poverty in developing countries and it cannot be done without an ambitious and robust outcome in agriculture, manufacturing and services."

Other trade ministers attending the World Economic Forum in Davos include those of Brazil, India and South Africa which have so far resisted pressure from wealthier nations to open their economies to more imports of goods and services.

WTO chief Pascal Lamy says a trade deal can be clinched this year. The next big step is when the head of the farm talks issues a new draft negotiating text later in January or in February, followed by his counterparts in industry and services.

Mandelson and Schwab said they had also addressed bilateral problems such as U.S. frustration at the EU's slow progress in authorising genetically modified crops and a

move by Brussels to reclassify and impose tariffs on electronic goods that were covered by a 1990s agreement removing import duties.

In turn the EU raised its concerns that U.S. biodiesel producers were benefiting from unfair subsidies.

The EU and U.S. trade chiefs said they wanted to help Russia join the WTO but Moscow still had to resolve several issues in the way of its long-delayed accession bid.

On China, which the EU and the United States are pressing to tackle its soaring trade surplus and issues such as counterfeiting, Mandelson said Brussels would stick to its policy of dialogue without precluding tougher action if needed.