

US says next week is critical in WTO pact

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By Sophie Walker and Doug Palmer

WASHINGTON - The United States warned on Wednesday that a new World Trade Organization pact to liberalize global trade was in jeopardy unless a blueprint is reached next week to reduce farm subsidies and tariffs.

Trade ministers from United States, European Union, Brazil and India will gather in London next week to try to work out sharp differences in farm trade proposals from Brussels and Washington. Rich nations' farm support programs are center stage because many poor nations depend on agricultural exports and insist on a deal there first.

"My frank assessment is if we can't pull it together next week ... then it will be very difficult to pull together other areas like services and nonagricultural market access in time for a successful Hong Kong meeting," U.S. Trade Representative Rob Portman told a House Agriculture Committee hearing.

"The pressure is on. The clock is ticking," he added.

All 148 WTO member countries are scheduled to meet in Hong Kong in December to prepare a broad global pact to lower trade barriers and try to lift millions out of poverty.

Portman and Agriculture Secretary Mike Johanns told the lawmakers that the United States had shown leadership in trying to move forward the WTO talks but could not do it alone.

"We will not settle for a package that does not increase real market access. To be frank, a new global pact is in jeopardy unless Europe shows still more flexibility," Johanns said.

The House panel held the hearing to discuss the stalled agricultural trade talks, which are of intense interest to American farm groups.

Last week, the EU offered to cut its average farm import tariffs by around 38 percent. The United States and some other nations have demanded average cuts of at least 54 percent.

"We will never be able to proceed if the EU doesn't quickly show substantially more flexibility on market access and help us set an overall parameter for the agriculture negotiations," Portman said.

"We are now just six weeks away from the ministerial meeting in Hong Kong and without very quick progress on this issue, the outcome of the ministerial meeting and the entire Doha round may be at risk," he added.

In an attempt to push trade negotiations forward, senior officials from the EU, United States, Brazil, India and Australia will meet in Geneva on Thursday to try to narrow their differences.