

WTO negotiators still divided over industrial goods

By Laura MacInnis
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GENEVA - The 151 countries negotiating a new global free trade pact remain starkly divided about how much they should cut tariffs shielding their manufacturing sectors from competition, diplomats said on Monday.

Developing countries have been resistant to open up their fuel, mining and industrial markets in the six-year-old World Trade Organisation (WTO) push for a deal meant to buoy the global economy through more cross-border commercial flows.

Don Stephenson, chairman of the WTO's manufactured goods negotiating group, has held months of intense discussions over a July proposal meant to broker compromise in the talks, without any major advances.

Stephenson, who is Canadian ambassador to the WTO, told diplomats he would wait for his counterpart in the trade body's agricultural goods committee to make fresh suggestions on cuts to rich-country farm tariffs and subsidies before updating his industrial goods text.

Developing countries want more access to U.S. and European farm markets in exchange for cutting industrial tariffs in the Doha Round, which was launched in Qatar in November 2001.

Sources familiar with the WTO negotiations said that leading economies continued to express different views over how much tariffs on forestry products, fuels, mining products and other manufactured imports should be slashed under a Doha deal.

"Members that spoke insisted on their well known positions," according to one diplomat.

The United States said the range of tariff-ceiling cuts Stephenson proposed last year for developing countries "barely met" the Doha Round's goal of repealing the barriers to trade in industrial goods.

Poorer nations, who are looking for greater access to U.S. and European farm markets in exchange for losing the ability to shield their fledgling industries, in turn said Stephenson's July 2007 proposal was too onerous and would cause "massive consolidation of tariffs for developing countries."

New Zealand's ambassador to the WTO, Crawford Falconer, who chairs the Doha talks on agriculture, said earlier this month that he hoped to circulate a revised text meant to advance the negotiations around the end of January.

Falconer and Stephenson released their last papers on the same date, July 17. While the agriculture and industrial goods negotiations are proceeding in separate sessions, rich and poor countries sparring in the Doha Round are looking for trade-offs in one area in return for commercial benefits in another.

Negotiations are also continuing in services trade.

WTO Director-General Pascal Lamy has said it was possible to wrap up the Doha negotiations by the end of this year.

But trade diplomats have said the strong differences between countries in the Geneva talks, and the looming U.S. presidential election that may prevent American diplomats from making major concessions in 2008, could make it difficult to do so.