

Trade envoys told 'go like hell', reckoning nears

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GENEVA -- Trade envoys were told on Friday to "go like hell" to clinch a deal on industrial goods next week and diplomats said the day of reckoning in the World Trade Organisation's long-running Doha round was fast approaching.

Ministers said last Thursday in Paris they wanted to reach an outline Doha deal in late June or early July, and ordered senior officials to work intensively this week and next on the deadlocked talks in industrial goods.

"I don't see how you can avoid a serious reckoning at the end of next week," said one WTO ambassador who plays a central role in the negotiations.

Negotiators would have to decide then whether the talks on cutting tariffs on goods from automobiles to clothing, and special treatment for developing countries to shield infant industries, were going anywhere or not, he said.

But talk of a meeting of ministers at the end of June or early in July was unrealistic, even if the talks on industrial goods among a dozen core countries advance next week, as a deal would still need to be sold to other WTO members, he said.

The United States is hosting the make-or-break industry talks with Australia, Brazil, Canada, China, the European Union, India, Japan, Malaysia, Mexico, Pakistan and South Africa.

But Argentina, which rejects the current proposals on industrial goods, is not part of these "G12" talks, and nor are other major industrial players such as South Korea.

WTO Director-General Pascal Lamy told negotiators from around 30 representative countries on Friday that he was not yet able to invite ministers to Geneva to take the broad political decisions on a deal, given the state of the industry talks. Further work was also needed in parallel talks on agriculture.

"Lamy said 'go like hell' next week to get this thing done," said one participant in the meeting.

Missed Deadlines

The Doha round was launched in late 2001 to help countries, especially developing nations, boost their economies through more trade. But it has repeatedly missed deadlines since then and rich and poor countries have recently differed sharply.

The WTO's 152 members have agreed to try and conclude the Doha deal by the end of this year before a change in the U.S. administration. To allow enough time for the detailed work, ministers must agree the broad political outlines this summer. Lamy repeated on Thursday that an outline deal was doable by the end of June or beginning of July, and told Friday's meeting he would continue to use that formulation in public.

But diplomats and officials said the real problem would be if ministers were unable to agree the political parameters of a deal by the end of July, the likeliest time for them to meet before Europe and North America shut down for the summer break. For that to happen, negotiators must be able to point to real progress on industry and farming next week.

"Next week is absolutely crucial. I don't think there's any doubt about it," said one trade official.

U.S. WTO ambassador Peter Allgeier said there was no longer time to complete the overall Doha deal before U.S. elections, but dismissed fears the new U.S. Congress would reject a deal concluded at the end of the year, or that the new administration would try to pick it apart.

"If we are able to conclude the negotiations this year, it will be very difficult for any Congress to turn their backs on an agreement that we've negotiated with 152 of our very best friends," he told the American International Club in Geneva.

He recalled the precedents of the North American Free Trade Agreement (NAFTA) and previous Uruguay trade round, both negotiated by the Republican administration of George Bush senior and taken through Congress by Democrat Bill Clinton.

Allgeier said he believed the Doha round could be completed this year, and the outlines were already clear.

Rich countries with protected farm sectors such as the United States and European Union would open them by cutting subsidies and tariffs, in return for developing countries cutting industrial tariffs and opening up services.