

Doha Trade Talks Revive on Some Progress

By John W. Miller in Brussels and Alistair MacDonald in London
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The World Trade Organization called a rare meeting of top trade officials to negotiate further on the stalled Doha round of global trade talks amid a closing political window on a deal and some progress toward agreement on agricultural products.

WTO Director General Pascal Lamy asked trade ministers from about 40 countries to meet in Geneva July 21 for up to a week of talks. It would be the first meeting in two years and a last-ditch effort to secure an agreement before U.S. elections and turnover at European Union institutions make any serious negotiations unlikely until 2010. Trade officials said recent lower-level meetings have brought the EU, the U.S. and other countries closer to a deal to cut tariffs and subsidies for agricultural products, creating optimism. Agriculture has proved the key obstacle to progress in the seven years of the Doha round's talks.

But trade officials say the odds on a quick deal remain long. India and Brazil still refuse to significantly cut tariffs on manufactured goods -- a key element in any deal that U.S. and European officials say they would need to sell cuts in farm subsidies at home.

Prime Minister Gordon Brown of Britain, who has taken a prominent role in trying to revive the Doha talks, said Wednesday they were now in an "end game." He said he would push the issue at the annual summit meeting of Group of Eight leaders next month.

Mr. Brown said that trade barriers and subsidies cost around \$15 billion a year and that a failure on Doha may cause wider damage to global trade. Without a deal, he said, "I suspect that a lot of people will conclude that protectionism is here to stay."

The Doha round began in Qatar in 2001 to offer farmers in poor countries more access to rich countries' food markets. After the Sept. 11 terrorist attacks that year, the U.S. and its allies saw trade as a way of lifting the developing world out of the despair that may lead to terrorism. But negotiations stalled repeatedly. At the last formal meetings in Geneva, in July 2006, talks again broke down over agricultural tariffs and subsidies.

In recent weeks, however, delegates from the WTO's 152 members said they have neared agreement on dozens of agriculture-related items. They have written new rules prohibiting aid donors, such as the U.S. and EU, from forcing recipients to buy goods from donors' own farmers. They also have compromised on how many sensitive products each country gets to protect with exceptionally steep tariffs.

The EU is pledging to cut farm tariffs by 54%, while the U.S. says it will keep farm subsidies between \$13 billion and \$16 billion a year. If the Bush administration signs a Doha deal, it would have to get Congress to cap annual payments under \$20 billion.

When the Doha talks began, the U.S. and EU asked developing economies to open their markets for Western-made goods and services, in exchange for breaks on agriculture. Countries led by Brazil and India initially agreed, but they have lost enthusiasm as the talks have dragged on and as they have more manufacturing industries to protect.

Mr. Lamy had tried to set a trade ministers' meeting for May and June, but scuttled it because the parties weren't yet close enough to give a chance of success. Mr. Lamy decided to call the meeting anyway Wednesday, because after July the political calendar makes a quick deal all but impossible, according to one WTO diplomat.

"Everybody agrees that if this doesn't work this time, the round gets kicked into the long grass of 2010 at the earliest," said Peter Power, spokesman for EU trade commissioner Peter Mandelson.