

All eyes on Indian minister as WTO talks enter third day

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GENEVA — All eyes will be on Indian Trade Minister Kamal Nath as he makes his delayed arrival Wednesday at crucial WTO talks which have so far yielded little convergence between rich and poor countries.

Nath has already seen his political skin saved once this week after the Indian government narrowly won a confidence vote Tuesday and will now enter another fraught arena at the World Trade Organisation headquarters in Geneva.

Two days of talks have seen little sign of a breakthrough as developing countries gave a frosty reception to proposals by the United States and European Union to cut agricultural subsidies and tariffs respectively.

The United States on Tuesday offered to cut official aid to its farmers to 15 billion dollars a year in a bid to spur movement at the WTO talks but found no support from key player Brazil.

"Nice try," said a member of the Brazilian delegation, adding that the proposed new subsidy level was "still too high." Brazil has been acting here as an unofficial spokesman for developing countries.

Brazil's chief WTO negotiator Celso Amorim subsequently struck a slightly more positive note, saying the US move "proves the engagement of US in the negotiations but with a low level of ambition."

"I think it was a start but just a slow start," he told journalists after talks that went on late into the evening.

The US overture came after an abortive attempt by EU Trade Commissioner Peter Mandelson to jolt the talks into movement on Monday with an announcement that the European Union was now ready to extend tariff cuts on agricultural products to 60 percent from 54 percent.

But even Mandelson's fellow EU commissioner Mariann Fischer-Boel said the offer was "nothing new" and Brazil dismissed it as "propaganda."

The EU, like the United States, is linking concessions in farm trade to steps by emerging countries to take in more manufactured goods.

Mandelson said on Tuesday that whilst the agriculture question was by no means wholly resolved, "it's very clear now that that side of the negotiations, if not closed, is getting behind us and now we have got to concentrate on industrial goods trade".

This is a field where "there's a lot of disagreement, a lot of heat but where we have to find an outcome in order to get a deal," he added.

Industrial goods -- known as non-agricultural market access (NAMA) in WTO jargon -- is a key point of the Doha round for developed countries who are calling for much greater access to emerging markets.

The WTO's chief negotiator on the topic, Canadian ambassador Don Stephenson, has proposed that some 30 developing countries reduce industrial tariffs on the basis of a coefficient formula between 19 and 26 (the lower the coefficient, the greater the cut).

India is a key party in the WTO's long-running Doha round as it rallies behind it developing nations whose economies include large numbers of smallhold farmers.

Nath has said that New Delhi would not sacrifice the interests of its millions of subsistence farmers to clinch a global trade deal.

The importance of the Asian nation was underlined in a meeting last year of the "G4" group of India, Brazil, the EU and US in Potsdam, Germany. Then, the early departure of the two developing countries from talks resulted in a meltdown of the session.