

Peter Mandelson, the EU trade chief, calls WTO talks "potentially" closer to deal

Bloomberg News, Reuters
July 24, 2008

GENEVA: Europe's chief trade negotiator said Thursday that the World Trade Organization might be closer than ever to reaching an agreement to free up trade as talks were extended to give negotiators more time to hash out their differences.

"We are potentially closer than we have ever been to a deal, but the final steps are the hardest and still look formidable," the negotiator, Peter Mandelson, wrote in his blog after he and trade ministers from six countries met for 12 hours in what he described as "some of the most difficult and confrontational negotiation of my time" as the European Union trade commissioner.

Trade ministers from 30 countries are trying to reach an agreement on reducing tariffs and government subsidies and assistance in agriculture and industrial goods.

The WTO director general, Pascal Lamy, said Wednesday that the chances of reaching an agreement would be improved if ministers from the EU, the United States, Brazil, China, India, Australia and Japan met separately because discussions in the bigger group of ministers had led to only modest progress.

The talks, which began Monday, were extended beyond their a deadline originally set for Saturday, but no new deadline has been put in its place.

"Clearly, the timetable has slipped," Keith Rockwell, Lamy's spokesman, said. "Given our track record in this respect, one should not be surprised."

Some delegates have predicted that the talks will either collapse in the next two days or drag on well into next week.

Other ministers who participated in the talks said limited progress had been made. The U.S. trade representative, Susan Schwab, said a group of key ministers had made "a little progress" at talks that ended shortly before dawn on Thursday.

Rockwell said, however, that "important progress was made in some areas" and that details would be revealed soon.

Mandelson said delegates are "finally addressing the crunch issues."

For the summit to succeed, the 153 members of the World Trade Organization would have to agree on so-called modalities. These are the key percentages for tariff cuts that would form the basis for any comprehensive agreement.

The slowing growth in advanced economies and high food prices that threaten to increase starvation in the Southern Hemisphere have given added urgency to the talks, which began almost seven years ago.

President Nicolas Sarkozy of France, speaking in Batz-sur-Mer, France, said that he would not sign an agreement in its current form.

He is concerned about scaling back the EU's farm import tariffs for little return to France. "We will not sign this agreement that is on the table if it is not modified," Sarkozy told reporters. He previously criticized Mandelson's handling of the trade talks.