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Tempers fray as WTO talks rumble on without result

GENEVA : Frustration began to show at the World Trade Organisation as members waited for a draft proposal on reviving global trade talks, which was delayed by marathon debates between five key players.

With a Friday night deadline looming to reach a consensus on multi-billion dollar questions surrounding agriculture and other contentious trade issues, little concrete progress was evident after more than two days of high-level talks in Geneva among the WTO's 147 member states.

Failure to agree on a framework to advance the so-called Doha round of trade negotiations will endanger a year-end target to complete the process especially with a looming US presidential election.

As delegates hunkered down, Tim Groser, chairman of the all-important farm negotiations, was weaving together input received from all delegations to produce a compromise text that will form part of the overall draft proposal.

Originally due out 24 hours ago, the document is now expected late on Thursday.

Groser was made to wait until midnight on Wednesday for a form of joint advice from Australia, Brazil, the European Union, India and the United States, which held two-days of closed door talks on the sidelines of the WTO meeting.

The so-called Five Interested Parties (FIPs) insisted their input would greatly help to produce an accord, but the apparent exclusiveness of their debate and the delay it triggered infuriated other delegations.

"It is catastrophic," declared Switzerland's chief trade negotiator Luzius Wasescha.

The big five "consider themselves to be the leaders of the world and they are not, they are not even able to negotiate properly", he told reporters.

A European trade official argued that the discussions between the five, who represent both the developed and developing world that so often clash during WTO debates, had produced some clear guidance for Groser.

"We are not trying to cook up something in exclusive terms we are trying to do our best to move things forward," said the official on condition of anonymity.

Underscoring the frustration felt by other members of the WTO, however, 27 countries including Japan, China and Mexico have complained that the five were slowing the whole process ahead of Friday's deadline.

"These delegations find it very hard to accept a final text that they don't feel they have ownership of," a trade source said.

Away from farming, the European Union and developing countries in the G-90 group remained divided over the issue of cuts in industrial import tariffs, another key element in the trade talks.

The two sides which met earlier in the morning appeared unable so far to resolve their differences on so-called non-agricultural market access.

EU trade commissioner "Pascal Lamy said he did not understand our opposition on industrial tariffs", a delegate from an African country in the G-90 said.

But Brussels, which wants to open up access to markets in developing countries, believes that the formula for industrial tariff cuts contained in the July 16 compromise is "the minimum that we can accept", Lamy's spokeswoman Arancha Gonzalez said.

Further highlighting the tough negotiations that remain, African nations indicated they may refuse to sign the overall accord unless proper significance is attached to their concerns about subsidies paid to cotton producers in rich countries, mainly the United States.

Adding to a collection of senior trade figures gathered Geneva to salvage the Doha trade round, EU trade ministers were due to discuss the situation during the afternoon.

However, they were forced to delay a formal meeting to review the draft proposal until Friday morning as they waited for it to materialise.

WTO Director General Supachai Panitchpakdi and chief negotiators presented an initial compromise proposal laying out the issues for further negotiations to trading nations on July 16.

But the revised version must take on board demands by the EU for returns from other countries on the elimination of agricultural export subsidies or support, while developing states and others have balked on tariff cuts.

- AFP