

WTO deadlocked on farm import tariffs

By Uta Harnischfeger

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The European Union's latest offer to cut farm import tariffs has failed to break a deadlock among members of the World Trade Organization, who are seeking to hammer out a global trade treaty by December, a senior trade official said Monday.

"We are still drifting toward a rock," said Crawford Falconer, a New Zealand diplomat who heads the WTO's agriculture committee. "There is a genuine effort to get the engine restarted but I haven't heard any engines restarted yet."

On Friday, the EU offered to reduce average agricultural tariffs by 46 percent, its steepest ever farm tariff cuts. The U.S. had tabled a new comprehensive offer earlier in the month.

Falconer said the EU's proposal had failed to provide "a basis to move forward." Instead, key WTO members such as the United States, Brazil and the Cairns Group of agricultural exporting countries, which includes Australia, criticized the Europeans for not offering sufficiently large tariff cuts during an informal meeting of agricultural negotiators Monday.

They also said the EU's proposals for products such as beef, chicken or sugar were non-transparent and too complicated.

"Convergence is eluding them," Falconer said, summarizing the meeting.

The deadlock at the WTO over farm tariffs and subsidies is threatening to derail the current round of global trade talks, which aim to boost the world's economy by lowering trade barriers. The 148 WTO members are looking for an outline deal at a December meeting in Hong Kong. Falconer singled out the issue of import tariffs as the main obstacle at this stage of the agricultural negotiations.

"In the area of market access we have not even gotten to a zone where you can see a deal," said Falconer, adding that he was not expecting much progress this week.

Falconer said that WTO members need to decide "how big of a deal are you looking at and can you politically deal with it -- that is what it is about."

"It is not that we do not recognize the EU's effort," said Brazil's Ambassador Clodoaldo Huguency. "But the gap is still huge."

Brazil is one of the leading members of the powerful G-20 group of developing countries, which is demanding the elimination of farm subsidies in rich countries within five years.

But EU spokesman Fabian Delcros said that Brussels was expecting more concessions from its trading partners in other areas of the negotiations, such as industrial goods and service industries.

"We have done our homework and we expect others to do theirs," Delcros said.