

West African ministers say WTO cotton plan not enough

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By Sophie Walker

HONG KONG - West African trade ministers said on Saturday a proposal urging that rich nations' cotton subsidies be speedily dismantled did not do enough to tackle the massive payouts which they say are ruining their economies.

"We came to Hong Kong to say that Africa needs to be able to play by the international rules of commerce. The results are well below what we wanted. We said at the start it was important to leave Hong Kong with tangible results," said Choguel Maiga, Mali's trade minister.

"Today we have a declaration which touches on the problem but doesn't go to the heart of it. Everyone expected the subsidies would be lifted."

Trade ministers from nearly 150 countries are meeting in Hong Kong, trying to thrash out a deal to reform industrial countries' farm supports and open up that market as well as those for services and industrial goods around the world.

But five days of often ill-tempered negotiations have yielded little progress aside from a draft declaration which still stops short of a firm date for ending all farm export subsidies.

Regarding cotton, however, the draft said trade-distorting export subsidies should be dropped in 2006, while domestic subsidies -- used mainly by the United States -- should be cut at a faster pace than that set for other crops in any WTO deal.

Cotton has been a difficult issue for WTO trade negotiators since a WTO meeting in Cancun, Mexico collapsed in 2003. Many present there say the bitter breakdown stemmed partly from Washington's rejection of demands by Burkina Faso, Benin, Mali and Chad, the C4 countries, that the world's poorest cotton exporters be compensated for the impact of U.S. subsidies.

Asked whether they would walk out again should their requests not be met in the last few hours of negotiation that remain, the ministers said they would keep talking.

"The discussions will continue. We think the international community realises this situation has to be resolved," said Burkina Faso's trade minister, Benoit Ouattara.

"NOT FAIR TRADE"

Benin's trade minister, Massiyatou Latoundji Lauriano, said the issue was not complicated.

"Two sides produce the same product. One is subsidised. The other is not. It's not fair trade," she told reporters.

The ministers also said they had altered their demands in an attempt to negotiate a deadline with the United States.

Maiga said the C4 countries were now asking the United States to eliminate 60 percent of its domestic cotton subsidies by 2007, a further 20 percent by 2009 and the rest by 2010.

They had previously demanded that 80 percent be gone by the end of 2006.

The United States is the world's biggest exporter of cotton. Its cotton producers received about \$4.2 billion in federal subsidies during 2004-05 -- more than the entire gross domestic product of Burkina Faso.

Deputy U.S. Trade Representative Karan Bhatia said talks between the U.S. and the C4 countries were making good progress.

"There are some things we agree on and some things we don't agree on. We feel that there's been good progress this week," he said.