

# Criticisms force revisions in WTO trade pact

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GENEVA: Mediators bowed to pressure on Thursday and began revising plans for farm trade reform, the centrepiece of a hoped-for global trade pact, after an earlier blueprint was mauled by both rich and poor nations.

Despite warnings from World Trade Organisation (WTO) chief Supachai Panitchpakdi that an end-July deadline for a deal left little time for changes, trade sources said fierce criticism levelled at the initial draft had made revision inevitable.

"It could not be avoided after last night," said one trade source referring to a late night session at which the G20 alliance of developing countries, in particular, raised serious objections.

Brazil, spokesman for the alliance of some of the richer developing states, told the closed-door meeting that the plan as it stood "needs important changes and improvements," according to the text of remarks obtained by Reuters.

France called for substantial changes to the draft, saying that a European Union offer to eliminate export subsidies had not been matched by others. Trade Minister Francois Loos said France would seek support for revisions from EU allies at a meeting in Brussels next week.

Developing nations fear the farm plan, drawn up by New Zealand's ambassador Tim Groser, who chairs the agricultural negotiations, would not force big cuts in rich state farm subsidies which, poorer countries say, distort world trade.

WTO states are racing to finalise a pact to put to a meeting of the executive General Council, starting on July 27 and which is likely to be attended by a number of trade ministers.

## **Dire consequences**

The aim is to lay down the parameters for liberalising commerce in farm and industrial goods, under the WTO's Doha Round of free trade negotiations. Failure to meet the end-July deadline could plunge the round into deep crisis.

Activist groups, such as Oxfam and the US-based Institute for Agriculture and Trade Policy, on Thursday echoed developing country criticisms, saying that the initial draft had been weighted heavily in favour of the richer nations.

"Because of this imbalance, the talks...may fail, which would have dire consequences for the future of multilateralism and global poverty reduction," Oxfam said in a statement.

Apart from the issue of subsidies, developing countries have also criticised what they see as too

much freedom for richer states to keep tariff barriers at high levels for products they consider politically sensitive, such as rice for Japan.

Tariff reduction for both developed and developing states is one of the most contentious issues of the farm talks, and for some rich farm importing countries, far from giving too much freedom, the previous draft was too restrictive.

The Doha Round, whose successful conclusion analysts say could give a big boost to the world economy, has been in trouble almost from its launch in Qatar in 2001.

It was all but derailed by the failure of a ministerial conference in Mexico last September when deep divisions emerged between rich and poor nations, particularly over farm trade.

Trade officials fear that if there is another setback in July, it could be years before the negotiations regain momentum.