

Struggle for common ground on as deadline draws near

Khosru presses for duty- and quota-free access for the LDCs while US, EU for reciprocal actions

AFP, Cancun, Mexico

Poor countries -- many which face stiff tariff barriers in industrialized nations and are unable to compete effectively with subsidized Western exports -- are clamoring for concessions from their richer partners at the WTO ministerial conference at Cancun in Mexico.

"In both agricultural and industrial products we want duty- and quota-free access for least-developed-country products," said Bangladesh Minister of Commerce Amir Khosru Chowdhury.

He said non-tariff barriers must be removed. "Safeguard or contingency measures against our products must be avoided."

Wealthy nations, notably the United States and members of the European Union, say they agree that developing countries deserve wider access to global markets, but demand reciprocal measures in return.

Following a fruitless round of talks late Thursday on proposals to lower agricultural subsidies, Deputy US Trade Representative Peter Allgeier suggested that a group of developing countries led by Brazil --

known as the Group of 21 -- was being less than cooperative.

"The Group of 21 has shown that it can unite in making demands," Allgeier told reporters early Friday.

"The question is: are these countries prepared to move into a negotiating mode, along with the other 120 countries in this organization?"

Those remarks triggered a terse statement from Brazil that given the lateness of the hour, delegates should focus on negotiating rather than "attacking countries or groups of countries."

Allgeier later denied that the US delegation had been attacking any other delegation here, and said his remarks were simply an appeal for cooperation from all parties.

The WTO has designated Singapore Trade and Industry Minister George Yeo as the "facilitator" for agriculture, which means it has been his job to listen to the demands of disparate blocs and alliances in order to draft a statement encompassing -- as far as possible -- all points of view.

Yeo is scheduled to release his draft text on Saturday.

While there are other sticking

points confronting the ministers, officials and analysts here agree that if consensus is not reached on agriculture the Cancun talks will fail.

The G-21 is pressing for more radical cuts in subsidies than is currently acceptable to the European Union. The United States has faulted the group for its failure to date to make known what steps its members will take to open their own markets.

WTO ministers struggled Friday to find common ground on which to build a new multilateral trade accord, as friction surfaced between two key blocs and with police gearing up for street protests expected Saturday.

Three days into a five-day conference here ministers from World Trade Organization member countries remain at odds on several critical points, and appear to be growing anxious as Sunday's scheduled end of the gathering draws near.

The Mexican host of the meeting, Foreign Minister Luis Ernesto Derbez, appealed to ministers to come together to ensure that the current round of trade liberalization

talks -- launched two years ago in Doha, Qatar -- is preserved.

"Over the next two days, he said a greater sense of urgency was required on the part of ministers," WTO spokesman Keith Rockwell reported Derbez as saying.

"He said that success or failure at Cancun depends now on ministerial willingness to cooperate and work in the interests of the broader membership," Rockwell told reporters.

Mexican police were meanwhile readying for street demonstrations Saturday by local and foreign militants who denounce the WTO for what they say is its subservience to big business and indifference to the poor.

Security forces have set up huge barriers and an impressive police cordon to keep protesters 10 kilometers (six miles) away from the convention center where the WTO is meeting.

Protesters said they would march through downtown Cancun toward the barrier, where water canons and riot police stood ready to deal with disturbances.

Safe and secure behind police lines, ministers are deadlocked on precisely how they will go about speeding the flow of goods and services around the world.



PHOTO: AFP

Activists from the international NGO Oxfam, with masks caricaturing G8 leaders (from L to R) Vladimir Putin of Russia, Jacques Chirac of France, Tony Blair of the UK, George Bush of the US, Jean Chretien of Canada, Junichiro Koizumi of Japan, and Gerhard Schroeder of Germany, walk downstairs during a protest against the Fifth WTO Ministerial Conference on Friday. The activists carried out an action on the beach where they denounced the fight for agricultural subsidies carried on by the world's richest countries.

Brazil bristles as pressure mount on poor nations

AFP, Cancun, Mexico

Brazil on Friday urged its WTO partners at a trade conference here to refrain from "attacking" certain countries or groups of countries as pressure builds to forge a consensus on a new global trade deal.

The statement appeared to target the United States, and to a lesser extent the European Union. Both parties have suggested that responsibility for progress here lies with the Group of 21 developing countries, of which Brazil is a key member.

"We are reaching the final days of the Cancun ministerial," the statement said.

"It is even more important, at this stage, that we concentrate our efforts on trying to negotiate and not direct our energies at attacking countries or groups of countries."

A senior US trade official later denied that the US delegation had been attacking any other delegation here.

The G-21 is currently at loggerheads with the United States and the European Union on the pace and scope of measures to reduce -- or eliminate -- official subsidies to farmers in rich countries.

The group favors far deeper cuts in subsidies than is acceptable to the EU and is seen by the United States as having failed to make known the concessions it is prepared to make to boost trade flows.

The issue is considered crucial to the success of the Cancun meeting, which was called to spur momentum in floundering multilateral trade talks. The conference is due to end Sunday.

European sources said that in

closed door negotiations Thursday, the US delegation, led by US Trade Representative Robert Zoellick, put pressure on the G-21, a report that Zoellick's deputy appeared to confirm in a later press conference.

"The Group of 21 has shown that it can unite in making demands," Deputy US Trade Representative Peter Allgeier said.

"The question is: are these countries prepared to move into a negotiating mode, along with the other 120 countries in this organization?"

Allgeier also maintained that the G-21 does not speak for all the developing countries in the 146-member WTO.

"At the last count I thought there were upwards of 100 developing countries or more in this organization," he said.

British minister "cautiously optimistic" of fairer trade deal

AFP, London

Britain's Trade and Industry Secretary Patricia Hewitt said late Friday she was "cautiously optimistic" that a deal to assist the world's poorest countries would emerge from this week's World Trade Organisation gathering in Cancun in Mexico.

Hewitt, who is representing Britain at the talks, said that Europe had taken a big step towards fairer trade with a decision to cut agriculture subsidies in June, and called on other developed countries to follow suit.

Speaking from Cancun, Hewitt told BBC television: "I am cautiously optimistic this weekend. I think there is a real understanding."

"We can't afford to fail and above all we can't afford to let down the developing countries."

Agriculture stands to lose in North-South clash: Canada

AFP, Cancun, Mexico

Poorer countries are right to make their demands heard on reforming trade in agriculture but the sector itself stands to lose out if the debate degenerates into a clash between the North and South, a leading Canadian WTO official warned here Friday.

"Everybody agrees that on agriculture, it is absolutely crucial that we build bridges, not only bridges on substance but also bridges between delegations," Sergio Marchi, Canada's ambassador to the WTO, told reporters.

"Because what we have to avoid is a North-South divide," he said.

Agriculture is the trickiest bone of contention facing ministers of the 146-member World Trade Organisation who have gathered here for five days to spark progress toward a new global trade liberalization pact.

Cotton trade backs call to end subsidies

AFP, Warsaw

The International Cotton Advisory Committee (ICAC) on Friday called on world ministers meeting in Mexico to negotiate a trade pact to put an end to subsidies paid to cotton producers from rich nations.

"The overwhelming majority of member governments... urged that all government measures and subsidies on cotton be removed," the ICAC said in a statement at the end of a week-long meeting in Poland's northern town of Gdansk.

The grouping of 42 cotton consuming, producing and trading countries, pointed to "the negative impact of subsidies and other government measures on cotton production and trade affecting cotton farmers, especially in the developing and least developed countries."

"The committee agreed that its views above be communicated to the WTO (World Trade Organisation)," it said.

WTO talks dogged by friction as clock ticks

AFP, Cancun, Mexico

Friction emerged at a WTO trade meeting here Friday between a bloc of developing countries and the United States amid mounting political and time pressure to forge consensus on a new pact to free up global commerce.

Mexican security forces were meanwhile gearing up to confront

thousands of militants opposed to the World Trade Organization who are expected to take to the streets of Cancun Saturday after the protest-suicide of a South Korean farmer earlier in the week.

With just two days to go and few signs of progress, the Mexican chairman of the conference urged trade ministers assembled here to work harder to bridge gaps.

"Over the next two days, he said a greater sense of urgency was required on the part of ministers," WTO spokesman Keith Rockwell reported Mexican Foreign Minister Luis Ernesto Derbez as saying.

"He said that success or failure at Cancun depends now on ministerial willingness to cooperate and work in the interests of the broader membership," Rockwell told reporters.

Derbez is chairing the five-day meeting, attended by about 4,600 delegates who are seeking to get multilateral trade liberalization negotiations back on track by Sunday after nearly two years of deadlock.

The Doha Development trade round, launched in the Qatari capital Doha in November 2001, calls for negotiations on a new accord removing barriers to global commerce to be completed by January 1, 2005.

By far the most contentious issue on the table is agriculture where stakes are high for nearly all countries and stances differ widely, largely on the extent and pace of reducing state aid to farmers in wealthy countries.

Brazil bristled on Friday, appealing to its WTO partners to refrain from "attacking" other countries or alliances, in an apparent reference to the United States and to a lesser extent, the European Union.

Both parties had suggested that responsibility for progress in Cancun lay with a newly-formed group of more than 20 developing countries, of which Brazil is a key member.

"We are reaching the final days of the Cancun ministerial," a written statement by Brazil said.

"It is even more important, at this stage, that we concentrate our efforts on trying to negotiate and not direct our energies at attacking countries or groups of countries."

Deputy US Trade Representative Peter Allgeier later denied that the US delegation had been attacking any other delegation here.



PHOTO: AFP

An anti-globalization activist points her finger to a security guard on Friday during a protest for the Fifth WTO Ministerial summit which is taking place at Cancun's Convention Center in Cancun, Mexico. WTO ministers, weary after fruitless, late-night bargaining, are preparing for a fresh bid to break a deadlock in multilateral trade talks, with the United States and the European Union turning up the heat on a bloc of developing countries.

Dairy farmers: North and South

BBC ONLINE

Trade talks begin this week in Cancun, Mexico. Rich and poor nations are trying to strike a global trade deal amid complaints that unfair subsidies to farmers in rich countries have crippled agriculture in poor countries. For many of the world's poor, agriculture remains their most important source of livelihood. But dairy farmers in the EU get an average subsidy of \$2,000 per cow, 100 times more than foreign aid per person given to Africa.

MALICK BARRY, *Foret classee des monts mandingues, Mali*

I have been a herder since I was 7 or 8 years old, following in my father's footsteps.

I am 20 now, and it is the only job I have ever done.

I follow the animals, take them to pasture, and milk them myself.

I look after 14 cows, and I know them all individually.

My day is a long one. I wake up at 6 o'clock, by the light of the sun.

My first job is to milk the cows.

Afterwards I have my breakfast: anything I can find in the forest, like fruits or berries, and some milk.

Then I take my herd out into the forest, to places where I know there will be grass to eat. It usually takes me an hour to walk there.

I don't get back until about six in the evening, when I milk the cows, watch over them, and have some-

thing to eat myself.

Sometimes it is difficult to be a herder, particularly if it is very hot or if it rains.

The hardest thing though, particularly now in the rainy season, is keeping the cows out of other people's fields, where they would do a lot of damage.

If that happens, there are always arguments, and often the police get involved.

At the end of every month, I am paid 10,000 CFA francs (£10, \$16).

It's not enough, but I don't have much choice.

I am married, and have to be responsible.

My wife, Awa, is in Burkina Faso, where I used to live. I haven't seen her for five months now.

All in all, I am happy in what I do, and I think I will stay in this job if I can't find anything else - after all, I was born into it.

SERGE LE DOARE, *Quimper, Brittany, France*

My working day normally begins at eight, checking the cows then milking and washing. After that it's feeding and cleaning the yard.

Other jobs depend on the season - keeping an eye on the calves, for example, or taking care of our maize and cereal crops.

We've got 98 hectares overall, and 115 cattle - 45 milking cows, 40 young females and 30 heifers for beef. Six hectares is "set-aside" taken out of production.

Our milk quota was set in 1985. It is for 304,000 litres, and we have to be very careful not to exceed it, otherwise we get fined - and the fine is more than the price we are paid.

If you produce too much, you have to just pour the milk away. Most of our milk is turned to milk powder.

Our income from the milk is about 90,000 euros (£60,000) a

year - that's at the EU's intervention price of 30 euro cents per litre.

Then we get a once-a-year payout of 15,000 euros under the Common Agricultural Policy (CAP) "set-aside" rules for taking arable land out of cultivation; and about 7,500 euros from the EU under its beef scheme.

Our income - excluding over-heads and paying staff - is 30,000 euros, three-quarters of which comes in the form of EU grants.

If the price of milk falls further we will end up living entirely on hand-outs. But that is what some people are saying has to happen.

They say we need to bring the EU milk price more in line with the world market. But in New Zealand they can make milk at half the cost we pay here.

The whole system is mad, but for me it is all the madder because everyone is playing by different rules.



PHOTO: AFP

World Trade Organization director-general Supachai Panitchpakdi (L) shakes hands with Nepal's Minister of Commerce Hari Bahadur Basnet, at a ceremony ratifying the Himalayan kingdom's inclusion as a member of the WTO, during the 5th WTO Ministerial meeting in Cancun, Mexico on Friday.