



PHOTO: AFP

Anti-WTO campaigners celebrate in Cancun, Mexico at the end of the Fifth World Trade Organization Ministerial Conference, where African countries decided to quit the conference as they were opposed to negotiate not even one of the known "Singapore issues".

Anti-WTO campaigners claim victory

REUTERS, Cancun

Anti-globalisation activists celebrated the collapse of world trade talks in Mexico on Sunday although they failed to create the kind of havoc that hit a similar meeting in Seattle in 1999.

Campaigners held up posters reading "We Won" inside a convention center in the beach resort of Cancun where five days of World Trade Organization negotiations ended in disarray.

Rich nations and the developing world were at odds over issues ranging from farm reform to new trade rules.

Aid groups predicted that the emergence at the talks of a new group of hard-bargaining poor countries led by Brazil and others meant the developed world would have to take the poorer nations more seriously in future.

"On paper, this meeting has failed but the new power of developing countries backed by campaigners around the world has made Cancun a turning point," said Phil Bloomer of the development agency

Oxfam, which was one of the mainstream pressure groups that regretted the collapse of talks.

Put off by the cost of travel and accommodation, many foreign activists stayed away from Cancun and those who did turn up were kept at arm's length by a measured Mexican police operation.

It was a very different story from the chaotic WTO meeting in Seattle four years ago, when days of angry street riots put the anti-globalization movement on the map. Those talks also collapsed in rich-versus-poor rancor.

"The point of Seattle was to keep the WTO from going forward. I really feel what has gone on here has had the same effect again," said U.S.-based environmentalist Dave Meddell.

Over the past five days, police repeatedly stopped activists trying to storm Cancun's exclusive hotel strip, a sandy spit where delegates were mostly oblivious to protests.

Although short in numbers, campaigners in Cancun grabbed some headlines with unorthodox protests. More than 20 of them took

their clothes off on the beach and spelled out the words "No WTO" with their naked bodies on the sand.

A South Korean farmer who committed suicide during a violent protest in Cancun became a martyr for some inside the anti-globalization movement. Piles of flowers have been strewn on the spot where Lee Kyung-hae stabbed himself in the chest with a pocket knife last Wednesday.

Campaigners said the fact his death was a suicide made more of an impact than that caused by the police killing of a student taking part in a street riot at a summit of industrialised nations in Genoa, Italy in 2001.

"The guy in Genoa became a symbol just for violence but Lee is a symbol for the difficulties suffered by farmers all over the world," said Sue Hildebrand, an environmentalist from Phoenix, Arizona.

The plight of farmers hit by cheap imports from the rich world is a main theme of anti-WTO anger but protesters also marched to demand the withdrawal of US forces in Iraq and even protection for sea turtles.

Future of trade trends seems uncertain

AFP, Cancun

Their dreams of a revival in global trade talks in tatters after a breakdown in a crucial meeting here, WTO negotiators are looking to Geneva as the next venue to salvage the Doha Development Agenda.

But trade officials and analysts warn that given the deep divisions exposed during a five day gathering in Cancun, which ran aground on Sunday, it may now be impossible to complete the round of trade-opening talks launched in Doha, Qatar two years ago by the January 1, 2005 deadline.

"It's hard for me to believe that in the position we are now, we will be able to finish on time," US Trade Representative Robert Zoellick said Sunday, after it became painfully apparent there was no hope of a compromise to serve as a catalyst to the floundering Doha cycle.

Describing the debacle here as a "setback," the second such outcome of a WTO ministerial conference since Seattle in 1999, World Trade Organization ministers said there would be another attempt to jump-start the Doha round by December 15.

"Notwithstanding this setback," they said in a statement, "we reaffirm all our Doha declarations and decisions."

They called for a meeting -- at

senior official level -- of the WTO General Council, the Geneva-based body's executive arm, by December 15.

Director General Supachai Panitchpakdi acknowledged that "the task has become more complicated, but I don't think we are daunted by this complication."

"We need to be flexible and really give and take... we just cannot allow this round to be derailed," he said, adding that on his return to Geneva "we will try to reconstruct the process."

But the task of keeping the Doha spirit alive seems certain to be complicated by resentments that threaten to linger after Cancun, notably between rich and poor countries.

The conference came apart in a dispute over proposed WTO negotiations on rules governing cross-border investment, and three other subjects. Such talks were strongly opposed by developing countries and just as vigorously backed by the European Union and Japan.

Developing countries fear that if there were a WTO-backed investment regime, it would leave their industries vulnerable to multinational corporations. Japanese officials contended that all countries -- in particular those in the developing world -- would benefit from investment rules.

New power rising from the ashes

REUTERS, Cancun

As weary ministers fly out of this glitzy beach resort Monday following the dramatic collapse of world free trade talks, one group at least feels it has something to smile about.

A new alliance of more than 20 developing countries, with Brazil, India and China at its heart, emerged as a major force during five days of ultimately fruitless discussions at this Mexican beach resort and looks set to stay a power in world trade politics.

The World Trade Organization's 146 member states must now try to rescue something from the wreckage of the Cancun summit, which had been intended to inject new momentum into the WTO's stalled global free trade negotiations.

States remain deeply divided, notably over how far and how fast to reform world farm trade to cut the massive subsidies that rich states pay their farmers and which developing countries say stop them

competing. The European Union's main trade negotiator, Pascal Lamy, and other top officials were adamant that the search for a deal, which could give a multibillion boost to a sluggish world economy, would continue back at WTO headquarters in Geneva.

And the new alliance of developing nations was equally firm that its newfound voice would continue to be heard loud and clear.

"It was not possible to get a concrete result... But we think that we have achieved some important things. Firstly, the respect for our group," said Brazil's foreign minister, Celso Amorim.

The so-called G21 grouping, which represents more than half the world's population and some two-thirds of its farmers, is united by a common commitment to getting the West to unwind subsidies running at nearly \$1 billion a day.

It countered the traditionally huge weight the United States and the European Union wield within the

WTO by combining a hard line toward the rich states with calls for more understanding of the problems of the world's poor farmers.

Australian Trade Minister Mark Vaile, whose country shares many of the group's criticisms of the EU and the United States, said the emergence of the G21 marked "a significant shift in the dynamic" of the WTO.

Some Western envoys had expressed skepticism that the G21 would survive long because countries such as Brazil and Argentina, efficient farm goods exporters, appeared to have little in common with India, a protectionist nation of 650 million poor farmers.

By the end of the Cancun meeting, Nigeria and Indonesia, the world's most populous Muslim state, had joined the initial 21 countries in the group.

In the end, the G21's newfound influence was not put to the test because the talks fell apart before final bargaining on agriculture could begin.

Leaving with hope and despair

STAR DESK

Developing nations came away from the collapsed trade talks claiming to have forged a new WTO dynamic. Excerpts from some of their comments:

Mali

"This is a great loss to the 3 million farmers in Mali who live on agriculture."

"We are at the world cup of agriculture here, and back home there will be mourning because nothing had been agreed."

"I do not know how we will explain this to our people. The reason this has happened is because we were not able to agree on what we wanted."

Brazil

"We have achieved some important things, especially the respect of other groups of countries as a serious actor working in the interests of a large part of the developing world."

"The WTO process will be picked up again just as they were after the collapse of the talks in Seattle. What

matters now is not to blame countries for its collapse but that in agriculture, the issue we united on, we made progress."

"The last paper that we received was far better than the first."

Malaysia

"All the developing countries wanted to have was an extension of time to study the impacts of these issues. But they [the EU, Japan and US] were not prepared to give them that time."

"Now people will see things in a different light."

"There will be no more marginalising. Developing countries have come into their own. In the past they had no strength, but now they have to be taken into account. They hung together on crucial issues that mattered to them."

Uganda

"There has been a lot of pressure exerted on our government. Heads of state have received calls from them."

"Ambassadors and trade ministers, have been pressured [and] blackmailed and they have been

offered deals that do not relate to the trade question. They were told 'if you accept what we want you will get something else'."

"These are the pressures and blackmail we were going through. They are talking about trade liberalisation and that is their mantra. But then in the areas where they do not have an advantage, like agriculture, they practise protectionism. They have double standards, and the people in those countries need to question their government."

NGOs

"Developing countries have rejected the EU's anti-development agenda. EU member states such as Britain must now start listening to the emerging opposition of developing countries and address their concerns."

"In the past rich countries made deals behind closed doors without listening to the rest of the world. They will not be able to do it again."

Blow to world economy

THE GUARDIAN

The fragile global economy received a damaging blow last night when trade talks in Cancun collapsed after a walkout by African countries protesting at the west's failure to open its markets to the poor.

In scenes reminiscent of the World Trade Organisation's disastrous Seattle meeting four years ago, a day of acrimonious wrangling ended as the chairman, the Mexican foreign secretary, Luis Ernesto Derbez, was unable to get talks restarted after African countries lost patience and left the negotiating table.

The breakdown came despite a last-minute concession from the European Union over its previous insistence that poor countries should pay for a better deal on agriculture by agreeing to new global deal on foreign investment.

The Kenyan delegate, George Oduor, came out of the closed meeting saying: "It means that the conference is ended now."

WTO ministers issued a terse statement admitting that the negotiations had broken down and that trade officials would have to try to bridge the gulf between rich and poor countries back at the organisation's Geneva headquarters over the coming months.

Cancun was intended to bring fresh political impetus to the talks, which have made little progress since they were launched in Doha in November 2001. Last night's breakdown virtually rules out the prospect of the Doha round finishing on schedule by January 1 2005, and

raises the possibility of the talks dragging on for years.

Robert Zoellick, the US trade representative, said: "Whether developed or developing, there were 'can do' and 'can't do' countries here. The rhetoric of the 'won't do' over whelmed the concerted efforts of the 'can do'. 'Won't do' led to impasse."

Mr Zoellick said that after the setback in Cancun, the US would redouble its efforts to reach bilateral trade deals with favoured nations.

Five days of brinkmanship in Cancun had been dominated by a struggle between the WTO's traditional powerbrokers, the EU and the US, and a new group of militant developing countries, flexing their negotiating muscles for the first time. Led by Brazil, India and China, they are counting on yesterday's breakdown to put them in a stronger position when negotiations eventually restart.

"This is the first time we have experienced a situation where, by combining our technical expertise, we can sit as equals at the table," said Alec Erwin, South Africa's trade minister. "This is a change in the quality of negotiations between developing and developed countries."

The failure of the talks is a particularly hard blow to Britain. The trade secretary, Patricia Hewitt, had been talking up the chances of a deal hours earlier after the EU agreed to tone down its demands.

Ms Hewitt said: "There was a deal to be done, and it is a bitter disappointment that we haven't reached agreement."

With the world economy already

fragile, analysts fear the collapse could further damage business confidence. Chances of real progress are seen as slim for at least the next year, given approaching elections in the US, India and France, three of the WTO's key members.

Development campaigners said no deal was better than a bad one for poor countries. "The blame game will start right away, but as far as we are concerned, Pascal Lamy [European chief trade negotiator] is chief suspect number one and two," said Duncan Green, policy analyst at the Catholic Agency for Development, Cafod. "He opposed the interests of developing countries right to the end and this is the price we have to pay."

Oxfam said the refusal of the EU and US to cede any ground to developing countries on agriculture - and Europe's attempt to force a global investment and competition treaty on to the table - had forced poor countries to walk out.

A small group of countries - the EU, US, China, South Africa, Brazil, India, Malaysia and Kenya - had been locked in tense discussions for most of the day in the hope that a deal which they agreed to could be rubber-stamped by other members.

Countries from Africa and the Caribbean were infuriated by this tactic, arguing it went against assurances they had received after Seattle that they would not be excluded from the real decisions.

Under pressure from other African countries, the Kenyan delegation left the talks at midday, blaming the EU for insisting on talks on the so-called Singapore issues,

four new negotiating areas including investment and competition which poor countries say they are not ready to discuss.

When Mr Derbez reconvened the meeting after lunch, Europe's offer to withdraw investment and competition, the most contentious issues, was rejected by Botswana, speaking in for the poorest countries. "Lamy, the great negotiator, pushed the talks over the brink," said Matthew Lockwood, of ActionAid.

"You ask me who is to blame," said Kenya's Mr Oduor. "I would say it is those who have been trying to manipulate the process. Those who have been trying to manufacture consensus. The EU and the US, we believe ourselves, are to blame. The Singapore issues were at the centre of the deadlock, all of them. The developing countries say that they are not ready for any of them."

Talks in Cancun had centred on five areas: agricultural subsidies, industrial tariffs, market access, investment and competition rules, and special help for the poorest countries. Sources said progress was minimal in many areas, and Mr Derbez ran out of time to bring the opposing camps together.

In the final hours it was the African countries' refusal to accept talks on the Singapore issues which proved the deal-breaker, but the Cairns group of agricultural exporting countries was also reported to be refusing to reopen talks on agriculture, believing the deal on the table was too favourable for the protected markets of the EU and the US.

Collapse a blow to Lamy

REUTERS, Cancun

European Trade Commissioner Pascal Lamy was grim-faced after world trade talks collapsed Sunday, a failure that dealt him a personal blow and could hurt the European Union's long-term economic hopes.

Lamy, 56, had been one of the most fervent backers of the trade negotiations, launched at the end of 2001 in the Qatari capital, Doha.

"I wouldn't say the Doha round is dead, but it certainly needs intensive care," the Frenchman said at a news conference, keeping a wry sense of humour even as the talks he had helped launch and had hotly pursued went seriously off track.

The 15 members of the EU, expanding to 25 next year, had hoped that market openings offered by successful negotiations would boost their economies, which have tended to limp along behind the United States.

The meeting of trade ministers in the Mexican resort of Cancun was a halfway stop along the road of the Doha negotiations, which aimed to finish at the end of 2004.

After days of acrimonious discussions on demands by poor nations that rich countries slash farm subsidies, the meeting finally foundered when African and Asian states refused to consider new rules on cutting the bureaucracy and backhanders that hurt trade.

This and three other sets of new rules, on foreign investment, competition and the award of government contracts, had been among a top priority for Lamy and many EU members.

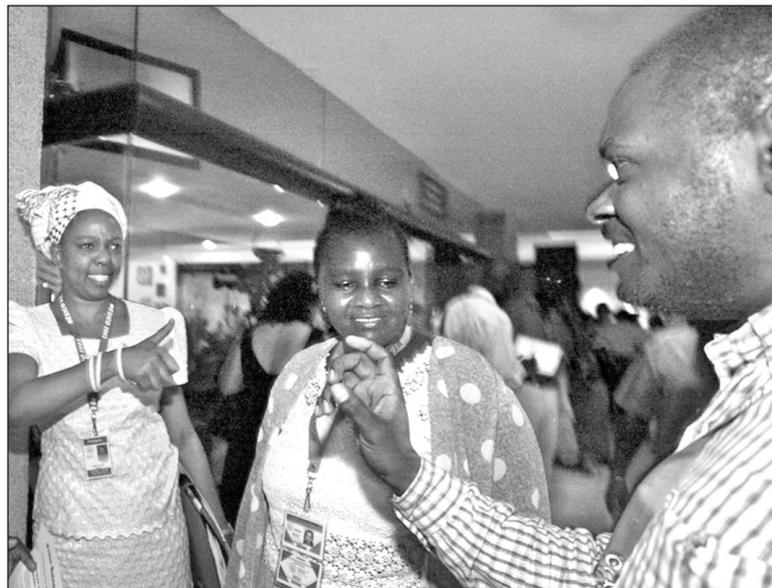


PHOTO: AFP

Members of Tanzania's delegation celebrate after the crucial WTO ministerial conference to spur momentum toward a new global trade pact collapsed in Cancun.

Happy faces of African cotton growers

AFP, Cancun

Officials from African cotton growing countries left a failed WTO summit Monday saying they had scored a political victory by bringing the concerns of their impoverished nations to the fore.

"The outcome for us is positive, because cotton, which was a taboo subject a few months ago, stole the limelight from many other topics and was integrated into the negotiations," Mali's Minister of Industry and Trade, Choguel Kokalla Maiga, told AFP.

Benin, Burkina Faso, Chad and Mali -- among the poorest countries in the world -- came to Cancun to demand an end to cotton subsidies in wealthy countries, as well as compensation for losses resulting from those subsidies.

West and Central African countries lose up to a billion dollars in export and related revenue each

year because of market-distorting assistance offered to cotton farmers in wealthy nations, especially the United States, they said.

The African initiative, presented last Wednesday, won support from other developing countries opposed to wealthy nations' agricultural subsidies.

Non-governmental organizations at the conference also applauded the initiative, saying Africa's cotton woes were a case-study of how the WTO (World Trade Organisation) increases poverty in poor countries and systematically adopts rules advantageous to rich ones.

US cotton subsidies encourage over-production and export dumping, and drive down the world price, resulting in the loss of livelihoods in Africa and other developing countries, the British relief organisation Oxfam said.

Cotton is a major source of

foreign exchange and government revenue for the four African countries, which are among the world's most efficient cotton producers, it said.

"We're not asking for the moon, we're only asking the WTO to uphold fair trade rules, which it claims to embrace, so that our farmers can live and work in dignity," Maiga said when presenting the initiative Wednesday.

African delegates were outraged by the draft text of a final declaration, released here Saturday.

"We felt humiliated, more than anything, dragged in the mud," one said.

Another called the document "disgraceful."

The text contained no commitment to elimination of the cotton subsidies in the short term -- and mentioned promoting "diversification programs" in African economies.