

Pascal Lamy Writes to Ministers:

Dear trade minister,

The trauma generated by the collapse of global trade talks may not yet register on the streets of New York, Paris or Tokyo. But for cotton growers in West Africa, rice farmers in Thailand and beef producers in Latin America the reverberations are already being felt.

Should the breakdown on Sunday transform into a failure to resume the talks, there would be no winners. All of us would pay. We would pay through lost opportunities to expand trade, increase economic growth and boost development efforts in poor countries. We would pay too, through a weakening of the multilateral trade system in favor of far less effective bilateral trade deals. Moreover, the breakdown in negotiations would be cause for great celebration within the protectionist ranks.

Yes, we would all pay for this failure, but it is the poorest and weakest among you who would pay the most. The Doha round was launched nearly five years ago as a means of better integrating poor countries into the global economy. Trade can be a powerful tool for development and has been instrumental in lifting hundreds of millions of people out of poverty in countries like China, India, South Korea and Malaysia.

Many other countries would like to follow this example and derive the benefits of export-led economic growth. But current rules tilt against them because in those areas of production where they are most competitive trade is restricted by a variety of import barriers.

This is particularly true in agriculture. The sudden collapse of the talks has been a shock to many, but the fact that agriculture has been its root cause has surprised no one. No deal was possible without substantially reducing tariffs - which severely curtail farm trade - and those subsidies, which hurt farmers in poor countries by encouraging their rich-country counterparts to dump surpluses on global markets.

The debate that has clogged the arteries of this negotiation for some time centers on the proportion of those respective cuts. Those who favored deep cuts in subsidies were less ambitious on opening their markets, while those seeking far greater market opening were not prepared to pay the price of further farm- subsidy cuts. And in the meantime little attention has been paid to tariffs on industrial goods or services which represent over 90 percent of world trade!

As a result, the Doha development round is in dire straits and negotiations have been stopped. We have called time-out so that all of you can cool off and reflect.

The most obvious consequence of this is that we will certainly not conclude the round this year as we had agreed to in Hong Kong last December. We do not have time to complete our

work in agriculture and industrial goods and many other important sectors of the negotiations, including services, fishing subsidies, antidumping and the environment, have been held in abeyance as members awaited an outcome in agriculture.

The pity in all of this is that what is on the table now constitutes greater progress in rolling back farm subsidies and tariffs than anything seen before in global negotiations.

Even the least ambitious proposals would have cut trade distorting farm subsidies by two to three times the previous round of talks. Export subsidies would have been eliminated. For the first time members would have limited fishery subsidies, which contribute to the depletion of our oceans.

The vast majority of exports from the very poorest countries would have faced no barriers to trade, and practices that had crippled African cotton farmers would have been substantially reformed.

Powerful tariff-cutting formulas that were on the verge of agreement would have opened global markets as never before. And the services negotiations held the promise of new business opportunities in sectors like express delivery, banking, insurance, computer services and communications.

Can this considerable foundation be retained?

This depends very much on you, minister. There are clear signs that the failure this week has already given rise to two phenomena that threaten the multilateral system: a shift in priorities to bilateral or regional agreements that all concede fall far short of a global deal both in the depth and scope of their coverage, and a surge in threats to achieve through our highly effective dispute settlement system what could not be achieved through the negotiations.

Bilateral agreements offer neither the geographic coverage nor the broad range of negotiations needed to address damaging trade distortions. Poor and small countries will be overlooked and agricultural subsidies will never be adequately addressed in such forums. We all agree that agriculture has been the biggest obstacle to an agreement here.

To those who favor regional or bilateral agreements I ask the following question: What is the difference between a bilateral and a multilateral farmer?

Many of you, frustrated by the lack of progress, may also turn increasingly to the WTO dispute settlement system, which you have every right to do. But there is a danger that in shifting priority away from negotiations and to litigation we could damage the fragile balance that exists between interpreting existing rules and creating new and more relevant WTO agreements.

Our efforts aimed at creating a more equitable and relevant trading systems have been dealt a severe blow and the future that we face is uncertain. All countries, particularly the largest and most influential, must now make every effort not to make a bad situation even worse.

As you ponder the way forward, I would ask you to consider the broader consequences of your inability to strike a deal. I would ask you not to take from the table those offers they have made and to cease the vitriolic attacks that render a return to the negotiating table more difficult.

Finally, I ask you to look at the big picture, beyond a narrow defensive one, and consider those living in poverty who saw in these negotiations a hope for a better life.

At this time of serious political turmoil, the WTO has the possibility to contribute to making this world fairer and more stable. Please think about that during this time-out.

(Pascal Lamy is director general of the World Trade Organization.)

Source: International Herald Tribune, 28 July 2006

WTO: BONINO, Doha Round sunk by electoral calculations

The Doha Round was sunk by the political calculations of those governments which, with elections looming, conducted negotiations rigidly to avoid consensus, said Minister for EU Policy and Foreign Trade Emma Bonino on Radio 24. The Doha Round, the negotiation round on international trade launched by the World Trade Organization (WTO) in 2001, was discontinued after the failure of G6 negotiations, which took place a few days ago in Geneva. "It's a situation that has been mortgaged by political and electoral deadlines. It's a paradox. An agreement had almost been sealed, there had been a lot of negotiation and some non-tariff reforms had been agreed on," she said. "In November, there will be the mid-term elections in the United States; France will be voting in April and Brazil in October. So it was basically electoral concerns," the Minister said. Emma Bonino agrees with EU and G20 in blaming the United States for the failure of negotiations. "The main obstacles were agricultural subsidies. With all the due respect for the sector, the United States were rigid when only 3 billion in cuts were needed to seal the agreement." The minister then invited people "not to give up", and said she asked Peter Mandelson, the European Commissioner for Trade and the EU negotiator at G6, for the convocation to an EU round table to study the re-launching of negotiations. Bonino said that Europe cannot afford to stay idle when the United States are stipulating bilateral free trade agreements after making negotiations fail. The Minister said, "The ones who lose the most here are developing countries. Globalisation moves forward, but we've lost another tool to govern it better."

Source: AGI) - Rome, 27 July 2006.

Tonga still plans WTO membership.

Tongan Prime Minister Fred Sevele insists his country is still determined to join the World Trade Organisation (WTO).

It follows a decision to delay membership for a year, to make changes to the kingdom's tariff system. The international NGO, Oxfam New Zealand, says the government is bowing to pressure from the Tongan people, who do not want the deal.

Oxfam says the WTO is demanding concessions from Tonga that richer countries are not expected to make. Dr Sevele does not entirely disagree, but says more delays would make things worse." I think there is a certain amount of truth in that," he said." It's not the whole truth, but the longer we delay our becoming a member, the more difficult, more onerous will be the demands by the WTO and other members. "So it's best that we join now."

Source: ABC Asia Pacific TV / Radio Australia, 26 July 2006

Tonga Defers WTO Membership

Tonga has deferred membership in the World Trade Organization for a year, Prime Minister Dr. Feleti Sevele has announced, following 10 years of negotiations to join the body.

The impoverished South Pacific nation joined the body last December, subject to formal ratification. Sevele said Wednesday the delay did not mean that Tonga was withdrawing its WTO membership application, but it needs more time to improve its tariff system.

The announcement follows the collapse of talks for the Doha Round in Geneva on Monday. Sevele said he was optimistic that the collapse was "only temporary."

Oxfam New Zealand, the regional arm of the international aid agency, Thursday welcomed "Tonga's courageous decision to look more closely at the terms they are being offered" to join the WTO.

"The government of Tonga is to be congratulated for their willingness to engage in consultations and research on the likely impacts of the deal," said director Barry Coates.

It was a good sign for the future of government accountability in the last South Pacific monarchy that the voices of the majority of Tongan citizens, who wanted to delay the deal, had been heard, he noted.

In a report last year, Oxfam said that Tonga had been forced to hold its tariffs at 20 percent as part of its accession deal -- one of the lowest levels of any country in the WTO. By comparison, the United States applies a 350 percent tariff on beef imports and the European Union 300 percent on sugar imports.

The report warned that because Tonga earns some two-thirds of its revenue from trade taxes, cutting tariffs would affect its ability to provide basic health care, education, water supply and other essential services.

A 170-island archipelago about halfway between Australia and Tahiti, Tonga has a population of 114,000 and an economy dependent on pumpkin and vanilla exports, fishing, foreign aid and remittances from Tongans abroad.

Source: Associated Press, Wellington, New Zealand, 26 July 2006.

Key trade players to meet after WTO talks suspension

US trade negotiators said Wednesday they plan to meet officials from Brazil, Asia and other regions to sound out possibilities for market-opening moves after world trade talks broke down in acrimony.

Susan Schwab, the top US trade negotiator, was due in Brazil on Thursday, her office said. Brazil said she was to meet Foreign Minister Celso Amorim, his country's lead negotiator, on Saturday.

She will meet trade ministers from the Association of Southeast Asia Nations (ASEAN) in August and plans talks September with members of the Cairns Group of farm-exporting nations in Australia.

The current 5-year-old round of global trade talks was suspended indefinitely this week after negotiations involving the US, the European Union, Brazil, India, Australia and Japan failed to resolve key disputes including farm supports.

Brazil will keep working to reopen the World Trade Organization talks because bilateral accords would fall short of solving issues like the subsidies rich countries give their farmers, Brazilian Foreign Ministry official Roberto Carvalho de Azevedo said Wednesday.

Brazil does not view the so-called Doha round of trade talks as failed, Azevedo, who heads the ministry's economics department, said in Brasilia.

Amorim, however, has called the breakdown in the Geneva talks 'a major setback.' He and Schwab will take stock of the WTO talks, not hold negotiations, Azevedo said.

'The spirit of Doha lives even if a formal agreement eludes us at this time,' Schwab said in a statement.

The EU blamed the US for the impasse, saying the talks came to a halt after Washington refused to slash billions of dollars of trade-distorting subsidies paid to farmers.

The US blamed Brazil and India for digging in against cuts in barriers to industrial imports and the EU for refusing to make deeper cuts in its farm import duties.

Source: Deutsche Presse-Agentur, Washington - 26 July 2006.

ICC says WTO talks collapse could lead to protectionism, trade disputes
The International Chamber of Commerce said the collapse of the Doha round of world trade talks could lead to an increase in protectionism and trade disputes. 'Failure to reach an agreement creates a systemic risk -- opening the door to a resurgence in protectionism, a greater number of trade disputes and even more bilateral trade agreements,' said the ICC, which represents businesses in more than 130 countries.

The organisation urged WTO member countries to resume negotiations as soon as possible. 'The lack of political will on the part of WTO members to resolve differences on agricultural subsidies and market access has put the entire round and the multilateral trading system in peril,' said ICC chairman Marcus Wallenberg, who is also chairman of SAAB AB and SEB AB. 'Resumption of these negotiations will require changes in entrenched positions in order to make progress possible,' said Wallenberg. 'Until then, a major opportunity to generate economic growth, create jobs and raise living standards across the world has been put on hold. All WTO member countries will lose from this missed opportunity, especially developing countries that stood to benefit most from these negotiations,' he said.

Source: AFX , Paris, 26 July 2006.

U.S., Brazil to Discuss Failed WTO Talks

Leading Brazilian and U.S. trade negotiators will meet Saturday in Rio de Janeiro in an attempt to bridge differences following the collapse of World Trade Organization talks earlier this week, officials said Wednesday.

U.S. Trade Representative Susan Schwab and Brazilian Foreign Minister Celso Amorim will discuss themes "of mutual interest and the prospects for the Doha Round of World Trade Organization negotiations," the Foreign Ministry said in a statement.

The so-called Doha round of talks, begun in the Qatari capital of Doha in 2001, aimed to draw up a global trade treaty to boost the world's economy by cutting trade barriers such as tariffs and subsidies. The negotiations collapsed in Geneva on Monday when the 149-nation WTO failed to reach an agreement on new rules to liberalize farm and industrial trade.

Brazil wants the United States to give more ground on slashing farm subsidies, while the United States said developing countries like Brazil must take larger steps to open up markets in the industrial and service sectors.

Schwab and Amorim plan to discuss the failure of negotiations, "why it happened and to think about the future," Roberto Azevedo, one of Amorim's key aides, told reporters in the capital of Brasilia.

Amorim told the Folha de S. Paulo newspaper, Brazil's largest, that the WTO talks "didn't die, but suffered a setback."

The two countries also lead the negotiating teams trying to draft a Free Trade Area of the Americas agreement, which would include all nations in the Western Hemisphere except Cuba and surpass the European Union as the world's largest trading bloc.

But those talks have been stalled for years, and Brazil decided earlier this year to put the negotiations on hold pending the outcome of the WTO talks.

The Bush administration may now try raise the prospect of fresh FTAA talks as a way to get the WTO negotiations moving again, said Gary Hufbauer, a trade expert and senior fellow at the Institute for International Economics in Washington, D.C. "As to whether this gets any traction as a serious alternative, your guess is as good as mine," Hufbauer said.

Source: The Associated Press, Sao Paulo, Brazil 26 July

U.S. wants to revive global trade talks

President Bush's top trade negotiator said Wednesday the United States intends to find a way to revive global trade talks that collapsed in acrimony two days ago.

However, U.S. Trade Representative Susan Schwab offered no timetable for how long it might take to restart the Doha Round of negotiations being conducted by the 149-nation World Trade Organization. "The Doha Round is obviously in serious trouble, but it is not dead yet," Schwab told reporters. "The United States has no intention of abandoning the Doha Round. I intend to do everything possible to see the round to a successful conclusion."

To that end, Schwab said she had been conducting telephone calls with trade ministers from different countries. She also said she planned to fly to Brazil on Thursday for talks with Brazilian Foreign Minister Celso Amorim, who represents his country in trade negotiations, to explore ways to revive the talks.

The Doha negotiations, named for the capital of Qatar where they were launched in 2001, were suspended Monday after negotiators meeting in Geneva failed to resolve disputes over such contentious issues as how to lower barriers to trade in agricultural products.

Peter Mandelson, the negotiator for the 25-nation European Union, has accused the U.S. of intransigence over the issue of cutting farm subsidies while the U.S. has criticized the EU for refusing to go farther to trim high tariffs it imposes on imports of farm goods.

The recriminations _ especially between the U.S. and Europe _ have been bitter and Schwab acknowledged in her meeting with reporters on Wednesday that some time will have to pass before the talks can be restarted.

Mandelson complained Monday that the United States had refused to improve its offer to cut trade-distorting farm subsidies, saying, "Surely the richest and strongest nation in the world ... can afford to give as well as take."

Schwab disputed Mandelson's account of the Geneva talks, saying she told negotiators at the start of talks on Sunday that the U.S. was prepared to do more in the way of subsidy cuts. "None of this is personal," Schwab said of the dispute with Mandelson, saying she planned to talk to him soon about efforts to revive the negotiations.

The Bush administration believes that in order to sell cuts in U.S. subsidy payments to American farmers, the Doha agreement must offer significant cuts in foreign tariffs that will offer U.S. farmers the prospect of increasing exports.

Schwab said she would continue searching for a way to restart the Doha talks at upcoming meetings of trade ministers in Asia and also at a meeting Bush is expected to attend in November in Vietnam with Pacific Rim countries.

She gave no suggestion of when a breakthrough in restarting the talks might occur, saying at one point it might have to wait until after next year's presidential elections in France, a country that has strongly opposed U.S. efforts to reduce farm tariffs.

Schwab noted that the Uruguay Round of global trade talks, the negotiations that preceded the current Doha talks, broke down in a similar fashion but were eventually restarted after three years had passed.

This week's collapse of talks has complicated the U.S. approval process because July was seen as close to the last point when the outlines of a deal could be concluded in

time to complete a pact and submit it to Congress by next June. That's when Bush loses the authority to negotiate deals under an expedited process that bars congressional changes.

If that occurs, Schwab said the administration will seek an extension of "trade promotion authority." She said the process of getting congressional approval might help with the negotiations because other countries will see the need to improve their trade liberalization offers to win congressional support for further negotiations. "If by the spring of 2007 we had the outlines of a Doha Round agreement that was an attractive package, then we could likely get a positive reaction" from Congress to extending the negotiating authority, she said.

Source: The Associated Press, Washington, 26 July 2006.

US won't dump WTO talks, but path unclear -Schwab

The United States is strongly committed to reaching a new world trade deal, but two days after talks were suspended the way forward is unclear, the top U.S. negotiator said on Wednesday. "We're ... 48 hours away from the crisis, the breakdown, the deadlock, the explosion," U.S. Trade Representative Susan Schwab said in her first U.S. press conference since a weekend meeting meant to save the world trade talks ended in failure. "Feelings are a little raw," she said.

The trade round, officially known as the Doha Development Agenda, was put into a deep freeze on Monday after the G6 group of key trading partners failed to agree on how far to cut farm subsidies and tariffs.

In the aftermath, the United States and the European Union have swapped charges about who was most to blame. The trade talks were launched nearly five years ago with the goal of helping poor countries benefit from trade. "The Doha round is obviously in serious trouble, but it isn't dead yet and the United States has no intention of abandoning the Doha round," Schwab said.

Schwab said she would travel to Brazil on Thursday to talk with Brazilian Foreign Minister Celso Amorim about "what happens next." The two agreed shortly after the failed meeting in Geneva that "we had come too far to abandon all the work we had put into (the world trade talks)," Schwab said. Over the course of an hour with reporters, Schwab suggested it could take as long as three years to bring the talks to a successful conclusion or as little as six months.

She also gave no clear indication when the Bush administration would seek a renewal of trade promotion authority, which expires July 1, 2007.

Source: Reuters, Washington, 26 July.

'Hope not lost' for WTO talks

Trade Minister Mark Vaile insists all is not lost in the push for a multilateral agreement on reducing tariffs, despite the collapse of global trade talks.

The World Trade Organisation's (WTO) Doha round of negotiations collapsed this week, after key countries - including Australia, the European Union and the United States - failed to agree on how to cut farm and industrial tariffs.

WTO director general Pascal Lamy has suspended the talks indefinitely, with some observers fearful it may be up to five years before negotiations resume.

Mr Vaile, who was in Geneva for the negotiations, today said Australia must not abandon hope for an improved global trading environment. "Opportunity is not lost. As a nation we've spent over 50 years through consecutive governments pursuing improvements in the multilateral trading system," he told ABC radio. "The reality is if it takes another six months or 12 months or two years to achieve our goals, then we are better to get the best outcome we can than a mediocre outcome."

It was a disappointment to me that we couldn't conclude this next stage (of trade talks) at this time, but as history has shown us, we've got to continue to be prepared to invest the time and energy."

Mr Vaile said global political circumstances had made an agreement impossible, and he hoped certain countries would now reconsider their positions. "Circumstances and individual political positions need to be right, and that just wasn't the case over the weekend," Mr Vaile said. "(The talks) haven't ended, the round is not dead, they're suspended so a few players can reflect on positions."

Source: Reuter, Geneva, 26 July 2006.

Easter Calls for Emergency Recall of Agriculture Committee

The Federal Agriculture Committee must be recalled for an emergency meeting to discuss the suspension of WTO trade talks on Agriculture, Liberal Agriculture Critic Wayne Easter said today.

"As one of the most trade-dependant nations in the world, Canada has more at stake than most countries in this round of WTO negotiations, yet Canada's new government seems almost nonexistent in these talks," said Mr. Easter. "Farmers and Canadians need answers on the suspension of talks, the implication on our industries and on the lack of aggressive input from the Harper government.

"It is critically important that the Minister of Agriculture, the Minister of International Trade and senior trade negotiators come before the Agriculture Committee to explain not only what the collapse of trade talks could mean for the Canadian agriculture industry, but more importantly, what lies ahead with respect to our international trade situation."

Mr. Easter, who was joined in his request by Agriculture Committee Co-Chair Paul Steckle, demanded the recall of the committee following the announcement earlier this week that talks had collapsed. WTO Chief Pascal Lamy announced the suspension of the Doha Development Agenda negotiations on Monday, because the gaps were too wide among the G6 members, which include Australia, Brazil, the European Union, India, Japan and the United States.

"Substantial progress was made at the December meetings in Hong Kong under the leadership of former Ministers Mitchell and Petersen, but that progress seems lost now," added Mr. Easter.

"Canada has put forward a balanced position, as advocated by our agricultural community, in which we call for increased market access, lowered domestic support and elimination of export subsidies as well as allowances for sensitive products such as supply managed industries in Canada. We believe this approach could work for the global community."

Source: Liberal, Canada, 27 July 2006

Failure of Trade talks May not affect Bangladesh.

Suspension of talks on Doha Development Agenda negotiations might cast negative impact on the least developed countries' benefit, as it may delay the implementation of the outcome of the Hong Kong Ministerial meeting that approved duty free access to 97 per cent goods of the LDCs to the developed markets.

But senior government officials see the postponement of the talks also as beneficial, as the agriculture subsidy in the developed countries may help the least developed countries to import goods at subsidised prices. However, the government finds the cancellation of talks as "WTO is losing of importance." The Doha Development Agenda negotiation was suspended on July 24 following wide range of gaps among the key players. Heads of delegations, speaking in an informal meeting of the Trade Negotiations Committee agreed with the WTO Director-General Pascal Lamy that this would be a setback for all member countries.

The main obstacle that cancelled the talks was agriculture legs of the triangle of issues, market access and domestic support. African countries, the cotton producers have expressed deep concern over the suspension of talks who were waiting for reduction of agriculture subsidies. "We realize we are now taken hostage by larger developed countries," one of them said expressing hope that the talks will be redressed again.

Dr Ananya Raihan, Research Fellow of the Centre for Policy Dialogue yesterday told this correspondent that there were possibilities of getting duty and quota free access to goods of LDCs to the developed market if the negotiations were successfully concluded. "We may gain something if the talks gate a fruitful shape but the cancellation of the negotiation has undermined the role of the World Trade Organisation," he said. It has affected multilateral trade regime, he added.

He also said as WTO fails to produce any fruitful outcome for the LDCs signing of bilateral free trade agreements will be increased. As Bangladesh lacks adequate negotiation capacities it may be loser in trade during signing FTA's, he apprehended. Highly placed sources of the government preferring anonymity told this correspondent that actually the WTO never succeeded in any moves. The Hong Kong round in fact did not produce any gain for the LDCs as most of the decisions were uncertain. Quoting the remarks of the WTO DG Pascal Lamy he said none of the decisions was taken with consensus. He further said the suspension of talks might bring benefit for the LDCs.

US and Europe's subsidy on agriculture is safety measures for import of goods at subsidised price by the LDCs, he said.

Source; New Nation Bangladesh, 26 July 2006.

5 Big Lobbies want Talks resumed.

Business lobbies in 5 economies call on WTO to resume talks: Keidanren

The Japan Business Federation on Wednesday released a joint statement by business groups from five economies, calling for the World Trade Organization's Doha round of negotiations to be resumed as soon as possible.

Fujio Mitarai, chairman of the biggest Japanese business lobby, also known as Nippon Keidanren, is set to send the statement to WTO Director-General Pascal Lamy and relevant government ministries.

This is the first time for Nippon Keidanren to play a leading role in sending such a joint statement.

In the statement, the business groups from Australia, Brazil, the European Union, Japan and the United States said they regret the break down of the meeting of six major members of the WTO in Geneva on July 23-24 and the resulting suspension of the trade liberalization talks.

"We strongly hope that the negotiation will resume as early as possible," they added. After failing to bridge their differences at the latest meeting, the six key WTO members gave up on reaching by August an accord on modalities--a broad framework on trade liberalization steps, including the industrial and agricultural sectors.

Source: Jiji Press, July 27, 2006

WTO nations endorse Doha Round freeze

Diplomats and trade officials say World Trade Organisation (WTO) nations tacitly endorsed the suspension of the Doha Round talks on lowering barriers to global commerce.

The ruling General Council of the 149-nation WTO "took note" of a report by director general Pascal Lamy, in which he re-affirmed his recommendation, made on Monday, to freeze the faltering negotiations, the sources said.

Mr Lamy's decision to suspend the talks followed the acrimonious collapse of a meeting of six leading trading powers, which sent the WTO's five-year search for a multilateral free trade deal toppling towards total failure.

He subsequently got an informal green light at a meeting of ambassadors representing the 149 WTO nations.

Under WTO rules, however, the ambassadors were required to reconvene for an official General Council session to rubber stamp the decision.

Source: AFP, Australia, 28th July 2006

Africa hopes for a quick resumption of WTO talks

African countries recognise that they are the biggest losers of failed World Trade Organisation (WTO) talks and are pressing major powers to urgently restart negotiations, a senior African minister said.

The WTO's Doha round fell apart on Monday after developed and developing countries failed to reach an accord on slashing subsidies and lowering tariff barriers. Mukhisa Kituyi, the chairman of African Union's (AU) group of trade ministers, said the collapse of the talks meant Africa would miss out on its push for increased market access, lower subsidies and cheaper medicines. "This is a development round but now we are not going to see those benefits come to our people in the rural areas," Kituyi, also Kenya's minister of trade, told Reuters in an interview late on Thursday. Kituyi said he had spoken to U.S. Trade Representative Susan Schwab, WTO chief Pascal Lamy and, just before speaking to Reuters, spent 40 minutes on the phone with Peter Mandelson, the EU's representative, on how the talks could be "redeemed". African countries say they would be very disappointed if the talks failed to restart because they had already spent quite a substantial amount of their scarce national finances, seeking a successful round. "We have convinced our governments to spend quite a lot of time and resources on these negotiations," Kituyi said. "It would be a big disappointment if it turns out to be a waste of our meagre resources from our taxpayers."

The Doha round was launched in late 2001 with the aim of boosting economic growth and lifting millions out of poverty. But it struggled from the start and was already well behind schedule when talks collapsed. Development groups have blamed the U.S. and EU for the collapse of efforts to rescue the WTO talks, but Kituyi refused to apportion blame and instead called for stronger political leadership in future negotiations. "I hope this cooling period will allow for more flexibility and stronger political leadership," he said.

Kituyi said it was only under multi-lateral negotiations that Africa was assured of favourable trade deals but he expected bilateral talks to increase. "We are going to see a proliferation of bilateral negotiations. But African countries are restricted in their capacity to negotiate favourably," the minister said. He said Kenya was leading regional talks with the EU on Economic Partnership Agreements (EPAs) and had received the nod from partners Tanzania and Uganda to negotiate a trade and investment framework agreement with Washington.

The pact could eventually lead to a free trade agreement, drawing from experiences learnt from U.S. negotiations with South Africa and four of its neighbours.

Source: Reuters, Nairobi, 28 July 2006

Africa Cotton Farmers Threaten to Demand WTO

Frustrated after a five-year standstill of the negotiations in the World Trade Organization (WTO), African cotton farmers said on Thursday they could present demands against that organization to defend their sector.

In reference to the subsidies to cotton by the rich nations that undermine world prices and penalize the African producers, Ambassador of Benin to Geneva Samuel Amehu regretted that they explained in vain to their farmers that their torment was coming to an end.

After several days in session in this city, the negotiations among the 149 WTO members failed on Monday in finding a solution to the issue of reducing subventions, agricultural and industrial taxes. In relation to an eventual appeal before that organization to attack subsidies, Amehu said his country and the other African cotton farmers (Burkina Faso, Mali, and Chad) are willing to take that step.

WTO General Director Pascal Lamy called the nations mentioned above on Thursday in Geneva, headquarters to this organization, to avoid blaming one another for the suspension of the Doha negotiation round, and reflect on what is at stake.

At the General Council, the top authority of that entity, Lamy announced formally the suspension of those negotiations, which began in November, 2001, in the Qatari capital. He also said those talks will not be feasible to restart until there is an adequate atmosphere.

Source: Prensa Latina, Geneva, 28 July 2006

Lamy Endorse India's Stands.

World Trade Organisation chief Pascal Lamy has endorsed India's stand in global trade talks but asked New Delhi to look at the "bigger picture" and help break the impasse in the negotiations.

The WTO Director-General also said even if India pursued bilateral trading pacts with the US and EU, it would still have to open up its markets for their products and services. "Commerce Minister Kamal Nath is perfectly legitimate in the assessment he is making... but so are those on the other side... We must look at the bigger picture," Lamy said when asked to comment on Nath's statement that there was "no offer" at the talks, which collapsed early this week in Geneva.

Talks ended in a stalemate after the US refused to make substantial cuts in farm subsidies, drawing strong reactions from developing nations like India and Brazil and even the EU.

Lamy told NDTV that while developed countries must make more concessions than developing nations, advanced developing countries (such as India, China and Brazil) should also do more than poor developing countries. "India must also look at the big picture given its size, potential and record in terms of modernisation," he said.

Reacting to reports that India would continue bilateral talks with the US and is working on a Comprehensive Economic Cooperation Agreement with European Union, he said India would still have to give greater market access to these countries.

Bilateral agreements were also about opening up markets, he said, adding it made no difference to poor farmers if they were being asked to open up in a bilateral framework or a multilateral framework

Source: PTI ,New Delhi ,28 July 2006

US senator calls for trade Curbs on India.

The head of the powerful Senate Finance Committee has said the United States should not extend preferential trade treatment to India and Brazil, which he accused of blocking a move to liberalise the World Trade Organisation.

Republican Senator Charles Grassley told reporters, "Countries that don't want to give us access to their markets in the WTO negotiations, why should we continue to give them preferential treatment?"

He said he was sure upcoming US preferences were "not going to involve Brazil and India."

Brazil and India receive large benefits from a US Trade preference programme that allows dozens of developing countries to export thousands of products duty-free to the United States.

The preference programme expires at the end of the year. Congress must act on its renewal, and Grassley's committee would play a pivotal role in shaping the legislation.

Last month, Grassley expressed impatience "with countries that are developing just fine but want to be able to hang onto the (trade preference programme) to avoid tough negotiations."

On Monday, trade ministers called a halt to more than five years of trade liberalisation talks, saying differences over farm subsidies proved unbridgeable.

Source: Associated Press, Washington, 28 July, 2006

India 'Trips' on MNC drug data exclusivity

In a smart move, an inter-ministerial panel has concluded that slowing down the launch of cheaper copies of the latest pharmaceutical brands of MNCs is not a WTO obligation for India. This demand of multinational drug makers -- backed by the US government -- could, however, be provided as a national policy, which can be revoked any time.

That would be decided by weighing the potential of this measure to attract foreign funds against the damage it could do by way of delaying cheaper drugs. However, in the less controversial agro-chemicals, data exclusivity would be provided to MNCs. The panel decided that the bitterly disputed Article 27 of the Trade Related Aspects of Intellectual Property Rights (Trips) agreement does not call for a ban on Indian companies using the costly research data generated by multinational drug makers to get marketing approval for cheaper copies.

The Trips provision requires national governments not to allow the unfair commercial use of the data, which companies disclose only to the regulators. In India, the drug regulator approves cheaper local drugs if the second applicant can show it is chemically equivalent and is available in the blood stream at similar levels. They need not produce reams of own costly data to prove its safety and efficacy. MNCs allege that using their data to give cheaper copies a springboard entry into the market is unfair commercial use of their research data. However, the committee of secretaries headed by chemicals secretary Satwant Reddy decided that 'data exclusivity' could be allowed as a national policy, if economics justifies it.

Now, with the Trips pact out of the picture, the panel would weigh the demand for data exclusivity from the perspective of affordable medicines as well as of foreign investments. "The focus is purely on the country's interest and not any international obligation. We have discussed this already and more deliberations are required," said a panel member. If the MNCs benefit from the decision, it would be incidental. By not saying a blind no to data exclusivity, the country has chosen not to entirely antagonise the US government, which has time and again said that a strong and "vibrant intellectual property regime in India" is a vital component of Indo-US trade relations.

Source: Times News Network, New Delhi, 28 July, 2006

Failed WTO Talks May Spur EU Trade Pact

The collapse of WTO talks could spur Europe into pushing for a quicker start to free trade discussions with ASEAN, the bloc's secretary-general said Friday. "This is the big one," said Association of Southeast Asian Nations' secretary-general Ong Keng He. He did not think talks were expected to begin, but European trade officials had earlier said negotiations could start as soon as this year despite sanctions against military-ruled Myanmar, ASEAN's most opaque member with a history of human rights violations. The Doha round of WTO negotiations aimed to boost the global economy by lowering trade barriers across all sectors, with particular emphasis on helping poorer countries develop their economies through export growth.

It collapsed earlier this week when the 149-member World Trade Organization failed to agree on the liberalization of farm and industrial trade.

The failure of global trade talks could end up benefiting Southeast Asia, Ong said. "This is far bigger than anything we have done before," Ong said in an interview with The Associated Press. "All our countries export substantially to the European Union. Now that the Doha round is not moving, the Europeans will have to deal with that...We have become option B."

ASEAN members nations earlier this week agreed to accelerate economic integration by five years to 2015 in order to stop it bleeding investment to Asian economic drivers India and China." The main thing is to continue our trade liberalization," said Ong. It is currently negotiating trade in services pacts with China and South Korea after completing goods trade negotiations, and wants to ink deals with Japan, Australia and New Zealand. It could also restart talks with India.

Opening talks with Brussels could hasten its other deals, Ong said. "We believe that it (a deal with Europe) will help us push the other guys -- India, Japan, Australia, New Zealand," Ong added.

A wide economic chasm divides ASEAN's six more developed nations_ Malaysia, Indonesia, Singapore, Brunei, Thailand and the Philippines -- and its four newer members -- Cambodia, Laos, Myanmar and Vietnam.

Southeast Asia, with a population of nearly 550 million, only has less than a 10 percent of global exports.

Source: Associated Press: Kuala Lumpur, Malaysia, 28 July 2006