

WTO's Lamy to decide soon on new Doha talks

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By Alan Raybould

SIEM REAP, Cambodia, Nov 20 (Reuters) - World Trade Organisation chief Pascal Lamy said on Thursday he would decide soon whether to call a ministerial meeting on the Doha trade round, but setting a deadline for talks was premature.

He said ministers from some of the world's poorest countries, meeting in Cambodia this week to discuss trade and aid issues, wanted a quick deal because they feared protectionist groups would use the global economic slump to push their agenda. Leaders of the G20 group of rich and emerging economies pledged on Saturday to try to get the outlines of a new accord in the WTO's Doha round agreed by the end of the year to help deal with the financial crisis.

In an interview with Reuters, Lamy acknowledged the political impetus but said he needed to be sure there would be broad agreement on technical matters before calling ministers to WTO headquarters in Geneva. "I haven't yet taken a decision but I know I have to take it rather rapidly," Lamy said, adding he would be back in Geneva on Friday to work on the issue. Brazilian Foreign Minister Celso Amorim said this week that a meeting must be called by Dec. 8 if a deal was to be had by the end of the year, but Lamy played down such deadlines.

"They all have their own notion of timing because they all have their own constraints. We know we don't have much time left," he said. "The technical options should be on the table 10 days before the ministers negotiate them."

He said the economic crisis made a deal all the more vital, especially for poor countries wanting market access for exports.

"Given the economic crisis, the percolation of the financial crisis into the economy, they believe what's on the table will be in danger if it only happens six months, a year, a year-and-a-half from now," Lamy said.

He gave the example of tariff ceilings set in existing trade agreements, which are typically higher than the actual tariffs imposed by countries.

"Their fear is that with the economic crisis biting, protectionist lobbies will look for more protection and the applied tariffs will be raised."

STICKING-POINTS

The Doha round was launched in the Qatari capital seven years ago to free up world trade by cutting farm subsidies, and reducing tariffs on agricultural and industrial goods, with a clear mandate to help developing countries.

A meeting of ministers in July came close to a breakthrough but faltered because of differences between the United States and India over measures to protect subsistence farmers in poor countries from a surge in imports.

Cotton is another sticking-point. West African countries proposed in 2006 that U.S. cotton subsidies should be cut by 82.2 percent against 60 percent for other farm subsidies in a new trade deal. The United States has yet to reply.

Lamy said the Americans agreed a cotton deal of this sort was needed and that it could be implemented more rapidly than subsidy cuts on other crops. But, mindful of their cotton lobby, they wanted it to be presented as part of the overall package, he said.

"They want to put it with the other subsidy reductions and with the market access package which they believe is good for two-thirds of the U.S. farm system," he said.

Lamy has decided to stand for a second term as head of the WTO. Cambodian Prime Minister Hun Sen said on Wednesday the poor countries gathered in Siem Reap this week ought to vote for him.

Asked if he felt he had the backing of other member states, Lamy said: "The time for other candidates to appear, if that is to be the case, starts December 1 and ends December 31. So, answer to the question thirty-first of December."

(Editing by Darren Schuettler and David Fox)