

Posted on Sat, Dec. 17, 2005  
HONG KONG

## Progress is unlikely at WTO summit

**Protesters, impasses and a lack of consensus -- welcome to the Hong Kong WTO trade summit.**

By Malcolm Foster  
Associated Press

**HONG KONG** - Global trade talks were sliding closer to a failure Friday that could damage the credibility of the World Trade Organization. With only two days left in the meeting, the European Union's lead representative said the negotiations were "going backwards."

Delegates from the WTO's 149 member nations will try to hash out a draft agreement today that likely will be their last chance to reach compromises on a slew of thorny issues, including opening farm markets, the biggest obstacle.

But so far, the negotiations have been virtually fruitless. The outlook worsened when smaller nations that grow sugar, bananas and cotton threatened to torpedo any final agreement that didn't protect their farmers.

Deputy U.S. Trade Representative Susan Schwab said the talks will become more intense before the strict Sunday deadline.

"There is always a cranky phase," she said. "Most of the business is done in the last 48 hours."

### **S. KOREAN PROTESTERS**

South Korean protesters -- the most militant of the 10,000 who have come to Hong Kong hoping to block a WTO agreement -- shaved their heads, threw eggs and spray painted graffiti on the U.S. Consulate General building and briefly scuffled with police on Friday.

Tourists from mainland China also added a stop to their sightseeing tours in Hong Kong this week: gawking at the WTO protesters. The demonstrations are curious spectacles for the mainlanders, whose Communist government is highly sensitive about such displays and often cracks down on them.

Previous trade-liberalization talks in Cancun, Mexico, in 2003 and Seattle in 1999 collapsed in disarray. Another failure could seriously undermine the WTO's goal of forging a global free trade agreement by the end of 2006, already two years later than originally planned.

Much of the blame for the lack of progress has been pinned on the EU, which has refused to further reduce trade barriers protecting its farming market -- a key demand of poorer nations.

## **POINTING FINGERS**

But EU Trade Commissioner Peter Mandelson said the 25-nation bloc has working hard to broker a deal, and faulted developing nations -- particularly India and Brazil -- for not agreeing to lower their tariffs on industrial goods and services.

"It is hard to see where progress can be achieved in Hong Kong if the talks continue in this direction," Mandelson said.

Late on Friday, WTO chief Pascal Lamy began circulating a draft of the agriculture section of a final agreement. The draft text, obtained by The Associated Press, suggested 2010 as a date for ending all government payments to domestic producers to promote exports.

The EU has refused to commit to any date, and it remained to be seen how it and other members would react. Because the WTO is a consensus-based organization, even one holdout could doom an agreement.

The banana trade reflects the difficulties involved in this approach. The Group of 77 -- made up of African, Caribbean and Pacific countries, many of whose populations are subsistence farmers -- said they would reject any final deal that ended their preferential access to European markets.