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BRAZIL

G-20 aims to salvage trade talks despite impasse

An optimistic meeting among the Group of 20 emerging-market nations marked an attempt to resume the stalled Doha Round of global trade talks.

By Michael Astor

Associated Press

RIO DE JANEIRO - Developing nations on Saturday called on rich countries to restart global trade talks, saying their suspension not only threatened the Doha Round of talks but also the multilateral trading system itself.

The Doha Round -- named after the Qatari capital where it was started in 2001 -- is aimed at slashing trade barriers across the planet.

But the Doha talks stalled in July over the question of rich nations' subsidies for agriculture.

"Not only is the round threatened, but the multilateral trading system itself now faces a serious crisis," said the statement issued by the emerging-market nations of the Group of 20. "This is an unacceptable situation for all developing countries."

At the start of talks in Rio the trade representatives from nearly 30 nations seemed determined to plow ahead, although neither side seemed prepared to give much ground in the dispute over agricultural subsidies in wealthy, developed nations.

"The simple fact that we are meeting here demonstrates our engagement with the negotiations," Brazil's Foreign Minister Celso Amorim said in his opening remarks.

The meeting is the first of its kind since World Trade Organization discussions stalled.

Analysts said the presence of U.S. Trade Representative Susan Schwab, EU Trade Commissioner Peter Mandelson, WTO chief Pascal Lamy and Japanese Agriculture Minister Shoichi Nakagawa, who will meet with G-20 members today, was a positive sign but that gaps between the two groups would be difficult to bridge.

"With U.S. congressional elections looming on Nov. 7 and the declining political appeal of free trade, an immediate resumption is unrealistic," said Philippe de Pontet, an analyst with the Eurasia Group consulting firm.

"More plausible would be a return to the negotiating table in November or early December. With all of the key trade ministers present at Rio, a declaration to that effect may well emerge, especially since Brazil, the host, backs the idea," he added.

But the G-20 statement made clear developing nations were unlikely to back off their key demands.

"Most of the world's poor make their living out of agriculture. Their livelihood and standards of living are seriously jeopardized by subsidies and market access barriers prevailing in international agricultural trade," the statement said.

Powerful farm lobbies in the United States, Europe and Japan strongly oppose an end to subsidies, which they fear will leave them unable to compete with the flood of cheap imports.

Analysts said the Bush administration could roll out a fresh approach after the November elections.