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BRAZIL

Trade compromise OK'd

Brazil agrees to a compromise deal on farm goods tariffs. The agreement has to be approved by all 148 WTO countries.

BY SAM CAGE

Associated Press

PARIS - Trade ministers agreed on a compromise deal dealing with farm goods tariffs Wednesday, Brazilian Foreign Minister Celso Amorim said, breaking a stalemate that has held back negotiations on a global trade deal.

"We have reached a conclusion, an agreement," Amorim said, hours after the EU offered new concessions on access to its markets.

Brazil, which leads the G-20 group of poorer World Trade Organization states, had accused rich countries of using a technical disagreement on import tariffs to "paralyze" the talks.

The dispute centered on the method by which flat-rate duties -- typically expressed in euros per ton of imported goods -- should be converted into percentage tariffs based on the goods' value. The conversions are needed before the negotiations can start on how much to cut them.

But until the last minute, EU negotiators were seeking to keep those percentages low for key, sensitive farm products.

Under guidelines already agreed, higher tariffs would be subject to bigger cuts -- exposing European farmers to tougher foreign competition at home.

EU Agriculture Commissioner Mariann Fischer Boel said the compromise was just the first step toward a comprehensive deal on farm goods trade.

"We're not finished yet but I think we've given an important push to the negotiations," she said.

The compromise agreed to on Wednesday has yet to be approved by trade diplomats from all 148 WTO countries, who will meet again in the coming weeks.

Farm goods trade is a political hot potato for many EU countries, especially France. This time the subject is even more sensitive for the meeting's French hosts -- coming weeks before a closely fought referendum on the EU constitution, in which President Jacques Chirac has staked his political credibility.

EU beef, poultry, rice and dairy products would be particularly affected by the disputed tariff calculations, said a Brussels official who asked not to be identified.

In order to reach a deal by 2006, its members have set themselves a July deadline for an outline deal covering all sectors.