

BUSINESS DAY

WTO Clinches First Global Trade Deal in Its History

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GENEVA — The World Trade Organization adopted the first worldwide trade reform in its history on Thursday, after years of stalemate, months of deadlock and a final day's delay following an eleventh-hour objection.

The agreement means the WTO will introduce new standards for customs checks and border procedures. Proponents say streamlining the flow of trade will add as much as \$1 trillion and 21 million jobs to the world economy.

"We have put our negotiations back on track," WTO Director-General Roberto Azevedo told a news conference held after trade diplomats applauded the end of their 19-year wait for a deal.

However, he said WTO members needed to find a way to speed up negotiations in the future. "We cannot wait another 17 or 18 years to deliver again," he said.

U.S. Trade Representative Michael Froman said the agreement could substantially reduce transaction times and costs and would unlock new opportunities for both rich and poor countries.

He said it was a "particularly important win for small and medium-sized businesses in all countries".

Still, the agreement is just a fraction of the original Doha Round of trade talks begun in 2001, which eventually proved impossible to agree on. The WTO cut back its ambitions and aimed for a much smaller deal.

Even that was blocked by a four-month standoff caused by India, which had vetoed adoption of the reform package as the original deadline passed at midnight on July 31.

India demanded more attention be given to its plans to stockpile subsidized food, in breach of the WTO's usual rules. A compromise on wording reached by the U.S. and Indian governments broke the deadlock.

India's WTO ambassador Anjali Prasad declined comment.

The reform package adopted on Thursday was agreed at a WTO meeting in Bali in December last year. Its passage is widely seen as opening up progress toward further global negotiations, the content of which is due to be laid down by July 2015.

That should reassure smaller nations in the 160-member WTO. Many had feared India's tough stance would prompt the United States and the European Union to turn their backs on the WTO and concentrate on smaller trading clubs instead, ending hopes of trade reforms benefiting all.

European Trade Commissioner Cecilia Malmstrom said the agreement had confirmed the WTO's role at the center of international trade policy.

"In short: the WTO is back in business."

(Reporting by Tom Miles; Editing by Larry King)