

Cancun - Day 1

By Peter Clark
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There are protests today and they are violent. And so far one self-inflicted casualty.

More than 50 police were reportedly injured in clashes with rioters which witnesses claim involved rocks, dogs and clubs. No shortage of blood according to our sources.

The Head of a Korean Farm group stabbed himself in protest and died.

Everything is waiting for Agriculture and there are no signs of breakthrough. Indeed, the EU has tabled a demand for

"Disciplines including ending single desk selling privileges. Prohibitions of special financing privileges and disciplines on pricing practices shall be established for export state trading companies".

More potential problems for the Canadian Wheat Board.

George Yeo of Singapore is the Agricultural facilitator - Chair. This did not go over well with Canada and Cairns with a strong protest lodged apparently without impact. Yeo has been urging pragmatism, i.e., reducing demands because of the politics of agriculture in Asia. And he appears to be trying to generate some form of Hybrid text and has not abandoned his country position.

The developing country (G-20) position which takes a harder line on developed country support than the USA-E.U. framework - with an easier ride for developing countries - is gaining support and we could see G-20 becoming a larger number. The USA does not like G-20 because it hits at all domestic support. But while Zoellick made it clear yesterday that green box agricultural support is untouchable, they are becoming increasingly isolated on this. This is why the Mexican corn farmers are demonstrating here. Cotton subsidies hurting small African farmers is the next PR disaster for US agriculture policy.

The EU has tied extension of special and differential treatment for developing countries to participation in reform commitments on export subsidies and export credits. We are trying to determine exactly what this means, but it is relatively safe to assume it is an "in your face" at the G-20.

Meantime, negotiators on other issues have been told that they will not be called on in an active way until agriculture is sorted out. This may not be until Friday at the earliest.

Australia has softened its position on disciplining and reducing all support including green box. No doubt this is tied to their bilateral negotiations with the USA.

G-20 is not an extension of the Cairns Group. It is a Brazilian power play and it is designed to attract developing country support by reintroducing some of the flavour of Part IV of GATT which allowed developing countries to opt out of obligations which they consider to be inconsistent with their development needs. This is not how it being sold, but it is a possible result.

While they will not reach centre stage until later in the week, those responsible for other issues are in fact working on them. They will need to be ready to move. But the mood is much more pessimistic than optimistic and any optimism is very cautious.

Minister Pettigrew is responsible for facilitating consultations on the Singapore issues, including investment. In my view, it is not the best use of his talents and experience, but there are only six facilitators and they are selected by the Chairman. It is interesting that he has played this role at each of the Ministerial since he became Minister. All but Yeo are in exploratory discussions with no serious work expected until the day after tomorrow.