

B R I D G E S

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ILO Gearing Up For Post-Singapore Worker Rights Drive

The International Labor Organization is fueling up for a high-gear drive to strengthen international observance of labor standards. This comes on the heels of the Singapore ministerial convention, where the World Trade Organization decided to keep hands off labor issues amid strong opposition to WTO involvement from India and other developing countries.

The ILO will focus its efforts on getting more countries to ratify seven ILO conventions on basic worker rights. The core conventions include the prohibition of child and slave labor, the prohibition of discriminatory employment practices, freedom of association, worker's right to organize and to collective bargaining. ILO director-general Michael Hansenne is looking to the ILO governing body to endorse a declaration toughening surveillance of the core conventions when it meets in March. If approved, the ILO would be able to investigate and condemn countries for violations of basic workers rights even if the country has not ratified the core conventions. Currently the ILO only has these powers in cases involving union activities. The ILO will also be studying social-labeling projects such as the Rugmark, which certifies that carpets have not been made with child labor. Director-general Hansenne noted social pressure for these types of programs, evidenced by consumer boycotts and protests in the US and Great Britain which have yielded solid benefits such as assurances by the International Federation of Football (FIFA) that the soccer balls they use are not made with child labor.

"ILO Plans Worker Rights Drive," FINANCIAL TIMES, January 16, 1997; "Le BIT Reprend L'offensive Sur les Normes Sociales," LE FIGARO, January 16, 1997; "Après la Reunion de Singapore, le BIT a Besoin D'Armes Pour Faire Respecter Les Normes Sociales," JOURNAL DE GENEVE, January 16, 1997.

WTO And IMF Hit India on Import Controls

Both the International Monetary Fund and the World Trade Organization called on India the week of January 20 to cut tariffs. India has been enjoying a special dispensation under WTO rules allowing the country to maintain quantitative restraints on imports. Most of India's consumer goods sector is covered by quantitative import restraints. The IMF presented evidence to the WTO's balance of payments committee arguing that India's high import controls are no longer needed, citing India's currency reserves, which are expected to reach \$18.5 billion at the end of 1997, the equivalent of about five months worth of imports. The WTO balance of payments committee responded to the IMF presentation by asking India to present a plan for the elimination of quantitative import controls. India has cut trade barriers significantly over the past five years, and says it is willing to phase out controls. India's bone of contention with the IMF and industrialized countries is over how rapidly import controls should be eliminated. India would like to proceed cautiously, gradually removing controls in a way that would give many of India's small and medium sized businesses time to adjust to foreign competition. The WTO asked India to submit a plan to be considered at the next balance of payments meeting in June.

"India Urged to Cut Tariffs," FINANCIAL TIMES, January 21, 1997; "India Asked for Quotas Plan," FINANCIAL TIMES, January 22, 1997.

EU Threatens WTO Action Over Burma Sanctions

The European Union warned the US State Department that a 1996 Massachusetts law discouraging procurement contracts between state agencies and companies that do business in Burma violates the World Trade Organization Agreement on Government Procurement (GPA). The EU issued a demarche on January 22 asking the Clinton Administration to warn Massachusetts that the "Act Regulating State Contracts with companies doing business with or in Burma (Myanmar)," enacted in June 1996, violates the WTO. The Massachusetts law places a 10% premium on bids to state agencies from companies that do business in Burma, and prohibits those companies from purchasing or leasing state-owned property. As part of GPA negotiations in the Uruguay Round, the US had agreed to cover Massachusetts along with most other states as part of its offer on sub-federal agencies. The US included states in its GPA negotiations in an effort to make its offer more attractive to the EU. The EU demarche states that the Massachusetts law violates the GPA and by maintaining the law the US is reducing its GPA offer. The demarche notes three reasons why the Massachusetts law violates the GPA: "First, it violates Article VIII(b) of the GPA, given that it imposes restrictions on a tendering company which are not essential to ensure the firm's capability to fulfill the contract. Secondly, it infringes Article X(3) of the GPA, because it imposes qualification criteria based on political, rather than economic considerations. Thirdly, it is in contradiction to Article XIII(4) of the GPA to the extent that the statute allows the awarding of contracts based on political instead of economic considerations." Also in the demarche, the EU warned that further legislation currently under consideration in Massachusetts calling for similar sanctions against countries doing business with or in Indonesia would also reduce the US offer under the GPA. The EU asked the US what action, if any, it plans to take in response to the Massachusetts legislation. "Furthermore," the demarche concludes, "the European Community fully reserves its rights under the WTO dispute settlement procedure." As of this writing, the US had not yet responded to the EU demarche, nor contacted Massachusetts about the matter.

Delegation of the European Commission, Demarche on Massachusetts Burma Legislation, January 22, 1997; "EU Warns US That Massachusetts Burma Sanctions Law Violates WTO," INSIDE US TRADE, January 31, 1997.

EU-South Africa Make Little Progress In Trade Talks

After three days of talks, South Africa and the European Union made little headway toward a trade and development agreement. A South African trade official said talks are likely to continue through the year and that no concessions nor specific trade issues were agreed upon at the talks held in Johannesburg this past week. The EU negotiating team stressed that it would be impossible to make progress in the talks until South Africa brought specific proposals to the table. The EU team complained that the South African negotiators were not prepared for the detailed work involved for trade negotiations. Prior to the talks, South Africa had outlined its negotiating position, calling for the EU to rethink its approach to trade negotiations and address regional concerns and the need for "asymmetrical" trade liberalization which would benefit South Africa. The EU had previously rejected South Africa's proposal for full accession to the Lome Convention, which would grant South Africa most favored nation status and ensure access to EU markets. The EU suggested instead in its own proposal to South Africa last March, proposing that both sides should create a free-trade zone by phasing out tariffs over a 10-year period. The EU proposal also excluded 40% of South Africa's agricultural products from the EU market. South Africa has accused the EU of failing on its promise to assist the country in its transition to a democratic government. Critics hold that the EU, despite bold language at the beginning of non-racial rule in South Africa, have only reduced trade barriers on less than five percent of South African exports, and argue that only 1.7 percent of EU farm imports come from South Africa, and most of those in the winter months. Glenys Kinnock, a member of the European Parliament, and a supporter of South African accession to the Lome Convention, chastised the EU saying "How can it be acceptable that we see an import taxes of 11p on South African melons compared to 0p on Turkish melons, 0p on Venezuelan melons and 0p on Costa Rican melons?" The South African negotiating position calls for any trade deal to be asymmetrical, that is, the EU should open up a significantly greater percentage of its markets to South Africa than South Africa would be required to open to the EU. Also, the EU should pay more attention to the impact of a trade agreement on the wider region of the South African Development Community, which plans an internal free trade area in eight years. In addition, South Africa wants the EU to revise its stance excluding 40% of South African farm imports from EU markets, saying that such a position is inconsistent with WTO rules. The next round of talks is scheduled to be held in Brussels next month.

"Pretoria Fails to Advance EU Talks," FINANCIAL TIMES, January 28, 1997; "South Africa Urges Rethink of EU Trade Stance," REUTER, January 21, 1997; Glenys Kinnock MEP, FINANCIAL TIMES, January 17, 1997.

US Blocks WTO Shrimp Panel

The United States blocked a bid by Thailand and Malaysia for a World Trade Organization dispute resolution panel to rule whether a US ban on shrimp imports violates WTO trading rules. The two countries hold that the ban is an attempt by the United States to apply domestic environmental laws outside its borders. Australia, Japan, the EU, Mexico, Colombia, Pakistan and India support Thailand and Malaysia in its request for a panel. The US shrimp ban was implemented in the middle of 1996 against countries using fishing methods that entrap sea turtles. Sea turtles are internationally

recognized as being in danger of extinction. The US had instituted the ban in response to a US International Trade Court ruling calling for shrimp embargoes against countries whose sea turtle protection programs are not certified by the State Department. The International Trade Court revised its ruling in November, such that shrimp may now be imported from countries that are not certified provided that shrimp is harvested in an aquaculture facility where shrimp spend at least 30 days prior to harvest, or if the shrimp are harvested with mechanical nets that would not require turtle excluder devices under the US program. Environmental groups last year won a ruling from the New York International Trade Court that shrimp caught without the nets could not be imported in the US. While Thailand had the ban lifted by the US last year after ensuring that its fleet was equipped with the mechanical nets, it stated that it was staying in the case to support Malaysia and to defend the principle that one nation's laws should not be applied to others. The US maintains that the protection of the environment, and especially of internationally recognized endangered species like the sea turtle, is a global concern. The situation has WTO trading rules in an apparent conflict with United Nations conventions on the environment. Thai and Malaysian trade officials have made it clear that they will renew their request for a WTO panel under at its next session.

“US Blocks Asian Bid for WTO Panel On Shrimp Ban,” REUTER, January 22, 1997; “US Facing WTO Panel Request Against Wild Shrimp Embargo,” INSIDE US TRADE, January 17, 1997.

Mexico Plans EcoLabeling Program

Mexico plans to issue an ecolabeling standard for bottles and packages in 1997. Mexico will study the issue in the private and academic sectors during the year, considering complications that will arise if the EU issues labeling procedures which are different from the US. This could force Mexican companies to carry both labels and create higher costs to businesses, a National Institute of Ecology Official said. Bottles and other product packaging total 25-30% of garbage found in Mexican municipal landfills in volume and 15% in weight.

“Mexico Examining Creation of Standard on Eco-Labeling on Bottles, Packages,” INTERNATIONAL ENVIRONMENT REPORTER (BNA), January 22, 1997.

Resources

WTO AGREEMENTS AND COMMITMENTS ON CD-ROM: Contains all the agreements of the Uruguay Round. Data is divided into three sections: Legal texts governing trade in goods, services and trade-related aspects of intellectual property(TRIPs); goods commitments; and services commitments and exemptions, including software for searching and making comparisons. Order from the World Trade Organization, Rue de Lausanne 154, CH-1211 Geneva 21, Switzerland: 41/22/739/5208; Fax: 41/22/739/5792; Email: publications@wto.org. SF 1,000 for single user, SF 2,000 for LAN license.

WTO BULLETIN ON TRADE AND ENVIRONMENT: Work of the WTO Committee on Trade and Environment (CTE) is reported in detail in this publication. Subscriptions from to the Information and Media Relations Division, WTO, 154 rue de Lausanne, 1211 Geneva, Switzerland.

A HANDBOOK FOR OBTAINING DOCUMENTS FROM THE WORLD TRADE ORGANIZATION, John Barlow Weiner and L. Brennan Van Dyke, Center for International

Environmental Law (CIEL). Practical information on gaining access to WTO documents: How to find out whether a document is restricted or unrestricted, recommendations for NGOs, and contacts at the WTO. Order from the International Center for Trade and Sustainable Development, 13, chemin des Anémones, 1219 Châtelaine, Geneva, Switzerland. Phone: +41/22/979/9492; Fax: +41/22/979/9093. Email: MAH@hg.iucn.org.

AGRICULTURE AND ENVIRONMENT FOR DEVELOPING REGIONS, Royal Tropical Institute. A monthly journal containing abstracts from literature concerning agricultural development, environmental management, production and processing in developing rural areas of Africa, Asia, the Pacific, Latin America and the Caribbean. Also available on CD-ROM. Order from Sarah Cummings, Information, Library and Documentation, Mauritskade 63, 1092 AD Amsterdam, The Netherlands. Phone: +31/20/5688/711; Fax: +31/20/6654/423. Email: IBD@support.nl. Dfl \$525 (@US\$840.00)..

INTERNATIONAL TRADE AND THE MONTREAL PROTOCOL, by Duncan Brack. This report examines the interaction between international trade and environmental protection with regard to the Montreal Protocol on Substances that Deplete the Ozone Layer. Examines the effectiveness of the Montreal Protocol as a model for multilateral environmental agreements, and threats posed to it from non-compliance and illegal trade. It also considers problems encountered by developing countries looking to participate in the regime. Order from Plymbridge Distributors Ltd, Estover Road, Plymouth PL6 7PZ, UK. 44/0/1752/202/301; Fax: 44/0/1752/202/333.

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