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TO BAN OR NOT TO BAN - AFRICAN COUNTRIES DIVIDED OVER ELEPHANT TRADE

African countries are divided over whether to re-allow international trade in ivory products. In this emotionally charged issue, the majority of African countries support upholding the ban, while three - Botswana, Namibia and Zimbabwe - are proposing it be lifted when the Parties to the Convention on International Trade in Endangered Species (CITES) meet next week in Harare, Zimbabwe. Zimbabwe, backed by Namibia and Botswana, has proposed that CITES downgrade the African elephant from Appendix I to Appendix II of the convention, taking it off the endangered species list. "No elephant has to be killed for what we want to do," says a Namibian environment ministry official. What is proposed is that a portion of stockpiled ivory- confiscated from poachers during the eight years since trade in ivory has been banned- be sold to Japan in an effort to fund continued wildlife conservation efforts and rural development. South Africa, as well, is interested in seeing the limitations on white rhino product relaxed to allow trade in rhino horn. Rhino horn is in great demand in the Far East- although South Africa says it would postpone selling rhino horn until trade can be adequately controlled.

Some conservationists fear that lifting the ban-- even mere talk of it will lead to rampant poaching. Further, ban proponents say there is more money for African countries in tourism than in ivory, pointing out that tourism brings over \$200 million dollars a year to Zimbabwe alone. They also argue that there are inadequate controls in place to distinguish ivory from elephants from different countries, so that it would be extremely difficult to track where elephant tusks originated.

Zimbabwe argues that as a poor country, it needs the revenue from the ivory to fund its highly successful conservation program. The African elephant population is growing to the point that there are too many. Zimbabwe argues that it is the poorest people, living on marginal land in the wilderness, that stand to benefit most from re-allowing trade in ivory. As population expands into the wilderness area, people come up against elephant herds which trample on their subsistence crops and destroy homes. These communities, Zimbabwe argues, should enjoy some economic benefit from having to share land with them.

It is another question whether the money to be made from trade in ivory will ever reach the poor population, as hunters and traders line up for their lion's share.

The proposals from the three countries and other issues related to African ivory stocks and elephant conservation will be discussed on June 5 and 6 at the second Elephant Range State Dialogue. The meeting will be convened by IUCN-World Conservation Union and the CITES secretariat. Representatives of 37 African states as well as some of the world's foremost experts are expected to attend.

"Tusks and Horns and Conservationists," THE ECONOMIST, May 31, 1997. "Africa Splits Over Ivory Trade;" "The Great Ivory Debate," MAIL & GUARDIAN (South Africa), May 23, 1997.

EU AND U.S. AGREE ON INSPECTIONS

The United States and European Union last week reached a preliminary agreement providing mutual recognition of inspection, testing and certification of goods. The plan will encompass information technology and telecommunications equipment, pharmaceuticals, medical devices and recreational boats-which combined account for \$40 billion a year in transatlantic trade. Under the agreement, U.S. and EU regulatory agencies are to recognize each other's safety certifications so that a product need only be tested once before being exported. U.S. officials estimate that the agreement, which took two years of negotiations, will reduce certification burdens that cost the industries involved over \$4 billion annually. One of the toughest obstacles to reaching an agreement concerned the primacy of the U.S. Food and Drug Administration (FDA) in certifying the safety of European drugs and medical devices. The two sides reached a compromise on the issue wherein they agreed to set up a joint curriculum for training EU and U.S. inspectors on standards and certification. In exchange, U.S. Trade Representative Charlene Barshefsky said that the EU agreed to recognize the FDA as an independent agency which "cannot be over-riden or over-ruled." The 15 EU governments and U.S. regulatory agencies must still approve the mutual-recognition plan. If passed, the deal would encompass the entire U.S. market-requiring that state and local authorities be bound by the mutual-recognition pact as well as federal agencies-a clause particularly sought after by the EU.

"The Hague: EU and U.S. Agree Plan to Cut Red Tape," FINANCIAL TIMES, May 29, 1997; "Normes Industrielles: Accord Transatlantique," LE FIGARO, May 29, 1997; "U.S. Reaches Long-Awaited Pact With EU On Inspections," INTERNATIONAL HERALD TRIBUNE, May 29, 1997.

EU GOES TO WTO ON INDONESIA CAR POLICY

The European Union requested a WTO dispute panel on May 23 to rule on whether Indonesia's national car policy is in compliance with WTO rules. The request was made at a meeting of the WTO Dispute Settlement Body (DSB). Indonesia immediately rejected the request, as procedure allows, saying that there is still "a possibility of a settlement." The EU is allowed to ask at the next (June 25) or subsequent DSB meeting for a panel to be formed, at which time rules call for the automatic formation of such a panel. The EU and Indonesia held unproductive consultations in November and December 1996, after the EU, U.S. and Japan filed a complaint with the WTO saying Indonesia's national car policy discriminates against foreign competitors. The Indonesian car regime gives its designated "national car maker" Timor Putra Nasional exclusive exemption from hefty tariffs and luxury-sales taxes, and the right to import up to 45,000 sedans from the South Korean plant of its joint-venture partner, Kia Motors Corp., until an Indonesian plant is operational. Japan, the EU and the U.S. complain that the regime discriminates against existing or planned auto-assembly investments in Indonesia by companies other than Timor Putra. Ford and General Motors have both dropped plans to build in Indonesia until the

national car program is dropped. A GM spokesman said that Indonesia "Gave the national car program all the tax breaks and made everybody else totally uncompetitive." Indonesia's minister of industry and trade maintains that the national car program is in line with WTO rules which allow developing countries to offer infant-industry protection to ventures like the car program, saying the country has until 2000 to make changes to its trade and economic policies. The EU previously filed a similar request with the WTO over Brazil's car policy. In a press statement the EU said that "both regimes result in trade discrimination contrary to a number of WTO provisions and, in particular, to the Trade-Related Investment Measures (TRIMs). If unchallenged, [the two countries' regimes] would create a precedent for other WTO partners wishing to develop their local automotive manufacturing at the expense of European exporting interests." At press time, Japanese officials were set to call for a WTO panel as well, citing no progress made in consultations. The national car program is having problems on the domestic front as well, as sales have fallen short of expectations due to quality problems, disappointing resale value and consumer skepticism about the viability of the program.

"Indonesia's 'National' Car Stalls," INTERNATIONAL HERALD TRIBUNE, May 27, 1997; "European Union Takes WTO Action Over Indonesia's Car Policy," EU PRESS RELEASE, May 23, 1997; "EU Asks For WTO Panel on Indonesia Car Policy," REUTERS, May 23, 1997.

METALWORKERS UNION FORGING AHEAD IN DEVELOPING COUNTRIES

The International Metalworkers Federation (IMF) last week announced a program to organize workers in developing countries. The IMF is an umbrella organization encompassing more than 175 unions in 91 countries, representing 20 million metalworkers in aerospace, steel, automotive and machine tool manufacturing. Traditionally dominated by unions in Europe, Japan and North America, the federation has seen a dramatic shift in membership growth over the last few years-with unions adding 2 million new members in developing nations since 1993. The program is designed to offset the influence of multinational corporations in developing countries and to bring international pressure on companies involved in disputes with workers by building a global network of metalworkers. "We have to respond [to the challenge of globalization] by having much better trade union cooperation all over the world. It is not enough that we organize ourselves in individual countries," IMF general-secretary Marco Malentacci said. IMF officials cite as an example of international union cooperation the Bridgestone-Firestone dispute settled last December after walkouts and demonstrations were held in Latin America and Europe in support of striking workers. "It sent a message to multinationals that workers could unite across borders and impact productivity and market share," a steel-industry official said. The federation's first step towards globalization is to organize 2,500 workers at a General Motors plant in Thailand; a move supported by U.S. and German auto workers unions.

"Metalworker Union's Aim: Globalization," JOURNAL OF COMMERCE, May 28, 1997.

OECD AGREES TO CRIMINALIZE BRIBERY

OECD ministers agreed last week at its Paris ministerial meeting to work toward the criminalization of bribery by the end of 1998. The ministers approved the Revised Recommendation on Combating Bribery in International Business Transactions, calling for OECD countries to adopt national laws subjecting companies to criminal penalties for offering kickbacks to foreign officials to win contracts. The agreement also calls for the elimination of tax-deductibility of bribes (legal in Germany and France) and standardization of accounting procedures across OECD countries. The U.S., whose Foreign Corrupt Practices Act of 1977 makes bribery of foreign officials by U.S. companies illegal, had been pushing for

OECD countries to adopt similar legislation on bribery for more than two years. Germany, France, Spain and Japan argued that only an international convention could solve the issue. Critics called this tactic a foot-dragging measure, particularly in Germany and France where bribery is legal and tax-deductible. The agreement does not stop companies from bribing other companies, although as noted above such bribes would no longer be deductible. While the measure does achieve its goal of criminalizing bribes to public officials, it will still be difficult to monitor and stop the softer types of bribes like a bottle of whisky given to an official at holidays or tickets to sporting events.

"Acuerdo Para Combatir La Corruption," EL PAIS, May 27, 1997; "OECD Members To Negotiate Convention On Criminalization of Bribery," INSIDE U.S. TRADE, May 30, 1997; "OECD Agrees to Criminalize Bribery, U.S. Averts Conflict With Other Members:" INTERNATIONAL TRADE REPORTER, May 28, 1997; "L'OCDE Part en Guerre Contre la Corruption a L'Export," LE FIGARO, May 27, 1997.

MILLENNIUM ROUND OF TRADE TALKS?

A new round of world trade talks in the year 2000 was a hot topic of conversation at last week's meeting of Organization for Economic Development and Co-operation (OECD) ministers. European Trade Commissioner Sir Leon Brittan told reporters last week that many OECD ministers showed great enthusiasm for the idea of a millennium round of talks and that the meeting yielded some "dramatic, unexpected and welcome developments" around the idea. Mexico, Australia, New Zealand, the Czech Republic, Switzerland, Germany, France, Portugal and Britain are the most enthusiastic about a millennium round, while the U.S. remains notably silent on the issue thus far. Australian Minister for Trade Timothy Fischer qualified his country's support for the idea of new talks by saying that Australia is "prepared to give it consideration, but on the understanding that agriculture comes into it- no 'ifs' no 'buts.'"

"Brittan Espere Un Nouveau Round de Liberalisation du Commerce," LA TRIBUNE, May 28, 1997; "Idea of New World Trade Talk Round Gains-Brittan," REUTERS, May 27, 1997; "WTO Chief Sees New Millennium Round Gaining Ground," REUTERS, May 26, 1997.

EVENTS/RESOURCES

Fifth Annual World Bank Conference on Environmentally and Socially Sustainable Development- Partnerships For Global Ecosystem Management: Science, Economics and Law: October 6-8 1997, Washington, D.C. For more information contact The World Bank, ESSD5, Room S7-040, 1818 'H' Street NW, Washington D.C., 20433 USA.

Swiss Coalition News: A quarterly newsletter from the Swiss Coalition of Development Organizations. For subscriptions/further information contact Swiss Coalition of Development Organizations, Monbijoustr. 31, PO Box 6735, CH-3001 Berne, Switzerland. Ph: +41/31/381/1711; Fax: +41/31/381/1718; E-mail: scoalition@igc.apc.org

Summary Report on the WTO Symposium on Trade, Environment and Sustainable Development. Published by the International Institute for Sustainable Development as volume 5, #1 of Sustainable Developments. Available in ASCII and PDF formats at: <http://www.iisd.ca/linkages/> Ph: 1/204/958/7700; Fax: 1/204/958/7710.

Report of the ad hoc group on the Berlin mandate on the work of its sixth session, Bonn, 3-7 March 1997. "Proposals for a protocol or another legal instrument". Published by United Nations, Framework Convention on Climate Change. 22 April 1997. Ref: FCCC/AGBM/1977/3/Add.1

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