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AFRICAN COUNTRIES URGED TO RESIST MILLENNIUM ROUND

Trade negotiators from 21 African countries met last week in Harare, Zimbabwe, for a five-day workshop held in preparation for the second WTO Ministerial meeting next May. The workshop was organized by the International South Group Network to assist in the development of a common African agenda for the multilateral trade negotiations ahead. Yash Tandon, Director of the International South Group Network, said African countries had mostly been "takers" rather than "makers" of international decisions and needed to develop a coherent common position to defend the region's interests in the era of globalization. The Organization for African Unity has scheduled a ministerial-level conference from April 6-9 to prepare for the May WTO meeting.

Zimbabwe's Industry and Commerce Minister Nathan Shamuyarira urged African nations to reject calls from developed countries for a so-called Millennium Round of trade talks. "We would not like to be engaged in a new round of talks before we have fully implemented the Uruguay Round results. We do not want to carry the imbalances and marginalization of developing countries into the new millennium," Mr. Shamuyarira told workshop participants. Referring to the May WTO Ministerial and the 50th anniversary celebration of the multilateral trading system, Mr. Shamuyarira noted strongly that "The point must be stated clearly that most developing countries have nothing to commemorate or celebrate on the trading events of the last 50 years."

Statistics presented at last week's workshop showed that Africa has benefited least from trade liberalization and globalization. African countries account for just two percent of the total value of world trade, according to the statistics. This compares to 17 percent for Asia-Pacific, excluding Japan.

"African countries prepare for world trade meeting," PANAFRICAN NEWS AGENCY, March 30, 1998;
"Africa urged to reject new items at trade talks," REUTERS, March 30, 1998.

U.S. SHRIMP EMBARGO VIOLATES TRADE RULES: U.S. URGED TO PURSUE CO-OPERATIVE MULTILATERAL MECHANISMS

The final panel ruling on the US shrimp import ban was circulated to the parties in the dispute on 6 April. It confirms the panel's interim finding that the embargo is contrary to GATT Article XI.1, which prohibits the use quantitative trade restrictions other than duties, taxes or charges. It also upholds the interim finding that it is not justifiable under the Article XX general exemptions which the U.S. had invoked in its defence.

The U.S. ban concerns wild shrimp imports caught without the use of so-called turtle excluder devices (TEDs allow sea turtles to escape from nets cast to harvest shrimp.) The measure is based on the U.S. Endangered Species Act, which requires that all imported shrimp be certified as caught with this particular method in order to protect endangered sea turtles. Thailand and Malaysia brought the case to the WTO after the U.S. instituted the ban in 1996, and were later joined by Pakistan and India.

The panel ruling emphasizes that global environmental concerns should be addressed through multilateral solutions, such as international environmental agreements. It also finds that the Article XX exceptions cannot cover measures that threaten the multilateral trading system. Conditioning market access on other countries' adopting similar policies as the U.S. would constitute such a threat, the panel concluded.

Overall, the panel stressed the preference for a multilateral solution by "consider(ing) that the best ways for the parties to this dispute to contribute effectively to the protection of sea turtles in a manner consistent with WTO objectives, including sustainable development, would be to reach co-operative agreements on integrated conservation strategies covering, inter alia, the design, implementation and use of TEDs while taking into account the specific conditions in the different geographic areas concerned."

Calling the report "narrowly cast," U.S. Trade Representative Charlene Barshefsky said that the panel seemed to "have taken the view that the application of the law was overly broad in this area and might subject exporting nations to contradictory conservation requirements."

World Wildlife Fund called on the U.S. to take up the EU Trade Commissioner's proposal to hold a high-level political meeting next fall to "break the logjam" on environmental issues in the WTO. Other environmental organizations from around the world have suggested that this is a prime opportunity for the U.S. to understand the significance of ratifying the Convention on Biological Diversity --of which 167 countries are parties-- and which might offer an adequate venue for dealing with sea turtle protection.

United States - import prohibition of certain shrimp and shrimp products: Report of the panel; USTR Barshefsky responds to WTO shrimp-turtle report, USTR PRESS RELEASE, April 6, 1998; Statement in response to the WTO shrimp-turtle ruling, WWF-U.S. PRESS RELEASE, April 6, 1998; ICTSD Internal Files.

DSB: INDIA ASKS FOR MORE TIME ON INTELLECTUAL PROPERTY REFORM

On March 25 the United States agreed to an additional three weeks of talks with India to work out an agreement on how much time India will be given to revise patent legislation for pharmaceutical and agricultural products. Indian government officials cited the recent elections and realignment of the government there as reasons for requesting an extension on bilateral talks. The WTO Dispute Settlement Body (DSB) on January 16, 1998 found India in violation of its obligations under the global agreement on Trade Related Aspects of Intellectual Property Rights (TRIPs) for failing to set up a so-

called 'mailbox' system for receiving patent applications in the interim period while India crafted domestic patent protection legislation.

The U.S. and EU are expected to pressure India on its intellectual property rights when the WTO conducts a policy review on India early this month. There are increasing calls from within India as well to implement strong intellectual property protection. The recent case of a U.S. firm patenting the name "Basmati" for U.S.-grown rice highlighted the problem of foreign firms profiting from India's rich agricultural and biological resources.

Also at the DSB, an appeals panel last week upheld an earlier ruling favoring the U.S. in its dispute with Argentina over specific duties on apparel and textiles imports. The U.S. complained that a three percent statistical tax imposed by Argentina violated WTO rules that limit non-tariff charges on imports to a rate no greater than a government's cost to provide services to importers. The ruling did narrow the scope of the U.S. win by finding that the use of specific duties--rather than ad valorem tariffs--does not in itself constitute a violation of trading rules. It only constitutes a violation if the specific duties applied exceed its binding WTO commitments.

In related news, the DSB chairman asked member countries to submit suggestions for changes they would like to see in the dispute settlement process. Countries may submit ideas up until the May 18-19 Ministerial meeting in Geneva. As part of its built-in agenda, the WTO is to conduct a full review of dispute settlement rules and procedures by the end of 1998. The handling of interim rulings on disputes is sure to attract a number of suggestions for improvement. Trade officials inside and outside the WTO have complained that parties involved in the disputes routinely leak interim rulings, which are supposed to be held confidential. This has prompted calls for interim rulings to be made public or perhaps discontinued.

"U.S. allows more time for talks with India on WTO timetable for altering patent laws;" WTO members asked to submit suggestions on dispute settlement," INTERNATIONAL TRADE REPORTER, April 1, 1998; "Patent acts to cover pharmaceutical, chemical units soon," ECONOMIC TIMES (India), March 31, 1998; "U.S., EU may pressure India on IPR in WTO's trade policy review," ECONOMIC TIMES (India), March 29, 1998; "La OMC fallo en favor de la Argentina," LA NACION (Buenos Aires), March 28, 1998; "WTO panel upholds ruling on Argentina tax, US says," REUTERS, March 27, 1998.

FRANCE OPPOSES PROPOSED EU-US TRADE AGREEMENT

France last week expressed strong opposition to the so-called New Transatlantic Marketplace agreement with the U.S. The proposal, put forward by European Trade Commissioner Sir Leon Brittan, is intended to eliminate technical barriers to trade between the EU and U.S., as well as reduce tariffs and relax restrictions in services, investment and intellectual property. France has criticized the proposal since it was first floated in mid-March: it more formally expressed opposition to the plan last week at a meeting of the EU Council of General Affairs.

France argued that the proposal's provision for a bilateral dispute resolution process to be established between the EU and U.S. would undermine the WTO dispute resolution process. In addition, France questioned how the EU-U.S. agreement on services would relate to WTO negotiations on services, expected to proceed in the next few years. France also reiterated its position that current EU-U.S. trade disputes--such as the disagreements over hormone treated beef imports and the controversial U.S. Helms-Burton legislation--should be settled before expanding trade between the two sides.

While other EU members questioned the proposal's WTO-compatibility as well, only France opposed the proposal outright. Other EU member states questioned whether the proposal could gain U.S. support in its current state since it excludes the possibility of negotiating agricultural subsidies, an issue the U.S. is eager to address.

Since proposing the New Transatlantic Marketplace, Sir Leon has admitted that the proposal is geared toward generating interest in another of his ideas: that of a new round of global trade talks. The Council of Ministers, including France, agreed last week to push for a so-called Millennium Round of trade talks at the May WTO ministerial meeting. The Council said in a statement "the best prospect for global growth and successful future WTO negotiations is through a comprehensive, wide-ranging approach starting from 2000." The idea for a Millennium Round, however, is sure to meet resistance from developing nations who want more time to assess the impacts of the Uruguay Round of global trade talks.

"La France isolee sur le projet d'accord Europe-Etats-Unis," LA TRIBUNE, March 31, 1998; "Leon Brittan marque des points contre Paris," LE FIGARO, April 1, 1998; "EU member states question WTO compatibility of trade initiative," INSIDE US TRADE, April 3, 1998; "French draw line in the sand on trans-Atlantic trade initiative;" "EU ministers will back new round of multilateral trade negotiations in 2000," INTERNATIONAL TRADE REPORTER, April 1, 1998.

EU TELLS U.S. IMPLEMENTING WTO BEEF RULING WILL TAKE YEARS

The EU on March 26 told the U.S. it might take as long as four years to implement the recent WTO ruling on the EU ban on hormone-treated-beef imports. According to informed sources, the EU said at a WTO meeting last week that it would take two years to conduct a scientific risk-assessment on whether consuming beef treated with growth hormones poses a risk to human health. The EU said it would then need two years to make any necessary legislative changes to the ban. The EU, however, did not commit to lifting the ban even if a new risk assessment showed no risk to humans. The EU said the two-year risk assessment period could be significantly shortened if the U.S., Canada, New Zealand and South Africa would share data relevant to the EU study. The U.S. has not formally responded to the EU on last week's announcement, but it is likely to reject the EU plan. The WTO ruled in January that the EU ban on hormone-treated beef imports was not based on adequate scientific evidence and so violates international trading rules.

Separately, the European Agricultural Council of Ministers voted March 31 to postpone until January 1999 a ban on products containing specified risk material (SRM), which the EU believes to carry a high risk of bovine spongiform encephelopathy (BSE), or mad cow disease. Ministers asked the European Commission to devise a new plan for dealing with SRMs, which are used in the manufacturing of pharmaceuticals and cosmetics. The Commission had called for the ban to be repealed after failing to revise the original ban proposal to ministers' satisfaction. Ministers are split between those states which have experienced cases of BSE and believe the Commission's revisions thus far have been too lenient, and other EU states which remain opposed to the ban who argue that their cattle products are BSE free.

"Frankly speaking, the decision today makes no sense," said a Commission spokesman. "The Council has continuously rejected Commission measures to amend the ban. Now we called for them to repeal it so we could come back with a new proposal. Instead they decide to postpone it." The U.S. has said it will file a complaint with the WTO should a ban ensue.

EU agricultural ministers also began last week discussions on proposed reforms to the Common Agricultural Policy. Nearly all of the 15 ministers representing EU states find fault with aspects of the proposals. French agricultural official Jean-Francois Hervieu echoed many reform critics inside and outside Europe by saying the proposed CAP reforms lack strategic vision for the future of European agriculture. Farm groups protested the reforms outside the EU building in Brussels while ministers debated inside.

"EU says response to WTO panel on hormones may take four years," INSIDE US TRADE, April 3, 1998; "EU farm ministers delay SRM ban again; asks Commission to devise new proposal," INTERNATIONAL TRADE REPORTER, April 1, 1998; "PAC: les agriculteurs rejettent la reforme," LE FIGARO, March 31, 1998; "La mayoria de los Quince critica la nueva agricultura europea que propone Fischler," EL PAIS, April 1, 1998.

UPDATE: CHINA WTO ACCESSION

China and the European Union last week displayed renewed solidarity in moving China's accession to the WTO forward. Meeting at the first-ever EU-China summit, China reassured the EU of its commitment to joining the WTO, evidenced by new industrial tariff cuts, and pledged to make more progress on its bid in the coming months. An EU spokeswoman said the summit talks had "changed the atmosphere," and marked the "start of a new era," in EU-China relations.

The European Commission issued a communication on China on March 25 in which the Commission said the EU remains "one of the keenest advocates of China's early accession to the WTO." The Commission paper said early accession would be possible through the use of transition periods for meeting WTO commitments in the areas of intellectual property, procurement and customs, and standards. The paper also outlined a process of EU-Chinese cooperation aimed at helping China adapt to its WTO membership during the transition periods.

The Commission paper did point out a number of areas in which "sustained efforts" are needed by China in order to secure WTO membership. These included meeting WTO principles with respect to transparency and national treatment of foreign companies; offering "real" market access for industrial and agricultural goods; opening China's financial sector; rapid implementation of the WTO agreement on intellectual property; and China's joining of the WTO Agreement on Government Procurement. These are ambitious goals for China and areas in which it has remained far apart in bilateral accession discussions with the U.S.

The working party on China's accession to the WTO next meets April 10 in Geneva. China is expected to table a revised tariff offer at that time.

"Communication from the Commission: building a comprehensive partnership with China," March 25, 1998; "China: Commitment to joining WTO," FINANCIAL TIMES, April 3, 1998.

FTAA: GROUPS DEMAND ACTION ON WOMEN'S ISSUES

The Women's Leadership Conference of the Americas (WLCA), representing over 100 women's groups throughout the Americas, called for concrete action at this month's Summit of the Americas to improve the status of women through the Free Trade Area of the Americas (FTAA). WLCA issued a communiqué

on March 27 expressing frustration over the lack of progress on commitments to women's issues since the first Summit of the Americas in 1994. The communiqué called for special attention to be paid to four major areas: increasing women's educational opportunities; advancing women to positions of power and influence in the Americas; stopping violence against women and protecting women's rights.

The communiqué went on to demand that all governments "should put in place a transparent, standardized process to collect statistical data on women's position in society," and called for a prominent non-governmental commission to be established to oversee the process. The communiqué noted that pledges were made at the 1994 Summit of the Americas to strengthen the Inter-American Commission of Women, part of the Organization of American States (OAS). The Commission on Women is supposed to ensure that OAS programs are sensitive to gender issues, but according to one OAS official, it has been so marginalized under the OAS that it should probably be taken out from under OAS auspices.

"Women call for action at Santiago summit," TERRAVIVA, March 27, 1998.

EVENTS/RESOURCES

WTO MINISTERIAL CONFERENCE - 50TH ANNIVERSARY (18 - 20 MAY): Please note that the dates for both events have been modified. The final dates will be as follows: the WTO Ministerial on 18th and 20th; the 50th Celebration on the 19th. Confirmation of these dates will be posted at the WTO site at <http://www.wto.org>

WORKSHOP ON PARTICIPATORY NATURAL RESOURCE MANAGEMENT IN DEVELOPING COUNTRIES: This meeting will be held from 6 - 7 April in Oxford, UK. For more information contact Bhaskar Vira, Oxford; tel: +44 - 1865 - 2846; fax: +44 - 1865 - 2708; e-mail Bhaskar.vira@mansfield.oxford.ac.uk

OECD: The High-Level Meeting of the Development Assistance Committee will be held from 8 - 9 April 1998. For information contact: OECD, 2 rue André Pascal, 75775 Paris Cedex 16, France; tel: + 33 (0)1 45 24 81 19; fax: +33 (0)1 45 24 80 07; e-mail: news.contact@oecd.org.

UNEP (ROE)/COUNCIL OF EUROPE - PAN-EUROPEAN BIOLOGICAL AND LANDSCAPE DIVERSITY STRATEGY: The Third Meeting of the Executive Bureau for the Pan-European Biological and Landscape Diversity Strategy will be held in Geneva from 7 - 8 April 1998. e-mail: iuc@unep.ch; Internet: <http://www.unep.ch/>.

WTO MEETINGS: April 8: WP on China; April 16 and 17: Trade Policy Review (India). For more information contact WTO information via email at enquiries@wto.org.

UNCTAD AFRICAN REGIONAL SEMINAR ON COMPETITION LAW AND POLICY, 21 – 23 April in Cairo, Egypt. For more information contact: Office of the Secretary of the Board, tel: (41-22) 907 50 07; fax: (41-22) 907 00 56; e-mail: Awni.Behnam@unctad.org.

INTERNATIONAL INSTITUTE FOR SUSTAINABLE DEVELOPMENT (IISD) has published an online sustainable development timeline outlining the history of sustainable development, complete with relevant links, at <http://iisd1.iisd.ca/rio+5/timeline/sdtimeline.htm>.

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