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### **FTAA, PEOPLE'S SUMMIT AND CUBA**

In a parallel meeting to the Summit of the Americas, more than 800 hemispheric non-governmental organizations met the week of April 13 in Santiago, Chile to develop recommendations for the Free Trade Area of the Americas (FTAA) negotiations which were formally launched by hemispheric leaders on April 18-19. The so-called People's Summit of the Americas addressed the issues of economic integration and free trade with respect to the environment, labor issues, human rights, women, and rural farmers.

A number of recommendations emerged from the summit. Labor groups called for a working group on labor issues to be established as part of the trade negotiations committee. There were further recommendations regarding biodiversity and intellectual property rights wherein groups called for the FTAA to give precedence to the rights of local communities to biodiversity resources and knowledge. Environmental groups called for international environmental agreements to take precedence over trade and investment regulations within the FTAA. Environmentalists also called on FTAA negotiators to build in mechanisms to maintain and/or raise environmental standards as well as to provide for adequate enforcement of standards by all FTAA nations.

Alejandro Villamar with the Mexican Action Network on Free Trade said, "We must not let what happened in Mexico [as a result of the North American Free Trade Agreement (NAFTA)] happen to all of Latin America. Environmental protection must be strengthened in all countries of the hemisphere before the FTAA is implemented."

Separately, leaders from 15 U.S. environmental groups, including Greenpeace, the Center for International Environmental Law and Friends of the Earth, issued a statement on April 17 reaffirming their opposition to so-called 'fast track' negotiating authority for the Clinton Administration as well as opposition to moving ahead with the FTAA until adequate environmental safeguard provisions are incorporated into the free trade agenda.

The group of 15 said in their statement that their opposition is based on "four years of disastrous experience with NAFTA. . . President Clinton lost several votes for fast-track because a number of members of Congress were disappointed in NAFTA's poor environmental performance." Meanwhile, President Clinton's lack of fast-track heading into the summit may have changed the scope of the FTAA negotiating agenda. "[If the U.S. had had fast track], they would have insisted on issues [for the agenda]

that are basic for the U.S. but for Latin America are either not acceptable now or not in the form in which the U.S. was proposing them," a Chilean official said. At the summit, the Action Plan that hemispheric ministers agreed upon included not just trade issues but education, poverty and drugs.

According to one summit review group, this focus makes for "a kitchen sink of many more initiatives than the inter-American system can seriously tackle. Too many initiatives lack clear targets, timetables, resources and accountable mechanisms for follow-up."

There was significant division at the summit between the U.S. and its hemispheric trading partners on the issue of integrating Cuba into the regional economy. Brazilian President Fernando Henrique Cardoso called on Cuba to implement appropriate reform to take part in hemispheric integration, with which hemispheric ministers enthusiastically agreed.

Canadian Prime Minister Jean Chretien visited Cuba last week in an attempt to build off of the recent papal visit there to encourage reform. The U.S. is increasingly isolated on the issue of Cuba, as it maintains a decades-old trade embargo while Canada, the EU, Caribbean nations and much of Latin America have established trade relations with the island state.

Also last week, the EU allowed a dispute resolution panel on the U.S. Helms-Burton law to lapse, saying it believes a resolution can be reached through continued talks with the U.S. The Helms-Burton law provides for sanctions against foreign companies investing in Cuba. The EU did say it would immediately call for a new panel should the U.S. try to take action against a European firm under Helms-Burton or another law targeting foreign investors in Iran and Libya.

"FTAA process takes on multilateral cast," DOW JONES, April 19, 1998; "US sidelined as Mercosur powers grow," FINANCIAL TIMES, April 20, 1998; "Santiago peoples summit addresses labor, environment, economic issues," INTERNATIONAL TRADE REPORTER, April 22, 1998; "EU allows Helms-Burton challenge to lapse," REUTERS, April 20, 1998; "FTAA launched, aimed at hemispheric integration," JOURNAL OF COMMERCE, April 20, 1998.

## **EU MINISTERS AGREE ON BANANA FRAMEWORK**

European Union agricultural ministers last week approved the proposed revisions to the EU banana import regime put forward by the European Commission. While divisions still exist among member countries, ministers put opposition aside for the time being and agreed to use the EC proposal as a framework with which to work in order to meet the January 1999 deadline for implementing reform. The WTO ruled last year that the current EU banana import regime violates global trade rules by discriminating in favor of imports from four Latin American countries (namely, Costa Rica, Colombia, Venezuela and Nicaragua) and from African, Caribbean and Pacific (ACP) nations, and against all other producers.

The reform proposal put forward by the EC would keep the existing 2.2 million-ton tariff rate quota (TRQ) at 75 ECUs per ton, and adds a 353,000-ton quota at 300 ECUs per ton to account for EU expansion. ACP producers would also receive technical and financial assistance to help them compete with the low-cost Latin American producers.

It was unclear prior to last week whether member states such as Germany and Sweden, which favor a tariff-only scheme, would block the proposal. At issue for the two EU states is whether the new licensing

system—details for which have yet to be worked out, will facilitate enough access to their markets for Latin American bananas. Germany and Sweden want the EC to provide more information on the specifics of a licensing plan before passing a new import regime. The EC has been reluctant to do so, wary that it would be harder to modify a licensing system in the future if specific provisions are outlined in the primary legislation passed by member states.

France, Spain and Portugal agreed to the proposal but continue to oppose the size of the TRQ for Latin American bananas, which the countries find too high.

The U.S., Ecuador, Guatemala, Honduras, Mexico and Panama last week issued a statement reinforcing their opposition to the proposal, saying the proposed EU regime remains inconsistent with WTO rules. Britain's Agricultural Minister Jack Cunningham last week stated that both the EC and the Council of Ministers' legal services find the Commission proposal compatible with last year's WTO ruling. Ministers last week also agreed to try to pass the banana legislation as early as June.

"US, Latin nations find EU banana plan unpalatable," JOURNAL OF COMMERCE, April 24, 1998; "EU members conditionally endorse commission banana proposal," INSIDE US TRADE, April 24, 1998; "EU farm ministers back outline of Commission's banana import proposal," INTERNATIONAL TRADE REPORTER, April 22, 1998; "EU calls US banana complaints 'guerrilla warfare,'" DOW JONES, April 22, 1998; "U.S., Latins Hit EU Over New Banana Trade Plans," THE HERALD (Nevis-St.Kitts), April 23, 1998.

#### **U.S. BUSINESS, ENVIRONMENTAL GROUPS DIVIDED ON SHRIMP-TURTLE CASE**

U.S. environmental groups last week urged the Clinton Administration to "immediately and vigorously appeal" a recent WTO ruling against a U.S. ban on wild shrimp imports caught without the use of so-called turtle excluder devices (TEDs). The groups went further to say that should an appeal fail, they would support a U.S. decision not to comply with the ruling. "U.S. policy mandating the use of [TEDs] is fundamentally sound and should not be changed in response to a ruling from an international body whose vision is limited by trade prerogatives," the group said. Among the 12 environmental groups supporting this approach are the Center for International Environmental Law, Earth Island Institute, the Natural Resources Defense Fund and the Center for Marine Conservation.

At the same time, the U.S. Council for International Business (USCIB) directed the Clinton Administration away from an appeal of the shrimp-turtle case, instead recommending that the U.S. step up efforts to clarify or reinterpret trade rules to move the objective of environmental protection forward within the multilateral trading system. The USCIB also harshly criticized U.S. efforts with the Committee on Trade and the Environment (CTE): CTE progress has been considered largely disappointing. Specifically, USCIB noted that the CTE has "failed utterly" to address the question of how to integrate WTO rules with multilateral environmental agreements. USCIB said the failure was "due in no small part to the [Clinton] Administration's unwillingness to show the kind of leadership the U.S. has traditionally displayed in the WTO and other international organizations."

Still other observers call for more transparency in the WTO dispute resolution process, arguing that the WTO panel refused to consider informed third party decisions which could lend valuable perspective to the rulings.

"Deaths of sea turtles create split on causes," NEW YORK TIMES NEWS SERVICE, April 18, 1998;  
"Environment and the WTO," JOURNAL OF COMMERCE, April 9, 1998; "Green groups, business press administration on trade-environment link," INSIDE US TRADE, April 24, 1998.

#### **INDIA, U.S. REACH MAILBOX AGREEMENT**

India last week announced that it had reached an agreement with the U.S. to bring its intellectual property rules into compliance with a WTO ruling within 15 months. The WTO ruled in January that India had failed to implement a so-called mailbox system for receiving patent applications for pharmaceutical and agricultural products. Under the WTO Agreement on Trade Related Aspects of Intellectual Property Rights (TRIPs), India agreed to set up a mailbox system in the interim period 1995-2000 while it built adequate intellectual property legislation. India had initially requested 17 months from the WTO ruling to put the mailbox system in place: last week India said it expected to have the mechanism set up by April 19, 1999.

In related news, India's industry minister Sikander Bakht told the World Intellectual Property Organization that India would take a "fresh look" at intellectual property rights. "Initiatives in this field are needed to dispel fears and build confidence. We have to adopt policies and adapt to changes which are in the overall interests of the people," Mr. Bakht said. Most recently, the U.S. firm Ricetec was granted a patent to sell a U.S.-grown "Basmati" rice, a variety of rice unique to a limited region of India and Pakistan--thus threatening India's brand equity on 523,000 tons of annual Basmati exports.

Further, India's rich biodiversity resources positions it for harvesting a large share of the global bio-products market: a position jeopardized by the lack of intellectual property protection guarding India's resources against patent claims by foreign firms. This has prompted an aggressive effort by the Indian government to address the lack of biodiversity and intellectual property laws. According to Mr. Bakht, the focus of these efforts "would be to enhance competitiveness of scientists and inventors to help them get world class patents."

"US, India agree on timing of settlement in WTO patent dispute," INSIDE US TRADE, April 24, 1998;  
"India may bring bill to protect farmers' rights on patents," DOW JONES, April 20, 1998; "India to overhaul patent laws: industry minister," AGENCE FRANCE-PRESSE, April 22, 1998.

#### **TRADE POLICY REVIEW BOARD FOCUSES ON SACU**

The World Trade Organization last week conducted the first trade policy review for the Southern African Customs Union (SACU). SACU is comprised of South Africa, Botswana, Lesotho, Namibia and Swaziland. South Africa is the group's most dynamic economy and as such drives the trade structure of the group. WTO members last week said that SACU's smaller economies may be underserved by the community's trade policy being dominated by South African economic interests, which the WTO said "sometimes imposes an anti-export bias on members' industries."

WTO members called SACU's external tariff scheme too complex and said it could inhibit future trade growth. "A simplified, more stable tariff structure would increase the efficiency of SACU's trade, enhance its ability to fulfill its multilateral obligations, facilitate the negotiation of new or expanded regional agreements and help SACU members attract more foreign investment," the WTO report said. SACU is currently renegotiating its relationship. At the same time, the five countries are working toward a broader regional free trade agreement as part of the Southern African Development Community.

South Africa Trade Minister Alec Erwin noted that South Africa "complies substantively with all its WTO obligations without resort to special pleading." Mr. Erwin called on the WTO to show better understanding of the needs of developing countries within the global trade body. "WTO rules should be implemented and interpreted to encourage and support the sustainable integration of developing countries into the global economic system. The creation of an inclusive multilateral trading system requires recognizing the vast differences in levels of economic and institutional development among WTO member countries," Mr. Erwin said in a statement following the WTO review.

"South African trade rules 'too complicated,'" FINANCIAL TIMES, April 24, 1998; "S. African trade hobbled by complex tariffs: WTO," AGENCE FRANCE-PRESSE, April 23, 1998; "SA needs more economic liberalization-WTO," DOW JONES, April 23, 1998; "SA urges WTO to go easy on poorer states," REUTERS, April 24, 1998.

## **EVENTS/RESOURCES**

**INTERNATIONAL WORKSHOP ON COMMUNITY-BASED NATURAL RESOURCE MANAGEMENT:** This meeting will be held from 10 - 14 May 1998 in Washington, DC. For more information contact Christopher D. Gerrard, World Bank/EDI, Room G 5-141, 1818 H Street NW, Washington, D.C., 20433; fax: + 1 (202) 676- 0977; e-mail: [cgerrard1@worldbank.org](mailto:cgerrard1@worldbank.org); Internet: <http://www.worldbank.org/html/edi/conatrem/index.htm>.

**WTO Events This Week:** 30 April: Cttee. on Anti-Dumping Practices; 1 May: Cttee. on Anti-Dumping Practices; Cttee. of Rules of Origin. 4-5 May: Cttee. on Regional Trade Agreements. 5 May: WP on Professional Services 6 May: WP on Preshipment Inspection; WP on Krygyz Republic. 7-8 May: Cttee. on Regional Trade Agreements. 8 May: WP on Chinese Taipei; Cttee on Customs Valuation. For further information, please contact the WTO at: [enquiries@wto.org](mailto:enquiries@wto.org) ; Internet: <http://www.wto.org>

**NORTH/SOUTH CONFERENCE FOR SUSTAINABLE DEVELOPMENT:** This meeting, "Solidarity for the Future," will be held from 25 - 29 May in 1998 in Bern, Switzerland. The conference is designed to address aspects of political, economic and social change that will shape North/South relations in the 21st century and give broad public exposure to the concerns of the South. For more information contact: the Swiss Coalition of Development Organizations; Monbijoustrasse 31, CH-3001 Bern, Switzerland; tel: + (41 (0) 79 412 89 72; fax: +41 (0) 31 381 1718; e-mail: [conference@swisscoalition.ch](mailto:conference@swisscoalition.ch); Internet: <http://www.swisscoalition.ch>

**NORTH AMERICAN FREE TRADE AGREEMENT-COMMISSION ON ENVIRONMENTAL COOPERATION:** The Joint Public Advisory Committee (JPAC) of the Commission for Environmental Cooperation (CEC) will meet on 7 May 1998 in El Paso, Texas, US. For more information contact: María García, tel: +1 (514) 350-4366; fax: +1 (514) 350-4314;; e-mail: [mgarcia@ccemtl.org](mailto:mgarcia@ccemtl.org).

**ENVIRONMENTAL SUMMIT '98:** The Environmental Resource Center's "Environmental Summit '98" - an environmental, health and safety exposition and conference - will be held from 11-15 May 1998 in Research Triangle Park, North Carolina, USA. Leaders from industry, government and academia will come together to jointly develop strategies for proactive compliance and future initiatives that the 21st century will require. Topics will include voluntary initiatives such as Project XL and ISO 14000, in addition to emerging issues including the National Ambient Air Quality Standards, cradle-to-grave

factors for regulated substances. For more information contact the Environmental Resource Center; tel: +1 (888) 4ES-1998; fax +1 (919) 469-4137; <http://www.ercweb.com/SUMMIT98/>

**TENTH SESSION OF THE GLOBAL BIODIVERSITY FORUM:** IUCN is co-hosting the 10th session of the Global Biodiversity Forum in Bratislava, Slovakia from 1 - 3 May 1998, immediately prior to the 4th meeting of the Conference of the Parties to the Convention on Biological Diversity. The focus of GBF 10 is tentatively on: benefits-sharing partnerships; traditional knowledge; integrating biodiversity into sectoral planning; clearing-house mechanism; sustainable use; financial mechanisms and the CBD; and inland water biodiversity. For more information contact: Caroline Martinet, IUCN-The World Conservation Union, Biodiversity Policy Coordination Division, Rue Mauverney 28, Gland 1196 Switzerland, [ccm@hq.iucn.org](mailto:ccm@hq.iucn.org). More information on the workshop and subject can be found at <http://www.wri.org>.

**WORLD MINISTERIAL ROUNDTABLE ON BIOLOGICAL DIVERSITY:** This roundtable will be held from 4 - 5 May 1998, Bratislava, Slovakia. For information contact: H.E. Mr. Jozef Zlocha, Minister of Environment, Ministry of Environment, Namestie L. Stura 1, Bratislava, 812 35, Slovakia. Tel. + 421-7-516 2455/2460; Fax +421-7-516 2557 or Zuzana; Guziova, National Secretariat for the Convention on Biological Diversity, Ministry of Environment, Hanulova 5/d, 841 02 Bratislava, Slovakia. tel: +421-7-786 581/568; E-mail: [zuzana\\_g@ba.gef.sanec.sk](mailto:zuzana_g@ba.gef.sanec.sk).

**FOURTH CONFERENCE OF THE PARTIES TO THE CONVENTION ON BIOLOGICAL DIVERSITY: COP-4** is scheduled for 4 - 15 May 1998 in Bratislava, Slovakia. For more information contact the CBD Secretariat, World Trade Centre, 393 St. Jacques Street, Montreal, Quebec, Canada H2Y 1N9; tel: + 1-514-288-2220; fax: +1-514-288-6588; e-mail: [chm@biodiv.org](mailto:chm@biodiv.org); Internet: <http://www.biodiv.org>.

**SECOND INTERNATIONAL CONFERENCE ON PRIVATE FORESTS:** This meeting will be held from 1 - 2 May 1998 in Penha Longa, Sintra, Portugal. For more information contact the Conference Secretariat; Av. Do Colégio Militar, Lote 1786, 1500 Lisboa, Portugal; tel.: +351-1-710-0000; +351-1-716- 6122.

**UNCTAD.** The Expert Meeting of the Commission on Trade in Goods and Services, and Commodities will convene from 4 - 6 May. For information contact: the 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](mailto:Awni.Behnam@unctad.org).

**FORUM GENEVA:** This meeting will be held on 16 May 1998 in Geneva, Switzerland with the theme "Multilateral Treaty-making: The Current Status of Challenges to and Reforms Needed in the International Legislative Process" organized jointly by the American Society of International Law and the Graduate Institute of International Studies, Geneva. For more information, contact ASIL Services; tel: +1 (202) 939- 6000; fax: +1 (202) 797-7133; e-mail: [meeting@asil.org](mailto:meeting@asil.org).

**NEW PUBLICATIONS:** 1. Global Governance: Drawing Insights from the Environmental Experience, edited by Oran R. Young. This edited volume addresses the workings of the spiderweb of institutions by which the international system tries to manage the forces of global environmental change—and of how it might be improved. 344 pp. US\$22.50. 2. The Implementation and Effectiveness of International Environmental Commitments: Theory and Practice, edited by David G. Victor, Kal Raustiala, and Eugene B. Skolnikoff. The contributors to this book examine how international environmental agreements are put into practice. Their main concern is effectiveness—the degree to which such agreements lead to changes in behaviour that help to solve environmental problems. 686 pp. US\$25.00. Both publications

are available from the MIT Press, Five Cambridge Center, Cambridge MA, U.S.A. 02142-1493. Books can also be ordered by calling 1-800-356-0343 or (1-617) 625-8569.

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