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WTO TRANSPARENCY DISCUSSIONS - UPDATE

ICTSD last week sent an update message to over 350 non-governmental organisations and others interested in the transparency issue. This message provides an update on the evolution of talks on transparency in the WTO, the text of the Canadian September 18 position paper on transparency and derestriction, and responses to the NGO consultation process facilitated by ICTSD. For a copy of the message, please contact ICTSD at the address below.

While WTO members held informal consultations last week on the issues of transparency and document derestriction in the WTO, most consultations on these issues are now probably taking place at the national levels, prior to next week's General Council meetings at which the issue will be specifically discussed. The agendas of the October 12 and 14 meetings only provide for discussions on the issue of document derestriction, but related issues are also likely to be addressed in the coming months. (See related story on the review of the Dispute Settlement Understanding, in this issue of BRIDGES Weekly Trade News Digest). As there is no deadline for completion of the review of the 1996 decision on document de-restriction, the whole process might only move very slowly. Thus NGOs might find it useful at this time to keep working both at the national and international levels, for increased civil society access and transparency in the WTO system.

ICTSD Internal Files.

WTO DISPUTE SETTLEMENT REVIEW

On 1 October, the Dispute Settlement Body (DSB) met in an informal session to schedule its work on the review of dispute settlement rules and procedures. The review, mandated by a decision adopted in 1994 as part of the outcome of the Uruguay Round, is due to be completed within the next few months.

Last week's meeting did not address issues of substance, but set a busy schedule for the next few months: DSB meetings on the review are likely to take place every 2-3 weeks as of mid-October. Some States - including Japan and Korea - made their views known before the summer (See BRIDGES Between Trade and Sustainable Development, Vol.2 No. 4, page 7). At the General Council meeting of 24-25 September some States referred to issues related to dispute settlement. Egypt, for instance, speaking on behalf of African States, said that the difficulties faced by African countries in effectively using the dispute settlement mechanism needed to be addressed. "Otherwise they will not be able to benefit from one of the major opportunities that is in the multilateral trading system after the Uruguay Round, namely, a strengthened dispute settlement system." India commented that while the Dispute Settlement Understanding (DSU) has several provisions for special and more favourable treatment of developing and least developed countries, these provisions remain largely as "best endeavour" clauses, not visible either in the procedure or in panel reports.

The views of the U.S. and the EU are expected to be formally submitted any day now. These delegations, as well as Canada, are known to be asking for increased openness of Panels' work, such as allowing easier access to documents and possibly even amicus curiae briefs and calling for public hearings before Panels.

ICTSD Internal Files.

ACP HOLDS FIRM AS LOME TALKS BEGIN

Negotiations for a new Lome Convention between the EU and African, Caribbean and Pacific (ACP) countries began in Brussels last week. Lome V is the successor trade and aid agreement to the current Lome IV Convention between the EU and ACP nations, which will expire in the year 2000. The EU is expected to call for an end to preferential trade arrangements for ACP imports and instead push to negotiate several distinct regional free trade agreements with groups of ACP countries. As negotiations began last week, ACP nations immediately laid their cards on the table saying that they were in no position to compete with the industrial and financial strength of the EU, noting the "fundamental reality of inequality," between the EU and ACP. "Unequal partners certainly cannot be expected to offer to European Union countries free and unrestricted access to their markets and impoverished economies," Barbados Deputy Prime Minister Billie Miller said on behalf of ACP nations. "[Lome V should provide] broadened, increased and maintained [trade access] for a sufficiently long period to prevent any disruptive effects on ACP economies," Ms. Miller said.

The EU stood pat last week in their decision to move toward a new Lome framework. "Words which are now in everyday speech like globalisation and liberalisation were not present when the last convention was negotiated. We are negotiating a new convention for a new world," EU Development Commissioner Joao de Deus Pinheiro told reporters last week. Currently, 45 percent of all ACP exports go to the EU; 55 percent of all official development assistance to ACP countries comes from the EU and member states. The EU negotiating mandate proposes that the EU negotiate regional free trade agreements with stronger ACP economies, to be phased in over a 10 year period. Mr. Pinheiro said the EU has taken its negotiating mandate in large part because Lome IV failed to alleviate poverty in ACP countries or to integrate them into the world economy. The EU wants an agreement with ACP states that would provide for ACP market liberalisation and "foster the gradual

and smooth integration of the ACP countries into the world economy and thereby promote their sustainable development."

Addressing the needs of the most fragile developing economies that could not withstand the influx of EU imports, the EU is to extend accelerated duty-free access for exports from the poorest developing countries. (This would cover about 41 of the 71 ACP nations involved in the Lome accord.) The EU will also increase financial support for private sector development.

Negotiations, which are expected to last a year, will need to address a number of issues. First, most ACP producers, to Ms. Miller's point, are not strong enough to compete with duty-free imports from the EU. Further, EU producers are not at all eager to open up their markets to ACP exports, particularly agricultural products covered under the EU Common Agricultural Policy (CAP). Also sure to be at issue, the EU negotiating mandate includes language around enhanced political dialogue with ACP countries-including provisions on human rights, arms expenditures and democratisation, that ACP countries argue comes close to foreign dictation from the EU.

"Trade/Development: 'EU proposal harms some developing countries,'" IPS, September 18, 1998; "L'Afrique a besoin d'entrepreneurs!," LES ECHOS, September 30, 1998; "L'Europe entend reduire la portée des accords de Lomé," LA TRIBUNE, September 30, 1998; "Talks starting on big shake-up in Lome pact," FINANCIAL TIMES, September 30, 1998; "EU, developing states clash on free trade," REUTERS, September 30, 1998; "Africa economy: Lome talks commence in Brussels," ECONOMIST INTELLIGENCE UNIT, October 2, 1998.

GMOS SPARK INTENSE DEBATE, AGAIN

France last month announced a suspension on the distribution of genetically modified corn seed. The suspension will remain in place while the French council of state evaluates a request from the environmental organisation Greenpeace calling for the removal of genetically modified seeds from the marketplace. Greenpeace argues that serious scientific doubts remain about the health and environmental risks associated with the use of genetically modified organisms in food production. This is the latest twist in an on-again, off-again relationship between France and the use of genetically modified organisms (GMOs) in the food chain.

France submitted the original request to the EU for the approval of two strains of GMO corn for use in EU agriculture. However, political sentiment changed in France after the request was submitted, resulting in a French attempt to block EU approval of the two corn strains. France and the U.S. subsequently became embroiled in a trade dispute over market access for GMOs, as two strains of U.S. corn containing GMOs awaited access to the European market, pending French approval. Because the U.S. does not separate traditional corn from corn containing GMOs, French opposition to GMOs essentially blocked all corn imports from the U.S. in 1998. On July 30, France announced it would approve the two GMO corn varieties, alleviating tensions--for the time being at least--between the U.S. and France over access to the EU market for U.S. corn. (See also BRIDGES Weekly Trade News Digest Vol. 2 No. 25, July 6, 1998, and Vol. 2 No 29, August 3, 1998). U.S. corn exports to the EU, almost exclusively to Spain and Portugal, are worth about US\$300 million annually.

The European Commission indicated on Tuesday France's decision to delay authorisation for the marketing of a genetically modified maize developed by Swiss chemicals giant Novartis might be

illegal under European Union law. "If (a seed variety) is on the (EU) list, no member state can prevent it being planted," Commission spokesperson Gerry Kiely told reporters. Kiely told Reuters the French move was a problem that would need resolving but he said the Commission--the EU's executive arm--was unsure whether to take action immediately or await the outcome of the French court inquiry.

In a separate development an international expert panel released the results of an 18-month review of the world's agricultural research. The panel examined all aspects of the so-called CGIAR (Consultative Group on International Agricultural Research) system, a network of 16 agricultural research centres around the world, co-sponsored by, inter alia, the World Bank, UNDP, UNEP and the FAO. The panel found that biotechnology plays an important role in global food security. The expert panel noted some key contributions biotechnology could make to food production, including producing more food on less land, reducing environmentally damaging agricultural practices and fostering more sustainable practices such as precision agriculture, integrated crop management and conservation tillage. The panel found that on average in developing countries, a US\$1 dollar increase in agricultural production delivered US\$2.32 of growth to the economy.

However, speaking at a seminar on "The Future of Agriculture in Zimbabwe: Natural or Genetic," held September 24 in Harare, several speakers took issue with the premise that biotechnology is necessary to food security. Reginald Mugwara, food security expert at the Southern African Development Community's Early Warning Unit said: "We do not know what impact this will have on our country. ... There is also an issue of disease, an element of uncertainty and human health." Patrick Mooney of the Rural Advancement Foundation (RAFI) pointed out that "Almost all the biotechnology lies in the private sector. What a gamble it would be if we relied on the private sector to feed the poor and they don't. . . . Some technology may exacerbate the rich-poor gap. We may see an exploitation of the poor by the producers of these technologies," RAFI and many environmental organisations also argue that GMOs pose a threat to local biodiversity due to pollination gene transfer and increased pest resistance to genetically engineered crops.

"Biotechnology equals food security say global blue-ribbon panel," ENS, September 28, 1998; "Zimbabwe: genetic engineering will not benefit the poor farmers," IPS, September 25, 1998; "US accused over modified food products," FT, September 29, 1998; "Dangers of genetic engineering;" "Paris suspends genetically altered seeds," FINANCIAL TIMES, September 26-27, 1998; "EU indicates French gene maize move may be illegal", REUTERS, September 29, 1998.

CORRUPTION SURVEY RELEASED, MEMBERS WARN ON FLAWS

Transparency International (TI), an anti-corruption watchdog, released last week its annual corruption perceptions index, which ranks countries by their perceived level of corruption. Many TI members as well as TI staff criticised the index for its misleading one-sided context: while the survey lists the most corrupt countries as perceived by businesses operating in those countries, it fails to point out the two-sided nature of corruption. Poorer countries--some of which rank poorly on the corruption index, complain that the index is seen as a condemnation by rich countries, when it is the rich countries that are the source of bribes.

At TI's annual meeting in mid-September, South Africa threatened to dissociate itself from the survey if TI did not reconsider its publication. Other delegations voiced their opinion that the survey was misleading. To address those concerns TI chairman Peter Eigen released a statement with the

report, saying, "The scale of corruption in many poorer countries, particularly the corruption of their elites and the negative impact of corruption on development and the plight of the most poor, would be much less were it not for illicit actions by companies with headquarters in many of the leading industrialised countries." TI has also commenced with developing a survey that would capture the sources of corruption and "shine a light on the countries that are the homes of the bribe paying corporations."

Nigeria, Tanzania, Honduras, Paraguay and Cameroon ranked worst on TI's survey of perceived-corruption, scoring sub-2 on a scale of 10 (10 being the least corrupt). Denmark ranked as the least corrupt country, with a perfect 10 score. France ranked 21st out of 85 countries, the U.S. 17th, and Canada and New Zealand ranked among the top ten least-corrupt countries. TI ranks 85 countries using data received from the World Bank, the Economist Intelligence Unit, Gallup International and the World Economic Forum.

TI said it welcomed the anti-corruption convention signed last December by members of the Organisation for Economic Co-operation and Development (OECD), which would criminalise bribery by exporters and bar firms from claiming bribes for tax-deductions. The pact has yet to be ratified. TI also called on the WTO to take action against corruption in member countries.

"WTO urged to act on trade corruption," FINANCIAL TIMES, September 23, 1998; "Bribery: which end do you measure?" INTERNATIONAL HERALD TRIBUNE, September 23, 1998; "Crisis stills apologists for corruption," INTERNATIONAL HERALD TRIBUNE, September 29, 1998; "Public corruption still is plaguing emerging nations," WALL STREET JOURNAL, September 23, 1998.

INDIA CALLS FOR HELP WITH CLEAN TECHNOLOGY

India made a strong plea for a "more benign and equitable international economic order," at the U.N. General Assembly late last month. Jaswant Singh, an Indian economic official, called for an enhanced role for developing nations in international debate on post-economic-crisis globalisation. "The developing countries have to be vigilant and single-minded in the pursuit of an enlightened way out [of the global financial crisis. The crisis affords developing countries] a window of opportunity to highlight certain other fatal flaws in the way the present international economic system has led to growing disparities in income and consumption," Mr. Singh told U.N. delegates. Mr. Singh said that a new economic order should incorporate the notion of "international public good," meaning policy making that revives the development-co-operation agenda and more fully involves developing countries in decision making. Mr. Singh said the challenge for developing nations was to "ensure that more and more people are economically empowered and become at least basic consumers."

In other news, India last month sent a letter to WTO members urging developed economies to fund cheap environmentally clean technology for developing countries. Indian Commerce Official K.M. Chandrasekhar said that before developed countries push for international trade rules on environmental import restrictions such as environmental certification or eco-labelling schemes, they should make sure developing countries can indeed manufacture without polluting. "Environmental protection really cannot be achieved unless there is a corresponding transfer of technology [from developed countries]," Mr. Chandrasekhar said. Textiles, leather and agriculture constitute a large portion of Indian exports--all three are environmentally taxing industries. The kind of technology

transfer India is calling for could be facilitated under flexible mechanism provisions in the 1997 Kyoto Protocol, which would allow a developed country to fund clean manufacturing plants in developing countries, but keep the air pollution reduction credit for itself.

In other regional news, key environmental programs in Pakistan are in jeopardy as the fall-out from nuclear test sanctions begins to be felt. While a number of ongoing projects would continue to receive funding, any new environmental initiatives remain in doubt due to funding being pulled as part of the sanctions process. More immediately, the effects of sanctions on the environment can be felt in the streets of Islamabad as 350 metric tons of garbage a day are piled in an open waste dump there, which is polluting an underground aquifer.

"India asks developed world for cheap environmental technology," DOW JONES, September 25, 1998; "India wants a bigger role for developing nations," THE ECONOMIC TIMES, September 27, 1998; "Nuclear test sanctions hurt Pakistan's environment," ENS, September 29, 1998.

IN BRIEF

Logging is slowing in the South Pacific islands, as recession-hit Asian logging companies slow down operations in the region and their customers scale back purchases. This has been a blessing in disguise for the environment, especially in places like Papua New Guinea and the Solomon islands, where green groups have long blasted Asian loggers for ruthless exploitation of pristine rainforests. But the green dividend has a painful side-effect: it has meant slashed earnings from timber exports, weakening already fragile economies. Governments and forestry industry sources are predicting gloom and doom for island economies who derive most of their export income from timber. "South pacific: Asian crisis slows logging, swells economic woes", IPS, September 25, 1998.

Kyrgyzstan will be admitted to the World Trade Organisation on October 14, becoming the 133rd WTO member and the first ex-Socialist country to join the Organisation. Kyrgyzstan's economy relies heavily on gold exports. Its imports consist mainly of oil and oil products. "Kyrgyzstan to be admitted to WTO on Oct. 14-president", REUTERS, September 29, 1998.

Tourism is emerging as a key element in boosting economic growth in the context of the global markets crisis, according to representatives of 25 World Tourism Organisation member countries who met in Mexico. Participants at the meeting of the World Tourism Organisation's Commission for the Americas stressed that tourism was one of the fastest-growing areas of economic activity. Mexican President Ernesto Zedillo said tourism in his country would push aside oil as the second major foreign exchange earner behind sales of manufactured goods, as more visitors travel to Mexico and crude oil exports fall. "Tourism: Safe from the global crisis", IPS, September 29, 1998; Economy-Mexico: Tourism income exceeds oil for first time", IPS, September 17, 1998.

Experts have completed a draft of the East African treaty to promote trade and investment between Kenya, Tanzania and Uganda, Uganda's prime minister, Kintu Musoke, said last week. The treaty, intended to promote a new partnership based on a people-centred and people-driven development, will seek to intensify co-operation within the three countries, covering private sector joint ventures and harmonisation of trade and tariff regimes. It is also aimed at facilitating faster movement of goods and harmonisation of monetary policies. Kenya, Tanzania and Uganda enjoyed economic integration and joint common services such as railways, harbours, posts and telecommunications, customs and income tax services until 1977, but political wrangling among the leadership caused

the co-operation to officially wind up in 1983. "East African treaty ready", PANAFRICAN NEWS AGENCY, September 28, 1998.

EVENTS & RESOURCES

• EVENTS

WTO Meetings:

Working Group on Transparency in Government Procurement (WTO/AIR/908), 8-9 October 1998. For information, contact: Lucie Giraud, WTO, tel: (41) 22 739 5075.

General Council Meeting, 14 October 1998. For information, contact: Lucie Giraud as above.

General Council Special Session on issues and proposals related to § 9 (a)(i) of the Ministerial Declaration, 26-27 October 1998. For information, contact: Peter Pedersen, WTO, tel: (41) 22 739 5848.

Other Meetings:

SECOND ANNUAL EUROPEAN BIOTECHNOLOGY BUSINESS CONFERENCE, 27-30 October 1998, Brussels, Belgium. For information, contact: EuropaBio, Avenue de l'Armée 6, B-1040, Brussels, Belgium; tel: (32) 2 735 0313; fax: (32) 2 735 4960; email: mail@europa-bio.be; web: www.europa-bio.be

FINANCIAL SERVICES WORKSHOP, 30 October 1998, Brussels, Belgium. This workshop, organised by the European Commission will bring together experts from the member states, the financial sector and NGOs to discuss the potential contribution of the financial sector in reaching sustainable development with the aim of identifying ingredients for future European Union initiatives in this field. For information, contact: Hans Stielstra, tel: (32) 2 299 1198, fax: (32) 2 296 3980, email: hans.stielstra@dg11.cec.be, web: www.europa.eu.int/en/comm/dg11/finserv/home.htm

INTERNATIONAL CONFERENCE ON ALTERNATIVES TO GLOBALISATION, 7-9 November 1998, Tagaytay City, Philippines. For information, contact: Conference Secretariat, International Conference on Alternatives to Globalisation, IBON Foundation Inc., 3/F SCC Bldg. 4427 Int. Old Sta. Mesa, Manila 1008, Philippines; tel (63) 2 713 2737/2729; fax (63) 2 716 0108; web: www.info.com.ph/~ibon/conference.htm

STRATEGIES AND TECHNOLOGIES FOR CONSERVATION AND SUSTAINABLE USE OF BIODIVERSITY IN WEST ASIA AND NORTH AFRICA LANDSCAPES, 7-12 November 1998, Marsa Matrouh, Egypt. This workshop will focus on strategies and technologies for conservation and sustainable use of biological diversity in plant communities in the Middle East. For information, contact: IPGRI-WANA/CA, Regional Office, c/o ICARDA, P.O. Box 5466, Aleppo, Syria; email: g.ayad@cgnet.com

5th BIENNIAL MEETING OF THE INTERNATIONAL SOCIETY FOR ENVIRONMENTAL ECONOMICS (ISEE), 15-19 November 1998, Santiago, Chile. For information, contact: Organising Committee, ISEE, University of Chile, Diagonal, Paraguay 265, Torre 15, of.1302,

Santiago, Chile; tel: (56) 2 678 2308/2272; fax: (56) 2 678 2581, email: iseeconfer@abello.dic.uchile.cl, www: www.uchile.cl/facultades/ISEE3.html

CBD WORKSHOP ON AGROBIODIVERSITY ASSESSMENT, tentatively scheduled for November-December 1998, in Rome, Italy. For information, contact: Convention on Biological Diversity Secretariat, World Trade Centre, 393 St. Jacques Street, Suite 300, Montreal, Quebec, H2Y 1N9 Canada; tel: (1) 514 288 2220; fax: (1) 514 288 6588, email: chm@biodiv.org, web: www.biodiv.org/conv/meetings.html

CALL FOR PAPERS

4th ANNUAL INTERNATIONAL WILDLIFE LAW CONFERENCE, 20 March 1999, Washington DC, USA. If you are interested in submitting a proposal for a presentation at this conference please send a brief abstract by email by October 10, 1998, to JIWLP@earthling.net or by fax to the Journal of International Wildlife Law & Policy: (1) 510 452 9266. Limited funding will be available for speakers travelling from overseas to Washington DC. The three panels of the 4th international wildlife law conference will be: International legal efforts to conserve tigers; The effectiveness of regional wildlife treaty regimes; and Case studies of implementation of the Convention on International Trade in Endangered Species (CITES) at the national level. Articles growing out of presentations may be published in a special symposium issue of the Journal of International Wildlife Law & Policy. For information, go to: <http://eelink.net/~asilwildlife/index.htm>

• RESOURCES

"ISO 14001 and Beyond: Environmental Management Systems in the Real World," edited by Christopher Sheldon, Greenleaf Publishing, 1997, 410 pp. This book assembles the thoughts and experiences of leading thinkers and practitioners in the field on the new standard, its advantages and disadvantages. To order, contact: Greenleaf Publishing, Broom Hall, 8-10 Broomhall Road, Sheffield S10 2DR, UK; tel: (44) 114 266 3789; fax: (44) 114 267 9403; email: greenleaf@worldscope.co.uk; web: www.greenleaf-publishing.com

"Greener Management International: The Journal of Corporate Environmental Strategy and Practice" is a quarterly journal that draws together key strategic environmental issues as they affect organisations worldwide and develops analysis in the field of corporate environmental strategy. To order, contact: Greenleaf Publishing, Broom Hall, 8-10 Broomhall Road, Sheffield S10 2DR, UK; tel: (44) 114 266 3789; fax: (44) 114 267 9403; email: greenleaf@worldscope.co.uk; web: www.greenleaf-publishing.com

"Clean and Competitive? Motivating Environmental Performance in Industry," by Rupert Howes, Jim Skea and Bob Whelan, Earthscan, 1998, 208 pp. This book provides sophisticated analysis of the business- environment interface, with a focus on sustainable development. To order, contact: Earthscan, 120 Pentonville Road, London N1 9BR, UK; tel: (44) 171 278 0433; fax: (44) 171 278 1142; email: earthsales@earthscan.co.uk; web: www.earthscan.co.uk

"Droit international de l'environnement - textes de base et références," edited by Caroline Dommen and Philippe Cullet, Kluwer Law International, 1998, 814 pp. This book provides the full French-language texts of the main international environmental treaties, situating them in their political and

practical context. It also contains hundreds of references to other sources of information, such as websites, treaty secretariats and location of the full English- and French-language texts of treaties not reproduced. To order, contact: Kluwer Law International, Distribution Centre, PO Box 322, 3300 AH Dordrecht, The Netherlands; fax: (31) 78 654 6474; email: sales@kli.wkap.nl; web: www.kluwerlaw.com

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Comments and suggestions are welcome and should be directed to: Ricardo Meléndez-Ortiz, Executive Director, ICTSD, Geneva Executive Center, 13 chemin des Anémones, 1219 Châtelaine, Geneva, Switzerland; email: ictsd@iprolink.ch; voice: (41-22) 979-9492; fax: (41-22) 979-9093. BRIDGES Weekly Trade News Digest© can be found at the ICTSD web page: <http://www.ictsd.org/html/mailbox.htm>.

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