

No Agreement in Sight on Seattle Ministerial Declaration Contents

Intense negotiations are currently taking place to come up with a draft of the Ministerial Declaration that will launch a new round of multilateral trade negotiations in Seattle in November. So far, two draft outlines have emerged, one by the Chair of the General Council – submitted for consultation under his own responsibility – and another by Cuba, the Dominican Republic, Egypt, Honduras, India, Indonesia, Malaysia and Pakistan.

The Chair's outline proposes that the objectives for the trading system should include, *inter alia*, 'meaningful special and differential treatment for developing countries'; fuller integration of least-developed countries in the multilateral trading system; 'recognition of concerns in connection with implementation of existing commitments and importance of implementing them in letter and spirit'; commitment to timely completion of mandated reviews; and, a 'reaffirmation of the need to make international trade and environmental policies mutually supportive'.

The outline's section on the future WTO work programme has two headings: 'implementation' and 'new negotiating round'. Only agriculture and services appear firmly on the agenda, all other items are bracketed. Also bracketed are key elements of the new round's scope (single undertaking, possibility of early provisional results, etc.) and potential decisions in Seattle, which could include immediate action on 'certain implementation problems', a comprehensive new action plan for least-developed countries, technical co-operation, the Dispute Settlement Understanding review, transparency in government procurement, electronic commerce, WTO transparency, a new technology agreement, and a decision regarding the accelerated trade liberalisation initiative for industrial goods.

The 'rival' proposal from the eight developing countries is organised differently. After preambular paragraphs, its implementation section calls for an 'assessment of implementation', and immediate decisions taken in Seattle with regard to specific agreements, including accelerated integration of textiles into the multilateral trading system. It adds follow-up to the 1997 high-level meeting on least-developed countries as a separate heading, and groups the Singapore issues (trade and investment, trade and competition policy, trade facilitation and transparency in government procurement) under the heading 'continuation of the study process on issues initiated in Singapore', thus indicating that these issues would not be included for negotiation in the Seattle Round. On the other hand, the paper proposes negotiations on three new initiatives to make the trading system more supportive of the development process: access to technology, trade and finance, and the relationship between trade, debt and commodity prices.

General Council Chair Ali Mchumo said he hoped to submit a first draft Ministerial Declaration to WTO Members on 4 October. This document is expected to be considerably more detailed than the 'bare-bones' outlines made public so far.

Implementation of Existing Agreements

Trade ministers of the G-77 group of developing countries on 16 September identified implementation of existing agreements as a priority for the Seattle Round (see page 6; earlier proposals dealing with problems encountered by developing countries due to the non-implementation of provisions in their favour have been described in previous issues of Bridges).

On 17 September, the United States spelled out its view of how to handle implementation issues (WT/GC/W/323). First, the review should focus on effective implementation of obligations by agreed deadlines, with 'all pertinent implementation issues and problems to be inventoried by each subsidiary body for their respective decisions or agreements by no later than 31 July 2000'. This approach would remove the implementation of existing commitments from the Seattle Round and make it an essentially technical exercise overseen by the WTO committees responsible for the different Agreements. At Seattle, ministers should adopt the following decisions with regard to implementation:

- Where technical assistance needs are at issue, ministers should instruct the General Council to ensure that the identification and addressing of such needs are co-ordinated through whatever mechanisms may be established in follow-up to any decisions taken at Seattle with respect to improved coherence in technical assistance and capacity building.
- Where transition periods other than those that expire as of 1 January 2000 (e.g., industrial export subsidies maintained by developing-country Members) are at issue, ministers should take or authorise whatever steps may be necessary to ensure that there is a sufficient flow of information concerning progress and specific plans being undertaken by individual Members to come into compliance with applicable deadlines.

- Where notification obligations are at issue, ministers should take, approve or endorse appropriate steps to streamline obligations and procedures for submitting and reviewing notifications, consistent with the principle that any such steps should not materially detract from the underlying objective of transparency or the substance of legal obligations set forth in relevant agreements and decisions.

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Published by the International Centre for Trade and Sustainable Development.

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Developing Country Positions on Agriculture

A detailed proposal was tabled by Indonesia, Malaysia, Philippines, and Thailand on 23 September on 'Special and Differential Treatment for Developing Countries in World Agricultural Trade and the Mandated Negotiations' (WT/GC/W/331). The paper urges WTO Members to conduct the negotiations in the 'letter and spirit' of GATT Article XXXVI, which recognises the need for 'positive efforts designed to ensure that less-developed contracting parties secure a share in the growth in international trade commensurate with the needs of their economic development' and the Enabling Clause, which provides that developing WTO Members shall not be required to make concessions that are 'inconsistent with their financial and trade needs'.

Fulfilling these provisions would not only mean longer timeframes for the implementation of commitments, which must continue to be given to developing countries, but also differentiating the 'nature and substance of their commitments'. For instance, while the negotiations should result in the 'immediate elimination of all forms of export subsidies', developing countries should be able to continue using 'the existing flexibilities' offered by Article 9.4 of the Agreement on Agriculture. Indonesia, Malaysia, Philippines and Thailand also warn that the negotiations 'cannot and will not conclude without effective disciplines on export credits'.

Similarly, the proposal calls for elimination of developed countries' 'blue box' domestic support measures, and a review of the criteria for 'green box' support measures 'to ensure that they meet the basic requirement that they have no or at least minimal trade distorting effects on production and trade, and that they adequately address the trade, financial and development needs of developing countries'. For developing countries, special and differential treatment should result in the provision of 'flexibility to pursue WTO-consistent policies and strategies that would allow them to develop their potential in agriculture and address their non-trade concerns, including food security, rural development and poverty alleviation'.

On market access, Indonesia, Malaysia, Philippines and Thailand note that 'commitments by developing countries should be directly related to the outcome of reform commitments by developed countries on domestic support and export subsidies'. They also propose that developed countries 'commit the unconditional binding of all GSP schemes for agricultural tariffs in the negotiations'.

Traditionally, the most radical calls for agricultural liberalisation have come from the Cairns Group (see separate item on page 7), but a recent proposal by MERCOSUR countries Argentina, Brazil, Paraguay and Uruguay, as well as Chile, goes even further: in addition to the elimination of export subsidies and reductions in domestic support, the paper calls for the negotiations to aim at 'bringing trade in agricultural products under the same WTO rules and disciplines as trade in other goods' and proposes that Members agree to ensure that the next market access negotiations result in a 'tariff-only regime at commercially meaningful levels of protection and volumes under eventually remaining tariff-rate quotas are continuously and substantially increased in such a manner that, by the end of a specified period, they are no longer necessary' (WT/GC/W/335). Another proposal calls for the elimination of the special safeguard mechanism (WT/GC/W/336), and a third for disciplining state trading enterprises and marketing boards.

EU Takes a Hard Line

Agriculture ministers of the European Union on 28 September adopted a common negotiating position that noted the need to take an 'offensive line' at the WTO agriculture negotiations to ensure, *inter alia*, that the EU could maintain and develop the 'European model of agriculture with its multifunctional characteristics and with high quality and safety standards; placing market liberalisation in a setting which brings international recognition of the constraints imposed on European farmers and agricultural products and does not call into question the principle of the Community preference'.

The ministers affirmed that the 'Peace Clause' and the 'Special Safeguard Clause' had 'proved to be very useful instruments in the implementation of the Uruguay Round' and that similar instruments would be needed in the future. They also said it was essential 'to maintain the balance of the present elements of the Agreement on Agriculture, in particular those which concern modalities relating to domestic support'. They directed the European Commission to negotiate 'reductions in support provided that, in particular, the concept of "blue and green" boxes will continue'.

The ministers stressed the need for 'an appropriate balance' between trade and non-trade issues, particularly with regard to 'the multifunctional role of agriculture including environmental protection, safety and quality of food and animal welfare'. Direct aid measures with no or minimal trade impact 'must have an important role' in ensuring that progress on trade issues 'does not damage the ability of those employed in agriculture to supply public goods, in particular as regards the environment and the sustained vitality of rural areas'.

Biotechnology

In a veiled allusion to the beef-hormone dispute and transatlantic tension over genetically-modified organisms, EU agriculture ministers said the Union 'should seek solutions which assure consumers that the WTO will not be used to force onto the market products about whose safety there are legitimate concerns and which allow the European Union to establish the appropriate level of protection. Without prejudice to the provisions of the disputes settlement procedure, it would be useful to obtain clearer general recognition of the precautionary principle'.

The United States has submitted a proposal that calls for ensuring that trade in biotechnology products is based on 'transparent, predictable and timely processes', but is still working on a more detailed negotiation position on the issue, particularly with regard to labelling. The US farm lobby opposes a Canadian proposal to set up a working group on biotechnology, preferring clarifications to the Agreement on Agriculture and the SPS Agreement that would state that genetically engineered products are subject to existing WTO regulations. Japan is reportedly seeking the establishment of an expert group to study the safety and quality of genetically-modified organisms, but has not yet submitted a formal proposal on the issue.

Developing countries have not put forward positions regarding biotechnology in the context of agriculture or sanitary regulations. Several among them have, however, called for modifying the TRIPs Agreement's Article 27.3(b) to exclude all living organisms and their parts from patenting obligations (see next page. See also related article on the biosafety protocol negotiations on page 9).

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Positions Far Apart on Anti-dumping, Textiles and Investment

Developing countries have repeatedly called for the negotiation of disciplines to prevent excessive recourse to anti-dumping and safeguard actions. Colombia has proposed that special and differential treatment in the area of anti-dumping would require making mandatory the Anti-dumping Agreement's Article 9.1 on the application of 'duty less than margin' and Article 15 on the need to explore possibilities of constructive remedies instead of applying anti-dumping duties 'where they would affect the essential interests of developing country Members'. It also suggests that if imports from a developing country amount to less than seven percent of the overall imports of a given commodity, they should be considered 'negligible' and thus safe from anti-dumping duties. In addition, the Colombian paper proposes changes to calculating dumping margins (WT/GC/W/315).

Egypt has also called for making Article 15 language 'more comprehensive, operational and mandatory'; amending problems arising from fluctuating currency rates during dumping investigations; and adding new, detailed provisions on anti-circumvention (WT/GC/W/324).

Guatemala has suggested redefinition of 'like product' in the Anti-dumping Agreement's Article 2.6, which currently allows countries to consider 'functional similarity or use' as criteria (WT/GC/330). Political coalitions of developing countries, such as the G-15 and the G-77 have also issued strong calls for anti-dumping reform.

The opposition will be formidable, however. There are no industrialised country champions for the cause and the US is loud and clear about its intention of keeping anti-dumping and countervailing duty laws off the negotiating table. The US also opposes WTO negotiations on competition policy largely because these would involve trade remedy laws. Japan, Korea and the European Union have indicated willingness to include anti-dumping and countervailing duties in the Seattle Round, but this is not a priority issue. Korea's WTO Ambassador Man Soon-Chang recently called the chances of getting anti-dumping reform on the negotiation agenda a 'long, hard and uphill battle' (see separate article on page 8).

A similar uphill battle faces developing countries in their efforts to improve the implementation of the Agreement on Textiles and Clothing. Developing country trade ministers on 16 September urged ministers to 'address and resolve' the question of implementation in Seattle, noting that the 'non-realisation of benefits by many developing countries in areas of interest to them has resulted from the failure of major trading partners to fully and faithfully meet their obligations in these areas, particularly textiles and clothing' (see page 6). The United States has said that it will not allow the re-opening of the Agreement on Textiles and Clothing and will not consider accelerating its liberalisation schedule in items covered by the Agreement.

Investment and Industrial Tariffs

The European Union and Japan are the most fervent supporters for developing WTO disciplines on investment. Canada, however, appears to have lost some of its interest, and the US – after months of hedging – seems to have ruled out investment negotiations during the Seattle Round. With a few exceptions, developing countries are unwilling to enter such talks, which they

fear would hamper governments' ability to set investment rules to support development policy. Non-governmental groups in the North and South are against investment negotiations, which they see as a threat to domestic health and environmental regulations, as well as a step for a corporate takeover of the global economy.

On 15 September, the US tabled its long-awaited paper on industrial tariffs (WT/GC/W/320). According to the proposal, the objective of the WTO industrial tariff negotiations should be to 'maximise opportunities for achieving market openings and make more uniform the structure of tariff bindings of all WTO Members, building upon the Accelerated Tariff Liberalization initiative (ATL) which will be finalised by the time of the 1999 Ministerial'. Members should 'seek the interim implementation of results to be considered as an integral part of the overall balance of market access concessions to be determined at the conclusion of the new negotiations' (see related article on page 7). Conservation groups worldwide oppose the ATL initiative because it includes tariff elimination for forestry products, which the groups say would amount to a 'free logging agreement' and thereby increase deforestation.

TRIPs

Colombia has proposed extending the moratorium on non-violation complaints in the TRIPs Agreement, and further developing Article 7 'in order to make it operational and ensure the transfer of technology on fair and mutually advantageous terms'. Both proposals were also backed by African trade ministers when they met in Algiers (see page 8), as were other proposals put forward by Kenya on behalf of the Africa Group in a comprehensive paper on TRIPs (WT/GC/W/302). This paper was warmly praised by a large group of non-governmental organisations, which particularly applauded the proposal that the review of TRIPs Article 27.3(b) should 'clarify that plants and animals as well as micro-organisms and all other living organisms and their parts cannot be patented, and that natural processes that produce plants, animals and other living organisms should also not be patentable' (see also Bridges Year 3 No.6, page 7).

Labour

Developing countries unanimously oppose any discussion, let alone negotiation, on labour standards in the WTO (see, for instance, the G-77 statement on page 6). Most industrialised countries have skirted the issue through vague recommendations on increased collaboration between the WTO and the ILO Secretariats. The United States has called for a 'forward work programme' to address issues relating to labour standards, and is expected to submit a formal proposal on the issue shortly. Under Section 131 of the US Uruguay Act, the administration must seek the establishment of a working group to 'explore the linkage between international trade and internationally recognised workers' rights'. The US may get a hand in this endeavour from the United Kingdom: UK Secretary of State for Trade and Industry Stephen Byers said on 24 September that his government supported the establishment of a joint WTO-ILO working forum 'to look at the issues involved, to better understand the concerns of all countries and to study the impact of greater trade liberalisation on labour standards'.

Dispute Settlement Review Stalls Again

Just as it seemed that the stalled review of the Dispute Settlement Understanding (DSU) was getting back on track, the entire process collapsed yet again on 24 September. Such an outcome looked likely in July, when India, Malaysia and Mexico refused to continue the review beyond its deadline, but several delegations worked in the interim to find a compromise solution. As a result, a 'soft' agreement was reached between negotiators from key countries on how to sequence steps leading to the imposition of trade sanctions. However, the meeting of the Dispute Settlement Body that was to discuss it ended in disarray with no decisions taken on any issue, including whether to meet again to complete the review.

Sequencing

Sequencing actions that must precede authorisation to retaliate against countries that have not implemented WTO dispute settlement rulings has been hotly debated ever since the banana dispute revealed conflicting interpretations of whether sanctions can be applied before a panel has determined that WTO rulings have not been implemented by the country that lost the dispute. In this debate, the US has maintained that DSU Article 22 gives Members the right to retaliate even if a compliance panel set up under Article 21.5 has not yet rendered its verdict. Negotiators had tentatively agreed to timelines in the sanctions process that would forestall sanctions based on unilateral non-compliance findings without slowing down the proceedings, and it was hoped that, this major hurdle cleared, the review process could go forward.

Transparency

On 24 September, delegates were to decide whether to end the review, continue it for a specific period of time or continue indefinitely. They chose none of the above. Instead, the meeting was suspended after acrimonious debate on the transparency of the dispute settlement proceedings. The United States – and, to a lesser extent, the European Union – insisted on keeping all the issues under review together as a package. These issues range from relatively uncontroversial technical clarifications/modifications (on third party rights, the right to counsel, etc.) to the delicate sequencing question, and the highly controversial issue of the transparency of the dispute settlement system (Bridges Year 3 No.5, page 9).

While it might have been possible to make recommendations on some of the issues above, linking the review process to progress on transparency considerations proved unacceptable to developing countries. The US and the EU have been pushing to make the system more open to public scrutiny and participation through wider and faster release of dispute settlement documents, as well as the right of non-governmental groups to submit non-solicited friend-of-court briefs and to attend panel meetings as observers. The US recently put forward a proposal that would allow the filing of *amicus* briefs while keeping the extra burden on panels to a minimum. The proposal suggested that organisations wishing to submit briefs request the right to present their input in brief write-ups of their views. Panels would then have the discretion to seek the offered input or to reject it.

The proposal was roundly criticised by developing countries, which have long made clear their opposition to granting civil society representatives observer rights or rights to submit written materials to panels. Even WTO Members that are not parties to a dispute do not have such rights, the critics argue.

What next?

In view of the impasse, developing countries point out that the deadline for completing the review expired in July, and since no way forward has been found, no more meetings should be held on the subject. Should their view prevail, ministers in Seattle will be presented with a 'list of elements', i.e. an overview of the proposals presented, with no recommendation on how to proceed.

According to the mandate of the DSU review, delegates must report to the Seattle Ministerial Conference. As any changes to the Dispute Settlement Understanding must be made by consensus at ministerial level, ministers can either request a continuation of the review in hopes that further negotiations will result in unanimous reform proposals, or note that governments could not agree on any changes and therefore the review should be terminated without amendments to the DSU. This would amount to throwing out the baby with the bathwater, as many of the proposals put forward have met with Members' approval.

Some developing countries said that they could consider recommending the continuation of the review if it was clearly spelled out that review was open-ended and that there was currently – and might not ever be – agreement between governments on changes to be made. The US and the EU rejected this formulation as an advance 'admission of failure'.

Trade delegates also speculate that no WTO Member is willing to make important concessions before the scope and contents of the Seattle Round are defined. If the DSU review continues beyond the Ministerial Conference and if, in particular, it becomes part of comprehensive 'single undertaking' negotiations, countries are likely to keep their options and potential future trade-offs open as long as possible.

The fate of the review is further complicated by the fact that DSB Chair Nobutoshi Akao has left for Japan and his replacement has not yet been appointed. No formal DSU review meetings can take place until convened by the new Chair.

Advisory Centre on WTO Law to be Launched in Seattle

Sixteen developing countries and five developed countries have agreed to back and finance the establishment of an independent Advisory Centre on WTO Law to assist developing countries in bringing and defending cases before dispute settlement panels.

The main sponsors of the initiative are the Netherlands and Colombia. Other supporters include several EU countries, as well as Venezuela, Tanzania and the Philippines. The proponents hope to have assembled a 'critical mass' of supporters by late November, which would permit an official signing conference to be held during the Seattle Ministerial.

Support from one to three more developing countries, and three to four industrialised countries, is needed to ensure the realisation of this important initiative to guarantee developing countries' access to WTO justice in spite of the high cost of litigation (see also Bridges Year 3 No.1, page 5).

Dispute Settlement Corner

EU Battles with Banana Regime Options

The European Union was expected to present a new proposal for a WTO-compatible banana import regime in September, but the plan has been further delayed. While EU foreign ministers on 13 September urged the European Commission to 'present a formal proposal for amending the banana regime as soon as possible', their reactions to the Commission's progress report on developing a new regime diverged sharply. The report noted that negotiations on a new quota arrangement had not led to a solution that would both guarantee the end of the WTO dispute and meet the EU's obligations to the developing country members of the Lomé Convention (ACP countries). 'Since at present no agreement with the complainants can be reached on a tariff rate quota system, the Commission is not a position to make such a proposal to the Council,' the report said, concluding that should the situation continue there would be 'little other option than a tariff-only solution'.

French, Spanish, Italian, Portuguese and UK ministers rejected a tariff-only solution, saying it did not offer sufficient market access guarantees to European or ACP producers. However, if negotiations on new tariff quotas with the United States, Ecuador, Guatemala, Honduras and Mexico – who won the WTO dispute – prove a complete impasse, the EU is likely to shift the focus on renegotiating its bound tariff for non-ACP bananas. The difficulty would be in reaching agreement on a tariff level that would adequately protect ACP banana exports: the Commission has suggested that the current tariff of •75 per tonne should be increased to at least •275/t to duplicate existing market conditions, an increase deemed unacceptable by the complainants. ACP bananas would continue to enjoy duty-free access under the Lomé Convention waiver. The most vulnerable ACP exporters are the Winward Islands in the Caribbean.

The negotiations are further complicated by the fact that the Latin American complainants would rather have a quota system – which guarantees higher prices – than a flat tariff, but disagree on how the system should operate and on the reference period that should be used to determine the new quotas. The US is pushing for a tariff-only regime, but reportedly faces conflicting pressures from distribution giants Dole and Chiquita: the former agrees with the administration while the latter favours a more managed market to keep prices high. Asked whether he thought the US would accept a tariff-only system, EU Agriculture Commissioner Franz Fischler quipped: 'As things stand in the US, it looks as though they wouldn't agree on any system' because of differences between Chiquita and Dole. 'If one would accept one system, the other company would reject it,' he said.

In a communication entitled the US Démarche on Bananas, the US told the Europeans that it was 'prepared to work with the EU on a WTO-consistent tariff quota approach, which would ensure effective and non-discriminatory access for Latin American bananas and is limited in time'. However, the US continues to hope that the EU will adopt a tariff-only system as a 'lasting solution' to the dispute. According to the communication, the EU's 'real problem is trying to reconcile its WTO obligations with the objectives of long-protected domestic interests – whether European banana producers or European distributors of EU and ACP bananas'.

The US will continue to levy retaliatory import taxes, which double the price of EU goods worth nearly US\$200 million, until the EU adopts a WTO-compatible banana import regime. Ending the dispute will a priority for the new Commission, endorsed by the European Parliament on 18 September. While Mr Fischler stayed on as the Agriculture Commissioner, Pascal Lamy replaced Sir Leon Brittan as Trade Commissioner.

Dispute Settlement Briefs

- India has lost its appeal of the panel report condemning its quantitative import restrictions on agricultural, industrial and textile products. India argued that the restrictions on more than 2,700 products were justified under GATT Article XVIII:B, which spells out the conditions under which low-income developing countries can temporarily restrict imports to overcome balance-of-payment difficulties, but the panel and the Appellate Body disagreed.

However, the Appellate Body upheld the panel's view that India could seek a longer implementation timeframe than the 15 months usually deemed a 'reasonable period of time'. The US objected to this, saying that while DSU Article 19 allows panels to make 'non-binding suggestions about the ways in which a party could implement a panel report', it does not allow recommendations regarding how long a party should take to do so.

- The dispute settlement panel examining the WTO-consistency of US foreign sales corporations (FSCs) on 17 September confirmed its interim ruling that taxbreaks granted by the US to FSCs constituted an illegal export subsidy. Many US businesses export goods and services through FSCs they set up abroad, often in tax havens such as the Bahamas. According to the European Union, which brought the WTO case, the tax-breaks amount to subsidies worth almost US\$250 billion a year.

The EU welcomed the ruling, saying that the US must abolish the FSC scheme by 1 October, 2000. US authorities have not publicly commented on the panel report beyond admitting that an appeal is under consideration. Business representatives called the ruling 'disappointing' and 'a major setback for the owners and employees of US businesses'. For more details, see Bridges Year 3 No.5, page 10.

- The US reacted angrily to the EU's announcement on 22 September that the scientific studies with which the EU hopes to justify its 10-year old import ban on beef treated with growth hormones will not be completed until the middle of next year. The US and Canada are currently levying retaliatory duties on EU exports, contending that the EU can only comply with the WTO ruling condemning the embargo through lifting the ban.

In related news, USTR agricultural negotiator Peter Scher has warned the EU of a potential WTO case if the latter cannot provide prompt scientific justification for its ban of certain antibiotics in animal feed. '[W]hile the ban has an obvious and immediate impact on trade in the antibiotic products themselves, it also raises serious concerns about the possibility of further import restrictions,' Mr Scher said.

G-77 Ministers Call for a Seattle Round that Integrates the Development Dimension

Trade ministers of the G-77 group of developing countries met in Marrakesh, Morocco, from 14-16 September to forge a common position on the forthcoming round of WTO negotiations. At the United Nations, the 133-member group speaks collectively for developing countries, but it has no official status at the WTO. However, the ministers' final declaration is the broadest expression of developing country views – whether WTO Members or not – regarding the Seattle Round. The declaration's section on WTO issues will be sent to the Seattle Ministerial Conference as a 'message of the G-77 ministers'.

Implementation: Correcting the Imbalance

In their declaration, the ministers said they were strongly committed to liberal and open trade policies on condition that these integrate the 'development dimension'. First and foremost, they called for implementing existing commitments in favour of developing countries and redressing the imbalance of the multilateral trading system. The ministers noted with great concern that 'the benefits of the existing multilateral trading system continue to elude developing countries. Progress towards full liberalisation in sectors of particular interest to them is lagging behind, and significant imbalances between rights and obligations exist in multilateral trade agreements (MTAs), as well as in conditions of market access. [...] We therefore attach utmost importance to addressing the issues and difficulties faced by developing countries that have arisen in the course of the implementation of the WTO MTAs'.

'The non-realisation of benefits by many developing countries in areas of interest to them has resulted from the failure of major trading partners to fully and faithfully meet their obligations in these areas, particularly textiles and clothing. We therefore urge that the question of the implementation of Marrakesh Agreements and Decisions be addressed and resolved at Seattle by the Third Ministerial Conference of the WTO'. Ministers also noted that the WTO Agreements' special and differential treatment provisions in developing countries' favour had remained of a 'best endeavour' nature, and should now be 'operationalised' if developing countries were to derive the benefits they had expected the multilateral trading system to provide.

The declaration notes that special and differential treatment alone – consisting of longer transition periods for meeting WTO obligations, market access concessions and removal of non-trade barriers – will not be enough to accelerate the integration of developing countries into the multilateral trading system. Expanded trade-related technical assistance and capacity-building programmes will be needed to provide support for overcoming supply-side deficiencies, as will technology transfers and investment in developing countries.

Built-in Agenda

The declaration calls for the built-in agenda negotiations to focus on the following:

- 'In agriculture, the objective should be to incorporate the sector within normal WTO rules, addressing the particular problems of predominantly agrarian and small island developing economies and net food-importing developing countries'.

These negotiations should make operational the provisions under the TRIPs Agreement relating to the transfer of technology, and seek mechanisms for a balanced protection of biological resources and disciplines to protect traditional knowledge.

- 'Negotiations on trade in services should be carried out within the existing architecture of GATS and aim at the liberalisation of sectors of special interest to developing countries and the movement of natural persons, while taking account of the impact of electronic commerce'.
- 'The mandated reviews under the WTO MTAs ought to redress imbalances and to ensure that provisions in favour of developing countries are effectively implemented.'

In addition, G-77 ministers called upon developed countries to provide duty-free and quota-free access for the exports of least-developed countries. Such a commitment, actively sought by the European Union and cautiously backed by the United States, seems an increasingly likely 'deliverable' for the Seattle Ministerial.

Amending WTO Agreements

'Any future negotiations should address the elimination of tariff peaks and tariff escalation and should introduce further disciplines to prevent the abuse of measures such as antidumping, countervailing duties and safeguard actions, sanitary and phytosanitary regulations and technical barriers to trade, as well as to prevent the apparent revival of the use of voluntary export restraints. The work programme on the harmonisation of non-preferential rules of origin should be achieved rapidly, to attain simplified, harmonised and more transparent rules'.

'These negotiations should make operational the provisions under the TRIPs Agreement relating to the transfer of technology, to the mutual advantage of producers and users of technological knowledge and seek mechanisms for a balanced protection of biological resources and disciplines to protect traditional knowledge; enable developing countries under the TRIMs Agreement and the Agreement on Subsidies and Countervailing Measures to use measures necessary to implement their policies for development and export diversification and upgrading'.

New Issues; Environment and Labour

Although some developing countries have vocally resisted proposals to extend the scope of the negotiations beyond the built-in agenda, the declaration remains silent on the subject: it says nothing about possible negotiations on investment, government procurement, competition policy or industrial tariffs. The omission reflects the lack of a unified position among the group, which includes advanced economies such as Singapore and major trading powers such as Brazil, as well as the poorest and most vulnerable economies in the world.

On two 'new issues', G-77 ministers did find a consensus, however: neither labour nor the environment should be addressed during the Seattle Round. Noting that the Singapore Ministerial Declaration had referred all issues relating to labour standards to the ILO, G-77 ministers stated their firm opposition to 'any linkage between trade and labour standards. We are also against the use of environmental standards as a new form of protectionism. We believe that issues relating to such standards should be dealt with by the competent international organizations and not by the WTO'.

APEC Leaders Vague on Seattle Goals, Ministers Back Single Undertaking

The Asia Pacific Economic Co-operation (APEC) Leaders' Meeting ended on 12 September in Auckland, New Zealand, without a strong statement on how APEC members would like the next round of multilateral trade negotiations to shape up. Overshadowing the meeting, the crisis in East Timor further reduced what little chance there was for the leaders to forge a common stance between the 21 member countries, which include some of the world's most powerful economies, such as the US, Japan and Canada, as well as some of the weakest, such as Vietnam and Laos.

The Leaders' Declaration contains a commitment to resist protectionism, open markets further and address structural and financial regulatory reform by 'strengthening our markets through regulatory reform and enhanced competition and by improving the international framework governing trade and investment flows'. To this end, the Declaration continues, 'we commit to the launch of a new round of negotiations in the World Trade Organisation'.

Silence on ATL

The Accelerated Trade Liberalisation (ATL) initiative does not figure in the Declaration. As APEC chair, New Zealand has been pushing the eight sectors that make up the ATL initiative – forestry products; fish and fish products; environmental goods and services; chemicals; medical equipment and scientific instruments; energy; toys; gems and jewellery – as a basis for tariff liberalisation negotiations during the Seattle Round. APEC members failed to launch the initiative among themselves last November when Japan refused to support liberalising the forestry and fisheries sectors (Bridges Vol.2 No.8, page 13). In addition, the US is facing stiff resistance from environmentalists to forestry tariff elimination, and activists are mobilising at the international level as well.

Without forestry and fisheries, the other six ATL sectors lack the balance to command the support of APEC's diverse members. When the ATL package first emerged in the Seattle preparatory process it was widely considered as a possible starting point for industrial tariff reduction negotiations, but without the unified support of APEC countries there seems little chance that other WTO Members would agree to treat the ATL sectors differently from any other sectors. Several key players, including the European Union, have already said that they would not support 'early harvest' negotiations on the ATL sectors – 'not now, not ever'.

Ministers Support Single Undertaking

In contrast to the vague and cautious Leaders' Declaration, APEC finance and foreign ministers clearly endorsed a three-year round that would comprise agriculture, services and industrial tariffs. The Ministerial Statement, issued on 10 September, said the negotiations should 'provide scope to review and strengthen rules and disciplines' that would help deliver 'timely and effective market access for all participating economies, in particular developing economies [...]; and that the negotiations on those issues agreed at Seattle for inclusion in the three-year negotiation should be structured so that the outcomes are finalised, bound and fully implemented as a single package'.

The ministers noted that developing country concerns should be addressed through:

- enhanced attention to the effective implementation of special and differential treatment and ongoing support for capacity building and technical assistance;

- differential timing for the achievement of free trade [which] 'is one useful means of meeting developing economy concerns'; and
- achieving early progress on improved market access for goods and services from least-developed economies in the forthcoming WTO negotiations.

In addition, APEC finance and foreign ministers concurred that an extension to the current moratorium on duties on electronic commerce should be agreed at Seattle and supported 'efforts to reach an agreement on transparency in government procurement' at the WTO Ministerial. Members should also 'convey to the WTO membership APEC's support for the abolition of agricultural export subsidies and unjustifiable export prohibitions and restrictions'. On ATL, the ministers noted that the initiative 'was adding impetus to the preparations for the comprehensive WTO negotiation on industrial (non-agricultural) tariffs', and urged member economies to 'continue to engage with WTO members with the objective of realising the ATL package on the basis of critical mass [...] by the end of next year'. They also agreed that implementation should be undertaken on a provisional basis with full and final binding as part of the conclusion of the single package.

Business: Stronger and Faster Action Needed

The APEC Business Advisory Council (ABAC) expressed support for the ATL initiative and endorsed the call for including industrial tariffs in the Seattle Round as 'a welcome step toward ensuring that the agenda for a new round will be comprehensive'. It also called on WTO Members to agree in Seattle to extend the moratorium on duties on electronic commerce, and suggested the creation of an 'APEC export subsidy-free zone for agri-food trade' and the establishment of 'science-based sanitary/phytosanitary standards to facilitate production and trade in agri-food products, particularly by developing economies'.

Cairns Group to Push for Stringent Timetables

The 15-nation Cairns Group of developed and developing agricultural exporters met in Buenos Aires from 27-29 August. The Group reiterated its Seattle Round goals (elimination of agricultural export subsidies and drastic reduction in domestic support), and said that 'in the final stage of preparations for the Seattle Conference, Cairns Group members will be pushing for clear and detailed decisions in Seattle to ensure agriculture negotiations begin on time, conclude before 2003, and have an explicit negotiating timetable to deliver the required outcome'. The meeting communiqué said that a detailed negotiating plan was essential to 'end, once and for all, the unequal treatment of agriculture in the WTO'.

The communiqué also strongly criticised the 'multifunctionality' argument, used by the EU, Japan, Norway, Korea and Switzerland to justify certain forms of support. 'Just as it would not be acceptable to introduce "multifunctionality" in the WTO for manufacturing and services, there is similarly no justification to apply it in agriculture. Non-trade objectives should not be used as a smoke screen for protectionist policies which perpetuate poverty, hunger and environmental degradation,' the communiqué said.

Cairns Group ministers will meet in Seattle prior to the WTO Ministerial Conference to draft a detailed negotiating plan for the agriculture talks.

African Trade Ministers Demand Commitments Prior to Seattle Round

In the process of coalition-building prior to the Seattle Ministerial Conference, African trade ministers met in Algiers, Algeria, from 23-24 September. They endorsed the message sent to Seattle by the G-77 group of developing countries (see page 6), stressing that the main topics of the upcoming trade negotiations should be:

- structural adjustment that would result in less support for inefficient industries in developed countries;
- a balanced agenda that takes into account the concerns and interests of all African countries;
- implementation issues, particularly with regard to commitments in favour of developing countries;
- redressing the imbalances created by the Uruguay Round; and
- addressing developing countries needs in the area of trade and finance.

The Ministerial Declaration does not go into further detail regarding the scope or the length of the negotiations. Instead, it calls for a number of decisions to be taken at the third WTO Ministerial Conference itself, i.e. before the start of the Seattle Round, in order to 'guarantee the effective participation of African countries in the negotiations' and to reinforce their confidence in 'the political will of WTO Members to solve the problems we face in our effort to derive benefits from the multilateral trading system'. Ministerial decisions in Seattle should include commitments to:

- extend the transition periods of the TRIPs and TRIMs Agreements, as well as the Customs Valuation Agreement, 'for a period that takes into account the availability of the necessary resources to effectively implement these agreements'. Inclusion of middle-income, as well as low-income, developing countries in Annex VII of the Agreement on Subsidies and Countervailing Measures. Commitment by all Members not to bring disputes against African countries before the conclusion of the Seattle Round.
- zero tariffs for products originating in least-developed countries (LDCs), 33 of which are located in Africa. Renewed impetus should be given to the WTO's integrated action plan for trade-related technical assistance to LDCs. As of 2000, technical assistance should be provided through the WTO's regular budget.
- revise the Marrakesh Ministerial Decision on Measures Concerning the Possible Negative Effects of the Reform Programme on Least-Developed and Net Food-Importing Countries before 1 January 2001 in order to guarantee its effective implementation and incorporate into it concrete, operational and mandatory measures, including technical and financial assistance. In the context of the agricultural negotiations, developed countries should also agree to extend access to their markets, eliminate export subsidies and reduce domestic support.
- until the negotiations are concluded, developed countries agree to abstain from taking any measures that could have negative impacts on developing countries' access to their markets, including preferential access. A waiver should be granted to African countries allowing them to keep the preferences accruing from the Lomé Convention for an additional ten-year period.
- revise the TRIPs Agreement in order to identify means and ways to realise its objectives and principles with regard to technology transfer to developing countries, and particularly African countries. The TRIPs moratorium on non-violation cases should be indefinitely prolonged.

- ensure that the TRIPs Agreement does not prevent developing countries from granting licenses for the local manufacture of drugs considered essential by the World Health Organisation.
- request the Bretton Wood institutions to abstain from including in their structural adjustment programmes measures that exceed the obligations accepted by developing countries in the context of the WTO.
- accelerate WTO accession procedures for developing and least-developed countries, with no greater demands placed on applicants than the obligations accepted by developing countries and LDCs that are already WTO Members.
- not hinder developing countries' regional integration efforts through any new agreement/revision of existing agreements, and revise GATT Article XXIV and the Enabling Clause of 1997.

OECD Investment Meeting Highlights Divergence

Views expressed at the Conference on the Role of International Investment in Development, Corporate Responsibilities and the OECD Guidelines for Multinational Enterprises, convened by the Organisation for Economic Co-operation and Development (OECD) in Paris on 20-21 September, reflected WTO Members' deep division on whether to negotiate global investment rules as part of the Seattle Round (see page 3). An attempt to conclude an OECD-wide Multilateral Agreement on Investment (MAI) was abandoned last year, largely due to vocal opposition from environmental and social activists.

George Foulkes, a UK government official, argued that a 'modest framework can be reached within the WTO, but only if we take into consideration the issues that brought down the MAI'. Theodore Moran from Georgetown University said WTO investment rules could focus on elimination of domestic content, rules of origin standards and regional subsidies. In return for taking the investment issue on board, developing countries could insist on industrialised countries' putting anti-dumping reforms on the table.

Korea's WTO Ambassador Man Soon-Chang was skeptical of the chances of anti-dumping reform. He also thought that a review of the TRIMs Agreement was unlikely to yield significant results due to developing countries' opposition to losing the right to control joint ventures. Thomas Aquino, Governor of the Philippine Board of Investments, said there appeared to be 'no compelling need to further impose additional burdens on the limited resources of developing countries by negotiating a multilateral set of rules on foreign direct investment'.

OECD Secretary-General Donald Johnston said that OECD's voluntary Guidelines for Multinational Enterprises, currently under revision, addressed corporate responsibility vis-à-vis the environment and core labor standards, and offered the possibility of adding new language on commitments to protect human rights and support sustainable development.

For more information on OECD's work on international investment, see <http://www.oecd.org/daf/cmisis/cmisisindex.htm>. Information directly related to the Conference can be found at <http://www.oecd.org/daf/conference/>.

Biosafety Protocol Negotiations to Resume in January

Some 115 governments sent representatives to the informal meeting, held in Vienna from 15-19 September, to determine how to proceed with the stalled negotiations on the biosafety protocol. The negotiations were suspended last February when delegates reached an impasse over the future protocol's coverage and its relationship with other international treaties, in particular WTO Agreements (Bridges Year 3 No.2, page 11).

The protocol is being developed under the Convention on Biological Diversity in order to ensure the safe transfer, handling and use of living modified organisms (LMOs), with a particular focus on transboundary movements. Living modified organisms have not yet been defined in the draft protocol, but they are generally understood to encompass genetically modified seeds capable of germinating. Because of its transboundary focus the protocol has enormous potential consequences on international trade in genetically modified crop seeds, currently dominated by a handful of companies in North America and Europe, and slated for exponential growth by many industry analysts. As the protocol is being negotiated under the Biodiversity Convention, it is primarily aimed at creating internationally-agreed rules to protect other species from being contaminated, invaded or damaged by genetically modified varieties. Among the main concerns is cross-pollination that could produce 'superweeds' with the same characteristics as LMOs, such as resistance to pesticides.

The Vienna results

In Vienna, all countries represented confirmed their political will to conclude the protocol and to resume the suspended negotiations. A number of concepts were tentatively agreed, including that the protocol's main purpose was to protect biodiversity, that other international agreements with rights and obligations pertaining to sustainable development should be recognised and be of equal status with the protocol, and that trade and environmental agreements should be mutually supportive. These concepts must still be translated into specific treaty language, however.

The three main issues that broke down the negotiations in February are not much closer to resolution.

Commodities: Although the Miami Group (the US, Canada, Australia, Argentina, Chile and Uruguay) that defends the interests of biotechnology exporters appears to have made a concession regarding the inclusion of commodities in the protocol, views are far apart on how this should be done. A large number of developing countries wants the protocol to apply not only to LMOs for planting but also LMO shipments intended for food, feed and processing. The bone of contention is how stringently the protocol's advanced information agreement (AIA) and labelling requirements should be applied to commodities.

Relationship with other agreements: The controversy centres on the wording of the draft protocol's Article 31, which refers to other international agreements that must be taken into account when implementing the biosafety protocol. The WTO's Agreement on Sanitary and Phytosanitary Measures is the most important of these, as it contains the obligation to base trade restrictions in commodities on 'sound science' backed by adequate risk assessments. In Vienna, delegates debated whether the protocol and other international agreements should be 'mutually supportive', 'compatible', 'equally important', 'consistent' or 'of equal standing'. According to the wording chosen, countries

would have more or less leeway vis-à-vis WTO rules to justify trade restrictions for LMOs taken under the biosafety protocol.

Precautionary principle: If the concept of the precautionary principle is incorporated into the protocol, countries could evoke it as justification for trade restrictions that would not necessarily comply with the 'science-based' requirement of the SPS Agreement. The precautionary principle is understood to apply when measures are taken to avoid potential risks without scientific certainty of their importance, which might in some cases need years if not decades to be established. The Miami Group wants to keep references to the precautionary principle to a minimum. A representative of the group said in Vienna that embodying the principle in the protocol's Article 8 (Decision Procedure) would be the first 'operationalisation' of it in a multilateral environmental agreement. To counter the threat that LMO imports could be restricted due to 'legitimate concern' based on the precautionary principle, the Miami Group representative said it was particularly important to maintain 'consistency' between the protocol and other international agreements.

Negotiators agreed to resume the Extraordinary Meeting of the Conference of the Parties in Montreal from 20-28 January 2000 in order to resolve the outstanding issues.

Contact: CBD Secretariat, tel: (1-514) 288-2220, fax: 288-6588, e-mail: secretariat@biodiv.org, web: <http://www.biodiv.org>

Hazardous Waste Liability Protocol Still Not Concluded

Parties to the Basel Convention on Transboundary Movements of Hazardous Wastes met from 30 August to 3 September in Geneva to finalise the liability protocol they have been working on for more than six years, but again failed to agree on key issues: the establishment of an international fund for clean-up of spills when the liable party is unknown or unable to cover the costs, and the right to have recourse to other liability/compensation regimes if these exist under bilateral, multilateral, or regional agreements regarding transboundary movement of hazardous wastes. Article 11 of the Basel Convention allows Parties to conclude such arrangements even with non-Parties provided that their provisions are 'not less environmentally-sound than those provided for by this Convention in particular taking into account the interests of developing countries'.

The establishment of the clean-up and compensation fund has dogged the negotiations since the start. OECD countries argue that it would be premature to establish a fund as many questions remain open, including financing, operation modalities and the type of incidents the fund would cover. They asked for studies to be conducted on those questions before deciding whether a fund was necessary. While some industrialised countries maintain that there is no need for such an institution since hazardous waste shipments from OECD countries to non-OECD countries were banned in 1994, developing countries argue that since all such shipments are illegal, there is a fair chance that a developed country company involved in a spill could either not be identified or would not have the financial resources to pay for compensation and clean-up. And, of course, there is the question of who would pay for damage resulting from movements between non-OECD countries.

Continued on page 10

Hazardous Wastes, continued from page 9

The right to resort to other liability/compensation regimes arose as a new point of contention at the latest negotiation session. Several industrialised countries argued that they should be able to settle hazardous waste claims under regional or bilateral agreements if their liability regimes were more stringent than those of the Basel Convention protocol. Some developing countries said the right to use other instruments would amount to an opt-out clause for OECD countries by removing the incentive to ratify the Basel Convention's liability protocol, and thus the obligation to contribute to the compensation fund. The 'like-minded group' of developing countries judged such an outcome unacceptable, and accused OECD countries of wasting years in bad faith negotiations that would result in an agreement that would ultimately only involve developing countries.

Other outstanding questions include setting a cap for financial compensation and insurance requirements for hazardous waste shipments. Some developing countries expressed concern about their ability to pay high insurance premiums, and the Secretariat was requested to consult with the insurance industry about realistic figures. It was already decided earlier that liability under the protocol would be strict, i.e. the notifier/exporter of the waste would be responsible, regardless of fault, for any damage resulting from the shipment up to the point of disposal.

Developing country delegates said ministers should decide on the open questions at the Basel Convention's next Conference of the Parties in December, but some developed countries warned that ministers might stay away from the meeting if it involved technical negotiations.

Informal meetings may take place at a higher level before the fifth meeting of the Conference of the Parties, scheduled for 6-10 December 1999 in Basel, Switzerland. Sources close to the negotiation process say that chances for the protocol's adoption there are about even, and some predict that the entire effort will be abandoned if the treaty cannot be finalised in Basel. The protocol would be the first legal instrument to deal with liability and compensation ever adopted under a multilateral environmental agreement.

Contact: Basel Convention Secretariat, tel: (41-22) 917-8218, fax: 797-3454, e-mail: sbc@unep.ch, web: <http://www.unep.ch/basel/index.html>

Eight of Dirty Dozen Chemicals to be Outlawed

The Intergovernmental Negotiating Committee working on a treaty to eliminate the most toxic chemicals met from 6-11 September in Geneva to consider phasing-out and other measures to control the release into the environment of persistent organic pollutants (POPs). POPs are chemical substances that persist in the environment and bioaccumulate through the food chain. They present serious health hazards ranging from reproductive abnormalities to cancer, and have been found in pristine environments such as the Antarctica or Alaska, thousands of kilometres away from sites of use or production.

Basic agreement was found in Geneva on the elimination of eight of the twelve substances slated for elimination under the future convention: the pesticides aldrin, endrin, chlordane, dieldrin, heptachlor, mirex and toxaphene, as well as the industrial chemical hexachlorobenzene. It was tentatively agreed that their production

and use would be banned when the POPs convention enters into force, probably three to four years from now. Negotiators also endorsed most of the criteria for the inclusion of other long-lived toxic chemicals to the POPs list. The criteria were adopted by an expert group last June.

Uncertainty remains with regard to dioxins and furans, which are by-products of industrial processes rather than traded commodities. It looks likely that the convention parties will commit to reduce these substances gradually through national action plans rather than a hard-and-fast percentage-based elimination schedule. UNEP's Jim Willis explained to journalists that the substances were released in the environment in such small quantities that measuring them and establishing percentage-based elimination commitments, particularly in developing countries, would probably be 'beyond our current means'. Shipments of wastes containing or consisting of dioxins and furans are covered by the Basel Convention on Transboundary Movements of Hazardous Wastes.

Elimination of polychlorinated biphenyls (PCBs), widely used power-generation equipment, was a more controversial issue. Negotiators tentatively agreed to phase out the production of new PCBs, but the question of what to do with PCB equipment in existing and functioning power-generation systems remains open.

Malaria control vs other hazards

Phasing out DDT was by far the most difficult issue facing the negotiators. DDT is extremely toxic and presents a threat to wildlife, as well as human health. Banned in most developed countries, it is still used in many developing countries for malaria control as it is the most effective means to kill the mosquitoes that transmit the disease. A controversy broke out in Geneva between health-care professionals who insisted on DDT's role in malaria control and environmental groups, which said there were alternatives for it and that a production ban with a firm deadline would provide an incentive for developing more alternatives.

Gro Harlem Brundtland, Director-General of the World Health Organisation, cautioned that DDT's benefits should be weighed against its dangers. She recognised the 'often insidious health impacts' of DDT, but stressed that the chemical played an 'important, sometimes vital role' in fighting malaria, which kills more than a million people each year. DDT is still produced in China, India and Mexico. The latter two have indicated their willingness to consider halting production by 2010 and 2007 respectively.

No decision was reached on the DDT issue, which is now considered apart from the other 'dirty dozen' chemicals to be initially covered by the POPs treaty. Its elimination is likely to be longer-term, with exceptions made for public health emergencies. In the meanwhile, DDT production will continue in order to respond to the needs of public health programmes but not for agricultural uses.

Apart from DDT, several other issues also need to be decided, most notably regarding financial assistance to allow developing countries to comply with the convention and making available less toxic alternatives for the substances to be banned. Eliminating obsolete stockpiles of POPs, particularly in developing countries, must also be addressed as a matter of priority. Negotiators will meet again in Bonn next March.

Contact: UNEP Chemicals, tel: (41-22) 917-8193, fax: 797-3460, e-mail: chemicals@unep.ch, web: <http://irptc.unep.ch/pops/>

Consumers and Workers State WTO Positions

In a statement entitled *Consumer Rights and the Multilateral Trading System: What needs to be done before a Millennium Round*, Consumers International (CI) calls on the WTO to 'reconsider the action needed to achieve its original goals, and to ensure that consumer rights are given equal status with business interests'. In particular, CI calls on the WTO to look at transparency and accountability; food security; food and product safety; health; competition; investment; services; and electronic commerce.

According to CI, which represents 247 consumer organisations in 111 countries, this action is needed because 'preliminary evidence from around the world shows that consumer rights are being undermined by the multilateral trading system through clashes between the governments of nation states and multinational companies'. In addition, the 'poor implementation of trade liberalisation commitments by industrialised countries has resulted in an unequal distribution of benefits from the WTO-based regime. In Africa, for example, consumption per capita has actually decreased by 20 percent in the last 20 years. The world's least developed countries are set to lose up to US\$600 million a year under the current trading system'.

The CI position paper states that '[n]o further agricultural liberalisation should be required by developing countries until a full impact assessment of the Uruguay Round on food security has been carried out. This assessment should focus on the least developed countries and poor consumers in net food-importing countries. In particular, the role of large agro-chemical multinational companies in controlling food production and the impact this has on food security must be examined'.

The International Confederation of Free Trade Unions, which represents 124 million workers from 143 countries, has issued a Statement on the Agenda for the Third Ministerial Conference of the WTO. Noting that 'many trade unions as well as influential and representative non-governmental organisations are concerned that trade liberalisation has exacerbated income inequality and undermined democratic decision-making mechanisms by national governments', ICFTU calls for the WTO talks in Seattle to 'incorporate a range of issues including strengthened provisions for preferential treatment for developing countries and for internationally-recognised core labour standards and environmental clauses'.

In addition, ICFTU stresses that 'an assessment is needed of the effects of trade liberalisation on economic growth, income and wealth distribution, respect for human and democratic rights and the ability of countries to determine and pursue their own social and economic objectives'.

ICFTU also issues a highly controversial suggestion that the WTO 'incorporate internationally-recognised core labour standards fully into its mechanisms through a workers' rights clause or article'.

On trade and environment, the workers' movement calls for, *inter alia*, an inclusion of processing and production methods (PPMs) under WTO rules, 'such that labelling of products for environmental and social PPMs is facilitated', and for a 'broad environmental and social impact assessment of the proposed new round of trade negotiations'.

The CI and ICFTU statements are available on-line, please see addresses on back page.

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aim to provide information and analysis on the interface between trade and sustainable development for the growing number of actors involved in the debate worldwide. ICTSD and its partner organisations gratefully acknowledge the support of the Swiss Federal Government (BAWI) for Bridges, and the John D. and Catherine T. MacArthur Foundation for Puentes and Passerelles.



INTERNATIONAL CENTRE FOR
TRADE AND SUSTAINABLE
DEVELOPMENT

BRIDGES Between Trade and Sustainable Development is published monthly by the International Centre for Trade and Sustainable Development.

Director: Ricardo Meléndez-Ortiz
Editor: Anja Halle
Associate Editor: Caroline Dommen
Address: 13 chemin des Anémones
1219 Geneva, Switzerland
Tel: (41-22) 917-8492
Fax: (41-22) 917-8093
E-mail: ictsd@ictsd.ch
Web: <http://www.ictsd.org>



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PUENTES Entre el Comercio y el Desarrollo Sostenible, the Latin American edition of *BRIDGES*, is published bi-monthly in collaboration with Fundación Futuro Latinoamericano.

Co-ordinator: Nicolas Lucas
Associate Editor: María Amparo Albán
Address: Casilla 17-17-558
Quito, Ecuador
Tel. and fax: (593-2) 451-822/463-503,
and 456-521.
E-mail: flla@interactive.net.ec



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PASSERELLES entre le commerce et le développement durable, the French edition of *BRIDGES*, is published bi-monthly in collaboration with ENDA-Tiers Monde.

Co-ordinator: Taoufik Ben Abdallah
Address: B.P. 3370
Dakar, Senegal
Tel: (221) 821-7037
Fax: (221) 822-2695
E-mail: syspro2@enda.sn
Web: <http://www.enda.sn>

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October 4-5	WTO Trade Policy Review Body: Romania Contact: Clemens Boonekamp, tel: 5226, fax: 5765
October 6	WTO General Council Contact: Paulo Barthel-Rosa, tel: 5095, fax: 5761
October 6-7	WTO Working Group on Transparency in Government Procurement Contact: Vesile Kulaçoglu, tel: 5187, fax: 5790
October 8	WTO Committee on Regional Trade Agreements Contact: Jorge Viganó, tel: 5078, fax: 5774
October 11-15 Melbourne	Conference on International Food Trade Beyond 2000: Science-Based Decisions, Harmonisation, Equivalence and Mutual Recognition Contact: Mr. G. Orriss, Food Quality and Standards Service, FAO, tel: (39-6) 570-52042, fax: 570-54593, e-mail: Gregory.Orriss@fao.org
October 11-22	WTO Textiles Monitoring Body Contact: J.-P. Lapalme, tel: 5223, fax: 5765
October 12-13 Miami	Third Meeting of the FTAA Committee of Government Representatives on Civil Society Contact: FTAA Secretariat, tel: (1-305) 381-9043, fax: 381-8390, e-mail: webmaster@ALCA-FTAA.ORG
October 12-13	WTO Committee on Trade and Environment Contact: Doaa Abdel Motaal, tel: 5875, fax: 5620
October 15	WTO Council for Goods Contact: Suja Rishikesh, tel: 5485, fax: 5770
October 15	WTO Dispute Settlement Body Contact: Gabrielle Marceau, tel: 5519, fax: 5788
October 18	WTO Committee on Trade and Development Contact: Chiedu Osakwe, tel: 5250, fax: 5774
October 20-22	WTO Council for TRIPs Contact: Matthijs Geuze, tel: 5418, fax: 5790
October 25-27	WTO Trade Policy Review Body: Nicaragua Contact: Clemens Boonekamp, tel: 5226, fax: 5765
October 27	WTO Dispute Settlement Body Contact: Gabrielle Marceau, tel: 5519, fax: 5788
October 29	WTO Committee on Rules of Origin Contact: Eki Kim, tel: 5584, fax: 5770
November 4-8	WTO General Council Contact: Paulo Barthel-Rosa, tel: 5095, fax: 5761
November 5	WTO General Council Special Session (for the 3 rd Ministerial Meeting) Contact: Peter Pedersen, tel: 5848, fax: 5460

November 8-12	WTO Textiles Monitoring Body Contact: J.-P. Lapalme, tel: 5223, fax: 5765
November 10-11	WTO Committee on Phytosanitary and Sanitary Measures Contact: Gretchen Stanton, tel: 5086, fax: 5760
November 15	WTO Committee on Rules of Origin Contact: Eki Kim, tel: 5584, fax: 5770
November 15-17	WTO Trade Policy Review Body: Papua N. G. Contact: Clemens Boonekamp, tel: 5226, fax: 5765
November 17-18	WTO Committee on Agriculture Contact: Paul Shanahan, tel: 5095, fax: 5760

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On-line Resources

Friends of the Earth. Includes FoE campaign news, position papers and a chart of government positions with regard to the Seattle Round. URL: <http://www.foe.org/international/wto/>

Consumers International. WTO pages, including the CI Position for the 1999 WTO Ministerial Conference, briefing papers, a summary of government positions and a calendar of events. URL: <http://www.consumersinternational.org/trade/index.html>

International Centre for Trade and Sustainable Development. Seattle WTO section: <http://www.ictsd.org/html/seattleministerial.htm>

International Confederation of Free Trade Unions. ICFTU Statement on the Agenda for the Third Ministerial Conference of the WTO: A New Strategy for Trade and Development; URL: <http://www.icftu.org/>

WTO. Ministerial information page. Includes government proposals. URL: <http://www.wto.org/wto/minist/seatmin.htm>