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NEW WTO D-G MIKE MOORE PLEDGES SUPPORT FOR POOR COUNTRIES, PLANS RESPONSE TO WTO OPPONENTS

Former New Zealand Prime Minister Mike Moore on 1 September began his three-year term as the WTO Director-General, saying he will judge his term in office "by how much we could improve the conditions and opportunities of the most vulnerable economies." Towards this, Mr. Moore called on the world's trading powers to do more towards bringing the poorest countries into the multilateral trading system.

"The very poor, the Least Developed Countries, still don't get the access they need for their products and the technical assistance to fully engage so that they can sit at the table of our global family and share equally and fully. It would not cost the rich nations much to wipe away barriers for the poorest countries," Mr. Moore said. Mr. Moore noted the Third WTO Ministerial in November would be a decisive opportunity for major trading powers to address the needs of poorer WTO Members. He has also pledged to increase the WTO budget in order to provide poor countries with increased technical assistance for negotiations and related WTO activities.

Mr. Moore also noted that the Ministerial meeting in Seattle would test the mettle of WTO Members as hundreds of thousands of protestors are expected to converge on Seattle, representing labour, environmental and consumer groups (among others) opposed to globalisation. Mr. Moore noted that in contrast to the relative apathy with which the Uruguay Round was launched and conducted, the Seattle Ministerial and potential new round of trade talks will receive a good deal of attention.

"This time we will not be able to complain about apathy. . . some people have chosen to focus their fury on globalism. Thus the WTO has become a target for abuse. This will necessitate new skills at governmental and at the international level to communicate and engage those citizens especially in the wealthy nations who will protest and march and call for barriers to be built to keep out products from poor countries which desperately need the opportunity to work and produce incomes for their families," Mr. Moore said.

In an interview last week, Mr. Moore expressed some bewilderment toward groups expected to protest at Seattle. "The people who march in Seattle will be marching against opportunities for poor countries to sell their products and services . . . the countries that have been more open have better human rights, better living standards and more commerce [than previously]," Mr. Moore told the FINANCIAL TIMES.

Mr. Moore has expressed other scepticism toward powerful NGOs wielding significant influence over trade policy. He notes that some NGOs have bigger budgets and more educated staff than some smaller countries. Regarding NGOs' concerns that WTO activities are not transparent or democratic enough he notes officials from the world's "greatest democracies" crafted WTO rules, pointing out that officials involved in developing the WTO were elected by their constituencies. It is through these rules that WTO Members "created not only a system where the little guy has a say, but where he can protect and defend his trading rights," he said. Mr. Moore said that in addition to making the WTO's procedures more open to scrutiny, he plans to take on WTO detractors by widely broadcasting the message that everybody can benefit from free trade.

Mike Moore: un autodidacte pour l'OMC," LE FIGARO, 1 September 1999; "Moore takes up WTO post with pledge on poor," FINANCIAL TIMES, 2 September 1999; "Le nouveau patron de l'OMC plaide pour un libéralisme équitable," LA TRIBUNE, 2 September 1999; "Torch of trade is passed to Moore," INTERNATIONAL HERALD TRIBUNE, 2 September 1999; "FT interview: Mike Moore," FINANCIAL TIMES, 3 September 1999; "New WTO chief pledges all efforts for poor states," AGENCE FRANCE-PRESSE, 1 September 1999; "Moore attempts to bury campaign fallout," SUNS, 3 September 1999.

ENVIRONMENT TO BE CONSIDERED AS MINISTERIAL PREPARATIONS RESUME

WTO Members will start meeting again in General Council Special Session for Ministerial Preparations this week, after their summer break. The informal meeting of the General Council to be held on 8 September is expected to take time to finish up business left over from the second phase of Ministerial Preparations, due to finish at the end of July. During the second phase, delegations were to submit proposals on how to deal, at the Ministerial, with the issues that countries have proposed for negotiation. The third phase, due to start this month, is intended to consist of the actual drafting of the Ministerial Declaration. WTO Members have continued to submit their proposals for the Ministerial throughout the summer (to see the texts of these, see the WTO Ministerial Preparations website, at <http://www.wto.org/wto/minist/seatdocs.htm>). The 8 September informal meeting of the General Council Special Session is expected to deal with the issues of environment, and industrial tariffs, which had not been discussed before the summer break. A very rough draft Ministerial Declaration is also expected to be before delegates at this week's meeting.

Meanwhile, delegations continue to indicate positions for the Ministerial and the international trade talks in other fora. Addressing the Canadian Parliament before attending the International Organisation of French-Speaking Countries (La Francophonie) summit in Moncton, New Brunswick last weekend, French President Jacques Chirac told the Canadian parliament that France would not concede with regard to the so-called cultural exception in the next round of WTO trade talks. France and Canada previously pushed for the cultural exception to protect their arts and media sectors during now-defunct talks on a multilateral agreement on investment (MAI). France withdrew from MAI talks over the issue, precipitating the negotiations' demise at the Organisation for Economic Co-operation (OECD) last year. (See *BRIDGES Weekly Trade News Digest*, Vol. 2, No 48, 14 December, 1998). Canada is expected to call for discussion on the relationship between culture and trade policies at the Seattle Ministerial and is reportedly considering calling for a non-WTO global mechanism to set guidelines for and monitor the relationship between cultural policies and trade issues.

EU Trade Commissioner-designate Pascal Lamy, in written responses to European Parliament enquiries, also supported the cultural exception. "A balance must be found between pursuing in-depth negotiations in all sectors (including the audio-visual sector) and protecting European cultural diversity," Mr. Lamy wrote. Mr. Lamy also noted in his responses that including antidumping rules in the next round of WTO talks could yield benefits for EU exporters, e.g. by providing more transparency and by tightening procedures for launching dumping inquiries.

A group of countries including Zambia, Jamaica, Pakistan, Tanzania, Sri Lanka, Uganda and Zimbabwe, as well as by Japan and Korea, have proposed that antidumping issues be addressed in any new round of trade negotiations.

"Chirac défend l'exception culturelle," LE FIGARO, 3 September 1999; "Pascal Lamy commissioner-delegate for trade: reply to the questionnaire for the hearing on 2 September 1999," EUROPEAN PARLIAMENT, 16 August 1999; "Incoming EU trade commissioner sees advantages to new WTO AD rules," INSIDE US TRADE, 3 September 1999; ICTSD Internal Files.

LOW EXPECTATIONS FOR APEC MEETING

Regional leaders are set to meet in Auckland, New Zealand from 12-13 September for the annual summit of the Asia Pacific Economic Co-operation (APEC) forum.

Overall, observers expect the APEC meeting to yield little of major significance. Much is expected from a meeting between U.S. President Bill Clinton and Chinese President Jiang Zemin on 11 September. It is widely speculated that Mr. Jiang will announce China's intention to restart bilateral talks with the U.S. toward China's accession to the WTO. China-U.S. bilateral accession talks were suspended earlier this year after the U.S. bombed China's embassy in Belgrade.

Despite the low expectations for the APEC agenda, New Zealand's Trade Minister Lockwood Smith said that the summit would hopefully result in leaders adopting "strong recommendations and strong decisions" with regard to the next round of WTO trade talks.

Toward this, APEC trade ministers will meet from 9-10 September to discuss WTO Ministerial preparations. It is likely that the differences between the developed and developing country

members of APEC will be most evident at these talks, e.g. over the scope of any new negotiations and developed countries' fulfilment of Uruguay Round commitments. (See *BRIDGES Weekly Trade News Digest* Vol. 3, No. 32, 16 August 1999 <http://www.ictsd.org/html/story4.16-08-99.htm>)

Ministers are also likely to discuss the issue of the so-called Accelerated Tariff Liberalisation (ATL, sometimes referred to as EVSL) initiative and how best to move the ATL process forward at the WTO. (See *BRIDGES Weekly Trade News Digest* Vol. 3, No. 30, 2 August 1999 <http://www.ictsd.org/html/story3.02-08-99.htm>) The ATL essentially calls for an early harvest in proposed negotiations for a number of sectors including *inter alia* forest products, environmental goods and services, fishery products, automotives, civil aircraft, fertilisers, food, oilseeds, and rubber. The U.S., New Zealand and a number of other APEC members are keen for ATL to become a centrepiece of new WTO negotiations. However, Japan - joined by the EU, has expressed strong opposition to any early harvest negotiations, preferring to conduct any new WTO talks as a "single undertaking."

The U.S. and Canada could bring up the divisive issue of APEC sectoral liberalisation in the fisheries and forest product sectors, with a goal toward getting APEC resolution on the matter before the WTO Ministerial. Japan's intransigence around liberalisation in these sectors was what forced APEC to refer ATL/EVSL to the WTO last year. Last week, Japan reiterated it would not discuss reductions in fishing and forestry products as part of talks around an APEC free trade area, arguing that any talks on tariff reductions belong at the WTO.

Non-governmental organisations will hold a conference parallel to the APEC meeting, from 7-9 September at Auckland University.

"U.S. officials see APEC focus on WTO ministerial, not action plans," *INSIDE US TRADE*, 3 September 1999; "Mahathir Pulls Out of APEC Summit," *FINANCIAL TIMES*, 3 September 1999 "NZ's Shipley tackles APEC business, moral critics," *REUTERS*, 2 September 1999; "NZ's PM Shipley wants strong APEC statement on WTO talks," *DOW JONES NEWSWIRE*S, 2 September 1999; "Canada wants fishery, forestry settled before WTO round."

EU FISH POLICIES CRITICISED

The World Wide Fund for Nature (WWF) Endangered Seas Campaign on 2 September called on the EU to phase out fishing subsidies that encourage overfishing. The WWF criticised most fishing subsidies for making "no environmental or economic sense." The WWF urged the EU to join the U.S., Australia, Iceland, New Zealand, Norway, Peru and the Philippines which earlier this summer called for the elimination of fishing subsidies to be included in the new round of global trade talks.

Meanwhile, at the end of a two-day environmental workshop last week, East African stakeholders in the fisheries sector complained against the European Union for maintaining its ban on fish exports from Kenya, Uganda and Tanzania, saying that EU claims that fish exports from the three states were contaminated were "discriminatory and . . . aimed at strangling the region's fish industry." The participants, from the private and public sectors, demanded that the EU's claims be scientifically backed.

Mathias Wafula, assistant director of fisheries, said that Kenya had completely stamped out fish poisoning - the EU's main reason for the ban, and that the ban had caused fish prices to plummet.

"East Africans Condemns EU Fish Export Ban," PANA, 3 September 1999; "EU Fishing subsidies = 14 000 Euro per boat," WWF PRESS RELEASE, 2 September 1999; "EU must slash fishery subsidies-environment group," REUTERS, 2 September 1999.

ASIAN FOOD SAFETY CONCERNS; MOVES IN U.S. TO SEGREGATE GM FOOD

A food safety study panel under the auspices of Japan's Health and Welfare Ministry, on 31 August urged meat-exporting countries to certify meat exports as having been processed using equivalent or higher sanitation standards than Japan's. Current rules require meat exporters to certify that meat products have been processed in line with the exporting countries' rules. Food safety panel sources said that increased meat and poultry imports from developing countries prompted the recommendation. The ministry plans to start using the regulation on beef and poultry beginning in fiscal 2000, and pork in fiscal 2002. Japan food safety standards utilise the so-called HACCP (Hazard Analysis and Critical Control Points) food sanitation management method. Japan will report on the planned regulation change to the WTO, where it will be subject to a 60-day comment period by WTO Members.

In related news, Japan and other Asian countries are set to launch talks this autumn around quality and manufacturing standards for a noodle staple-product, which observers say could open the door for international talks setting food standards for Asian countries. Consumer groups in Japan express some reluctance over such standard-setting, noting that Japan typically holds higher standards for key characteristics than other countries. "Efforts to create international standards should be shelved if such efforts lead to a lessening of domestic quality in foodstuffs," according to one Japanese consumer group official.

Meanwhile, Archer Daniels Midland (ADM), the leading U.S. corn-processor, on 1 September warned its grain suppliers to begin segregating genetically modified (GMO) crops from conventional crops. The announcement comes a few months after ADM and another major corn buyer (A.E. Staley) announced they would not buy or trade any corn product not approved for sale in the EU. (*BRIDGES Weekly Trade News Digest*, Vol. 3, Nos. 15 & 16, 26 April 1999, <http://www.ictsd.org/html/story7.26-04-99.htm>). ADM's announcement came as consumer reluctance toward GMO products continues to grow in Europe, Japan and more recently in the U.S., attracting heavy media coverage.

ADM said that while it still supports biotechnology, "...we must produce products that our customers will purchase. Some of our customers are requesting and making their purchases based on the genetic origin of the crops used to manufacture their products."

Gary Goldberg, Chief Executive Officer of the American Corn Growers Association (ACGA), an organisation which has expressed reluctance towards genetically modified corn in the past, noted that the ADM announcement "sends a clear signal to European, Asian and American consumers that U.S. farmers will respect the wishes of our customers and provide them the products they demand. The ADM action also magnifies the growing unrest over the failure of GMO crops to gain consumer acceptance."

The British Retail Consortium (BRC), a UK trade association which represents large supermarkets, welcomed the ADM announcement. Earlier this year, seven leading European supermarket chains, including J. Sainsbury and Carrefour, announced they would collectively eliminate genetically modified ingredients (GMOs) from private-label food products.

"ADM warns its grain suppliers to segregate gene-altered crops," WALL STREET JOURNAL, 2 September 1999; "Campaigners, stores welcome ADM call on gene crops," REUTERS, 2 September 1999; "ADM calls for crop segregation," FINANCIAL TIMES, 2 September 1999; "Meat exporters to face Japanese health standards," KYODO NEWS AGENCY, 31 August 1999; "Japan to make imported meat labels meet Japanese safety standards, not importers'," DAILY REPORT FOR EXECUTIVES, 2 September 1999; "Japan to begin dialogue on food standards," NIKKEI WEEKLY, 30 August 1999.

IN BRIEF

When the U.S. Congress reconvenes this fall it is expected to consider renewal of the Generalised System of Preferences (GSP), a tariff regime used to encourage trade and development in poor countries. In 1998 the regime covered 4,600 items worth about US\$16.3 billion. GSP supporters worry that conflicting budget priorities and growing scepticism towards trade expansion could cause a delay in GSP renewal. "Fears grow over US benefits for poor countries," FINANCIAL TIMES, 1 September 1999.

In its annual "Report on United States barriers to trade and investment" released on 30 August, the EU criticised the "unilateralism" characteristic of recent U.S. trade policy, citing as the prime example U.S. manoeuvres in the EU-U.S. dispute over bananas. (See *BRIDGES Weekly Trade News Digest* Vol. 3, No. 10, 15 March 1999, <http://www.ictsd.org/html/story1.15-03-99.htm>) "EU slams U.S. tactics in banana trade row," REUTERS, 30 August 1999.

Officials in the Pakistani Ministry of Food and Agriculture late last month reported that the multinational life sciences company Monsanto has sent "unsolicited suggestions" as to how Pakistan might best meet its obligations under the WTO Agreement on Trade Related Aspects of Intellectual Property (TRIPs Agreement). Monsanto has asked for revisions to Pakistan's draft Plant Breeders Rights Act: Monsanto wants a clause regarding compensation for hazards and damages from GMOs removed from the Act. "Monsanto fiddles with plant protection act," IPS, 31 August 1999.

WTO IN BRIEF

European Commission Vice President Sir Leon Brittan on 20 August threatened to bring a WTO complaint against the U.S. for a planned harbour maintenance fee on imports. The fee would generate an estimated US\$1 billion annual to pay for maintenance and operations at U.S. harbours and to fund construction of new U.S. harbours. Sir Leon warned in a 20 August letter to U.S. Trade Representative Charlene Barshefsky that the fee would unfairly discriminate against EU vessels and said the EU would bring the matter to the WTO if a resolution is not reached by 1 January 2000. "EU rejects Clinton harbour tax plan, threatens to take US before WTO," JOURNAL OF COMMERCE, 2 September 1999.

EVENTS & RESOURCES

▪ EVENTS

For a more complete list of events, please refer to ICTSD's web calendar at <http://www.ictsd.org/html/calendar.htm>

WTO Meetings

An updated list of forthcoming WTO meetings is posted at <http://www.wto.org/wto/about/meets.htm> Please bear in mind that dates and times of WTO meetings are often changed, and that the WTO does not always announce the important informal meetings of different WTO bodies. Unless otherwise indicated, all WTO meetings are held in Geneva, Switzerland.

13 September: SYMPOSIUM ON COMPETITION POLICY. For information contact Hans-Peter Werner, WTO, tel: (41-22) 739 5286.

14 September: WORKING GROUP ON TRADE & COMPETITION POLICY. For information contact Hans-Peter Werner, as above.

21 September: COUNCIL FOR TRADE IN SERVICES. For information contact Nuch Nazeer, WTO, tel: (41-22) 739 5393.

Change of Dates

The UNCTAD-NGO consultation initially scheduled for 19-21 September, has been postponed. The new details are as follows: December 12-14 UN CONFERENCE ON TRADE AND DEVELOPMENT CONSULTATION WITH NGOS. A preparation meeting for UNCTAD X on the theme 'making globalisation an effective instrument of development for all'. For information contact Jo Butler, Chief, UNCTAD Public Affairs Unit, tel: (41-22) 917-5048, email: jo.butler@unctad.org

Other Events

9-10 September: UNITED NATIONS ENVIRONMENT PROGRAMME (UNEP) -- MEETING OF BANKS AND INSURANCE COMPANIES. Organised by UNEP's Financial Institutions Initiative on the Environment, this meeting is fifth in a series of Roundtables on finance and environment. It will focus on the challenges confronting financial institutions and their customers in a global and environmentally concerned marketplace. For information contact Mike Kelly, tel: (41-22) 917-8178, fax: 796-9240, email: eteu@unep.ch, web: www.unep.ch/eteu/envr-fin.htm

10 September, Brussels: WORKING SEMINAR ON THE EU AND THE MILLENNIUM ROUND. 9.30 a.m. - 6 p.m. at the European Parliament, (room 1G2), Rue Wiertz, Brussels. Amongst the issues to be addressed by the seminar are: issues at stake in the Millennium Round; State of preparation of the Millennium Round in the different EU member States; Exchange of information, initiatives and projects of mobilisation by NGOs; Proposals for a common strategy. Translation will be provided from and to French, English, German, Dutch and Spanish. For

information, contact Paul Lannoye (before 8th September), fax: (32-2) 284-9695 or Françoise Dupont, tel: (32-2) 284-5695.

17–18 September, Geneva: HIGH LEVEL FORUM ON TRADE AND ENVIRONMENT. A ministerial level meeting of approximately 25 trade and environment ministers, NGOs and academics from developed and developing countries will discuss trade and environment issues in the context of upcoming negotiations at the WTO. The Forum will be convened by Gary Sampson of the London School of Economics and James Cameron of the Foundation for International Environmental Law and Development. Institutional support for the Forum will be provided by ICTSD. For further information contact ICTSD.

26-27 September, New York: UN GENERAL ASSEMBLY SPECIAL SESSION ON SIDS (small island developing states). For information see web: <http://www.un.org/esa/sustdev/sidsspec.htm>

4-8 October, Geneva: COMMISSION ON INVESTMENT, TECHNOLOGY AND RELATED FINANCIAL ISSUES. Organised by the United Nations Conference on Trade and Development (UNCTAD). The key items on the agenda include: ways of enhancing FDI flows to and among developing countries; investment policy and science and technology and innovation policy reviews. For information contact Mr. James Zhan, tel (41-22) 907-5797. For questions concerning representation contact (41-22) 907-0056

4-8 October, San Jose, Costa Rica: CBD EXPERT PANEL ON ACCESS AND BENEFIT-SHARING. Organised by the Secretariat of the Convention on Biological Diversity. For information contact CBD Secretariat, (1-514) 288-2220, fax 288-6588, email: chm@biodiv.org, web: www.biodiv.org

11 October, Tel Aviv, Israel: NGO WORKSHOP ON GLOBALISATION, SOCIETY & THE ENVIRONMENT. Organised by Green-course, Green Action, and Friends of the Earth, Middle East (FoEME). For information contact Dror Reshef, email: DrorR@netformx.com or FoEME, email: mftz@foeme.org

25 October - 5 November, Bonn: 5TH CONFERENCE OF THE PARTIES TO THE UNITED NATIONS FRAMEWORK CONVENTION ON CLIMATE CHANGE (UNFCCC). For information contact UNFCCC secretariat, tel: (49-228) 815-1000, fax: 815-1999, email: secretariat@unfccc.de, web: www.unfccc.de

▪ RESOURCES

UNCTAD ACTIVITIES UNDER THE POSITIVE AGENDA AND PREPARATION FOR THE FUTURE MULTILATERAL TRADE NEGOTIATIONS. Issues and research needs from a development perspective: includes the report based on issues discussed at the ad hoc expert group meeting of the Secretary-General of UNCTAD, 21 and 22 September 1998 and at the G-15 Trade and Economics Ministers Meeting (Montego Bay, Jamaica, 6 February 1999). Visit: <http://www.unctad.org/en/posagen>

MAKING CLIMATE CHANGE NEGOTIABLE. THE DEVELOPMENT OF THE GLOBAL WARMING POTENTIAL INDEX, Centre for International Climate and Environmental Research, Oslo (CICERO), 1999. The Global Warming Potential index (GWP index) is a methodology for comparing the climate effect of a set of greenhouse gases and for transforming their emissions into

a common measure. This working paper offers the development of an index, and the political role of this methodology in the development of the climate change decision making regime. For more information contact, Reidar Evensen Information Officer, CICERO, Oslo, Norway, phone. (47-22) 858-784, fax 858-751, email reidar.evensen@cicero.uio.no, web: <http://www.cicero.uio.no/eindex.html> or <http://www.cicero.uio.no/~ftp/publications/Workingpapers/wp1999-09.pdf>

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