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## AGRICULTURE NEGOTIATIONS PICK UP SPEED

WTO Members attending the WTO's second Special Session of the Committee on Agriculture arrived at the table with opposing agendas and extremely different proposals. While there appeared to be little movement on the most contentious issues such as export subsidies, many participants were encouraged by the speedy move into what some characterised as a negotiating mode. Several WTO trade officials described the discussions as "positive", saying that no one party was looking for anything unrealistic.

One of the most fractious debates at the WTO -- that over export subsidy payments to farmers -- emerged at the meeting. Even though their failure to reach agreement on agricultural issues was partly to blame for the breakdown of talks at Seattle, the EU and the US reiterated their opposing positions in the debate over support mechanisms. Going into the Special Session, the US proposed "to reduce to zero the levels" of all internal farm payments, including export subsidies. The most surprising part of the US proposal, according to trade sources, is that it also reflects an increasing emphasis on -- and commitment to -- development and infrastructure.

The EU, which maintains a wide range of export subsidy programs, proposed the maintenance of the current agriculture framework, including green box (permitted subsidies) and blue box subsidies (see *BRIDGES Weekly Trade News Digest* Vol. 3, No. 38, 27 September 1999, <http://www.ictsd.org/html/story6.27-09-99.htm> ).

After one day of negotiations, David Roberts, the deputy head of the EU's agriculture directorate, called the US proposal "disappointing" and "not helpful to the negotiating process." However, according to August Schumacher, U.S. Undersecretary for farm and foreign agriculture services, "the emphasis is on minimising trade-distorting measures which the EU has in such a large amount."

The Cairns Group, which includes Australia, Argentina, Brazil, Canada, and South Africa, also weighed in on the subsidies issue. Their proposal, like that of the US, called for the elimination and prohibition of all forms of export subsidies for all agricultural products, because, according to the proposal, "export subsidies are the most trade-distorting agricultural policies." The elimination proposal entailed a substantial downpayment in terms of reduction of outlays and volumes of export subsidies during the first year of the implementation period. The group also proposed that effective special and differential treatment provisions be established. According to one Cairns Group diplomat, "we're trying to show that export subsidies are the most pernicious form of support." Prior to the meeting, officials from the group once again warned the EU that it would face a challenge at the WTO unless it moved to drop agriculture export subsidies.

In a submission prior to the meeting, a group of 11 developing countries, including the Dominican Republic, Pakistan, Kenya, Zimbabwe, and Sri Lanka, accused the US and EU of creating new barriers to agricultural imports from developing countries. According to the paper, "the existing Agreement on Agriculture (AoA) rules seem to bestow special and differential treatment on developed rather than developing countries." The countries proposed collapsing all domestic support categories into one 'General Subsidies' box, and eliminating the current "box" system. They also point out that the AoA "has not satisfactorily addressed the food security and development concerns," and in order to change that, a "development box" should be created to specifically address the needs of developing countries. According to trade officials, there was a wide range of interventions at the Special Session pertaining to these proposals, including a range of opinions among developing countries.

The next meeting of the Committee on Agriculture and concomitant Special Session are scheduled for late September. ICTSD will cover the latest developments in agriculture in next week's issue of *BRIDGES Weekly Trade News Digest* and in the June issue of its monthly review *BRIDGES Between Trade and Sustainable Development*.

"Despite the doubts and the absence of a broad trade round, WTO's farm talks look surprisingly like negotiations," *WORLD TRADE AGENDA*, 19 June 2000; "U.S., EU clash on agriculture at trade talks," *REUTERS*, 30 June 2000; "US proposal on farm trade reform 'disappointing': EU official," *AGENCE-FRANCE PRESSE*, 30 June 2000; "EU, United States Clash Over Proposals For Agriculture Reform at WTO Meeting," *WTO REPORTER*, 3 July 2000; "Farm export countries warn EU of WTO challenge," *REUTERS*, 28 June 2000; "Poorer Countries Say WTO Farm Accords Help Rich," *REUTERS*, 28 June 2000; "Cairns Group proposes plan to end farm export subsidies," *BRIDGENEWS*, 20 June 2000; ICTSD internal files.

**EXPECTATIONS DIM FOR IMPLEMENTATION DESPITE NEW WORK PROGRAMME**

Meeting in Special Sessions of the General Council on Implementation on 22 June and 3 July, WTO Members both adopted a work programme outlining the range of issues to be discussed at forthcoming Implementation sessions up to December 2000, and began formal presentation of implementation concerns based primarily on the short-term provisions outlined in paragraphs 21 and 22 of the 19 October 1999 draft declaration for the Seattle Ministerial.

Paragraph 21 outlines a range of implementation demands by developing countries, including review of existing WTO agreements on antidumping, textiles, subsidies, TRIPs, sanitary/phytosanitary measures (SPS), and others in order to redress what many developing countries see as serious imbalances in how the WTO agreements have been implemented since the Uruguay Round. Paragraph 22 calls on the General Council to conduct a full review of difficulties faced by Members in implementing the WTO Agreements.

Under the workplan, Members are mandated to meet for two more Implementation Special Sessions (on 18-19 October and 18-19 December) with an indication that further meetings will be held in 2001.

Thus far, according to a WTO official, the sessions have not been particularly interactive, and have consisted primarily of developing country Members presenting their implementation concerns in the areas outlined in paragraph 21. Given that OECD Members have provided little positive response, the outlook for real progress on implementations issues remains dim. The EC and other developed countries have indicated that while Members may be able to make progress on less contentious areas such as technical assistance for developing countries, the more serious implementation demands -- particularly those requiring changes in existing agreements -- will have to be reserved until a new round of trade negotiations.

In the corridors, some trade officials conjecture that the slow pace of the implementation proceedings is due to the reticence of some developing countries -- particularly those in the Like-Minded Group (India, Egypt, Pakistan and Malaysia) -- of entering into a new round of trade negotiations in the near future. Both India and Pakistan have demanded that implementation concerns be resolved before any new negotiations take place.

However, not all developing countries share the same view. There are those such as Chile, for instance, who would prefer to see the Implementation sessions focus on more deliverable outcomes that do not require re-opening existing agreements.

The next step is for the Director-General and the Chair to conduct an informal consultation process "in a transparent manner" before reporting back to the second meeting of the Special Session on 18-19 October. At that meeting Members will also address implementation proposals relating to paragraph 22.

### Morocco achieves waiver for Customs Valuation implementation

At a brief meeting of the WTO Customs Valuation Committee on 4 July, the Committee agreed 'in principle' to grant a one-year extension to Morocco's waiver on customs provisions for maintaining a 'minimum reference price', primarily for textiles and household appliance products. Morocco -- whose customs waiver expired on 4 July -- maintains minimum prices for these products, arguing that it is still revising its customs legislation and needs more time for its domestic textile industry to adjust. While all Members are in favour of the waiver, the agreement remains 'in principle' while the decision is translated into all three WTO languages; Members have five days to respond before the decision is formalised.

Recently a number of developing country Members -- including Myanmar, Honduras, Costa Rica and Mauritania -- have also received waivers, mostly for extensions on minimum price practices and implementing 'transaction value' legislation (see WTO Agreement on implementation of Article VII of the GATT). According to a WTO official, the Committee has met almost every week for ad hoc sessions on extension of implementation deadlines for individual countries. Many developing countries have had difficulties complying with Customs Valuation provisions, and have called for a blanket extension for implementation at the Implementation Special Sessions. The deadline for developing countries' implementation of the Customs Valuation agreement expired on 1 January 2000.

"General Council endorses timeline for reviewing LDC WTO problems," INSIDE US TRADE, 23 June 2000; ICTSD Internal Files.

### **TRIPS COUNCIL MEETING ENDS IN GRIDLOCK**

The WTO Council for Trade-Related Aspects of Intellectual Property Rights (TRIPs) met in Geneva last week from 26 to 30 June over an agenda primarily focused on the review and implementation of the TRIPs Agreement. Due to serious disagreements over substantive and procedural matters, however, participants departed without reaching consensus on a majority of issues on the table.

In their second meeting of the year, Council members discussed several controversial topics, including the review of Article 27.3(b), which addresses patentability exclusions for biological organisms. According to diplomatic and WTO sources, however, discussion focused more on the scope and procedures for review than on substantive debate over the provisions of Article 27.3(b). Sources also noted that Members seemed mostly concerned about reaching consensus on procedural issues surrounding the review.

According to Rashid Kaukab of the Geneva-based South Centre, developing countries remain much more interested in reviewing Article 27.3(b)'s substance than in discussing its implementation or procedures for review. The governments of many developing countries, according to Kaukab, seek greater flexibility in creating their own systems of intellectual property protection and may push for the exclusion of all life forms from intellectual property laws. According to one participant in the TRIPs Council discussions, some developing countries, such as India and Pakistan, are currently supporting a proposal to allow the compulsory licensing of essential medicines under Article

27.3(b) in the context of the Implementation discussions at the General Council. According to another observer, however, many of the developing countries' proposals may be unlikely to succeed because most developed nations are extremely reluctant to open the TRIPs Agreement for renegotiation.

Delegates to the Council also debated the provisions of Article 23.4, which calls on countries to establish a multilateral registry of geographical indications for wine varieties. Countries were divided over registration schemes, with the major European countries lining up in favour of a comprehensive scheme against the wine producers of the New World, who prefer a less stringent, voluntary system. A related conflict arose between countries that wish to restrict stronger protection of geographical indications to wines and spirits and those countries -- including Switzerland, Cuba and several other developing country Members -- that seek to extend additional protection of geographical indications to other goods.

Developing countries, particularly India, also expressed interest in exploring the relationship between the TRIPs Agreement and the Convention on Biological Diversity. The TRIPs Council is currently considering the CBD's application for observer status, along with applications from at least eleven other intergovernmental organisations. At last week's meeting, it extended observer status on an ad hoc basis to the World Health Organisation, increasing the prospects for future collaboration and consultations between the two intergovernmental bodies.

The decision to extend observer status to the WHO seemed to be the only concrete outcome of last week's meeting. Though routine items such as national implementation reviews proceeded smoothly, discussion on other agenda items, including the overall TRIPs implementation review called for under Article 71.1, slowed to a halt as countries endlessly debated procedural concerns. One participant in the Council meeting noted that discussion on most items failed to progress beyond procedural debates mostly because of deep political divisions between Members. Mired in disagreements over how to proceed, the meeting adjourned without having accomplished substantial progress. "There was no resolution about how to move forward," said one participant. "The Chair will have to take a very active role in the fall to see where there is room for discussion and compromise." With much left undecided, there remains a great deal of work for the Chair to accomplish in upcoming informal consultations. The next meeting of the TRIPs Council will be held from 21-22 September 2000.

ICTSD Internal Files.

## **NGOs DISAPPOINTED IN UN DEVELOPMENT SUMMIT**

The UN General Assembly held its 24th Special Session at the Palais des Nations in Geneva from 26 June - 1 July 2000. The session was entitled "World Summit for Social Development (WSSD) and Beyond: Achieving Social Development for All in a Globalising World." Most world leaders, however, were notable for their absence - 5 years ago, 117 heads of state attended. This year, fewer than 20 heads of state were in attendance, and most of those were from sub-Saharan Africa.

In his address to the activists gathered to participate at the conference, UN Secretary General Kofi Annan assured representatives of civil society in the audience that their presence at the conference

was at least as important as his own, because "you and I will be delivering very similar messages to the official delegations." However, at the final gathering of representatives of non-governmental organisations (NGOs), many expressed frustration at the fact that the five-year review had left them disappointed, with what they considered only a small victory here and there, the most prominent of which was a proposal to give breathing room to countries unable to pay their debts at any given point.

However, those same NGO members who listened to Annan's opening address voted to draft a declaration to criticise the UN chief's report on poverty at a parallel meeting of NGOs on 27 June. Negative reaction was due in part to the fact that Annan signed the report alongside the leaders of three international financial organisations: the OECD, the IMF and the World Bank.

Throughout the week, hundreds of workshops and panel discussions were held in which representatives from civil society, governments, and inter-governmental organisations participated. At a panel discussion on the benefits of liberalising trade, Richard Eglin (Director of the WTO Trade and Finance Division) pointed out that five years ago "we were trying to put development concerns into trade discussions," while now "we are putting trade into development work." According to the UN, the current problems faced are the result of a variety of factors. The Summit's final declaration argues that part of the blame rests with Western governments, who have cut aid spending to developing countries and failed to resolve their debt crises. The UN also points out that globalisation has been badly managed, and that the benefits of free trade, information technology, and foreign direct investment have not been fairly distributed. In his speech to activists, UN Secretary General Kofi Annan conceded that many people are being hurt in a globalising world. "I would say not from globalisation itself but from the failure to manage its adverse effects," he said.

One of the most critical issues prior to and at the summit was how to provide medicine and treatment for the millions suffering from HIV/AIDS. At a meeting on 17 June, southern African health ministers said that their countries were not equipped to respond to an offer from major pharmaceutical companies to cut the cost of anti-AIDS drugs for poor countries. According to Manto Tshabalala-Msimang, the South African Health Minister, in spite of price cuts by the companies of up to 80 percent, the drugs would still be too expensive, and purchasing them would prevent treatment of patients with other diseases.

In the past, South Africa has wanted to use WTO provisions to declare AIDS a medical emergency, which would give it the right to circumvent patent rules and manufacture or import inexpensive copies of HIV drugs. In early May, the US indicated that they supported South Africa's position; however, at the UN World Summit, the US changed its position and refused to support this stance. In a meeting of Working Group II, the US, Canada, Japan, Australia, and the EU rejected a proposal by the G-77 group of developing countries to exclude patent rights for medications deemed essential and fundamental for saving the lives of AIDS patients. The US representatives alleged that the G-77 proposal introduced issues related to human rights and other technical questions that would require broader consultations with experts in the field.

"The WTO under siege," EARTH TIMES NEWS SERVICE, 3 July 2000; "Activists say that Geneva Social Summit was a disappointment," EARTH TIMES NEWS SERVICE, 3 July 2000; "NGOs Denounce UN Poverty Report," IPS/TERRAVIVA, 27 June 2000; "Kofi Annan addresses activists at opening ceremony for Geneva 2000," EARTH TIMES NEWS SERVICE, 26 June

2000; "Uphill climb for poverty summit," BBC NEWS, 26 June 2000; "Cheaper medicine exposes Africa's woes," FINANCIAL TIMES, 19 May 2000; "South African Ministers Unable to Respond to AIDS Drugs Offer," REUTERS, 19 June 2000; "US Blocks Cheap AIDS Medicines," IPS/TERRAVIVA, 29 June 2000.

## **OECD MEETS: CALLS FOR NEW ROUND; FAILS TO UNTIE AID**

Delegates at the Organisation for Economic Co-operation and Development (OECD) Council at Ministerial level met from 26-27 June to discuss a range of economic and development issues. Ministers endorsed a new round of global trade talks and adopted revised guidelines for multinational companies.

### Tied-Aid Stays Knotted

In advance of the ministerial, members failed for the second consecutive year to agree on a plan designed to end so-called tied aid, or official development assistance which requires recipient countries to purchase goods and services for specific development projects from the donor country. Objections from Japan and France led to the failed talks. Proponents of untying aid, including the US, UK, and a number of non-governmental organisations (NGOs), argue that tied aid distorts trade and is anti-competitive in that it serves to provide subsidies to domestic firms and producers in donor countries.

"It is an utter disgrace that rich countries, who claim they are trying to tackle extreme poverty, cannot even take the smallest step towards reducing the commercial abuse of their aid programmes. This is breathtaking hypocrisy of the worst order," said Jeff Chinnock, ActionAid policy advisor. ActionAid has led NGO opposition to tied aid, noting that an agreement to untie aid could increase the value of development aid by US\$7 billion annually.

In their final communiqué, OECD Ministers noted that they, "regretted that members were so far not in a position to reach a consensus on a recommendation on untying aid to the least developed countries," and urged continued discussion on the matter.

### Ministers Push New Round

Ministers did agree to endorse a new round of global trade talks as soon as possible. "Ministers are determined to work towards the launch as soon as possible of an ambitious, balanced and broad-based WTO round of multilateral negotiations reflecting the needs and aspirations of all WTO Members. The lessons of the WTO Ministerial meeting in Seattle are clear...more must be done to address the particular and varied concerns of developing countries and there must be a broader engagement with our societies to establish a constructive dialogue on the benefits and challenges of trade liberalisation," according to the OECD final communiqué.

### MNC Conduct Code Agreed

Ministers also agreed to a revised code of conduct for multinational companies as part of the OECD Declaration on International Investment and Multinational Enterprises. Non-OECD countries Argentina, Brazil, Chile and the Slovak Republic have also agreed to the guidelines.

"The basic premise of the Guidelines is that principles agreed internationally can help to prevent conflict and build an atmosphere of confidence between multinational enterprises and the societies in which they operate," said Peter Costello, Australia's Treasurer, who chaired the OECD ministerial. "The new text of the Guidelines contains far-reaching changes that reinforce the economic, social and environmental elements of the sustainable development agenda," Mr. Costello said. The guidelines are non-binding.

The revised guidelines contain recommendations on core labour and environmental standards, as well as sections on combating corruption and safeguarding consumer rights. Mexico had originally threatened to hold up agreement on the guidelines over demands around certain aspects of the guidelines' text, including, *inter alia*, assurances that the OECD guidelines would not supersede national institutions, and that the OECD would not establish a dispute settlement system to handle compliance issues. Ministers finally agreed to include language supporting Mexico's demands.

The full text of the new Guidelines is available on the OECD's website at <http://www.oecd.org/daf/investment/guidelines/mnetext.htm>.

"New OECD Guidelines for Multinational Enterprises reinforce framework for the global economy," OECD PRESS RELEASE, 27 June 2000; "OECD endorses launch of new WTO talks; EU's Lamy points to sense of urgency," INTERNATIONAL TRADE REPORTER, 26 June 2000; "Negotiations to untie development aid break down in Paris," ACTIONAID PRESS RELEASE, 22 June 2000; "Mexico digs in over tougher OECD rules," FINANCIAL TIMES, 24-25 June 2000; "Rich countries' trade ministers discuss prospects of new WTO round," AGENCE FRANCE PRESSE, 27 April 2000; "Gifts with strings attached," THE ECONOMIST, 17 June 2000; "Industrialized nations fail to reach agreement on tied development aid," INTERNATIONAL TRADE REPORTER, 29 June 2000.

### **INFORMAL GENERAL COUNCIL BROACHES TRANSPARENCY**

WTO Members met on 4 July for an informal session of the General Council (GC) in preparation for the 17 July (formal) GC meeting. Members discussed a range of issues, including e-commerce, observer status for intergovernmental organisations (IGOs), and internal and external transparency. 11 July has been scheduled as a spillover date for further preparatory discussion.

GC Chair Kare Bryn told Members he would be consulting with Members on putting together guidelines on granting observer status for IGOs, though due to tensions over the participation of organisations such as the Arab League and the ILO (with US/Israel and many developing countries, respectively), it is not likely that a decision will be taken on this by 17 July.



During a lengthy debate on the topic of transparency, the Chair notified Members that he would like to address external transparency in a similar fashion as internal transparency, i.e. by asking Members for submissions. Canada and the EU argued in favour of linking internal and external transparency, though they were countered strongly in this by Pakistan and Indonesia. In uncharacteristic fashion, Mexico was not completely obstructionist to conducting informal discussions on external transparency, but said that it may take a different stance in a formal setting. A proposal by the EC -- supported by the US -- for establishing a more detailed Daily Bulletin for Members on WTO meetings was not opposed at the session, leaving open the question of whether this prospect for improved internal transparency will be followed up in the 17 July meeting.

Review of de-restriction of WTO documents and review of guidelines for scheduling of WTO meetings (a topic of significance for many developing country Members) were both scheduled topics that have been pushed forward to the 11 July session. The agenda item on procedures for selection of the Director-General has been put off until fall 2000, as has discussion on further preparation for the next Ministerial Conference (expected in the latter half of 2001).

ICTSD Internal Files.

## **WTO TRADE AND DEVELOPMENT BODY MEETS ON IMPLEMENTATION, TECHNICAL COOPERATION**

The WTO's Committee on Trade and Development (CommTD) met on 28 June to cover, *inter alia*, technical cooperation issues and discuss a report on the 26 June seminar on implementation. Due to the large number of items on the agenda, the CommTD did not finish its discussions and will meet again on 10 July to cover the remaining items. BRIDGES Weekly Trade News Digest will provide further coverage on the continuing Committee's session in a forthcoming issue.

The seminar took the form of a series of panels covering, *inter alia*, practical aspects of implementation (focusing on TRIPs, Customs Valuation and TRIMs); policy perspectives on implementation, and difficulties of developing countries in the pursuit of their rights under the WTO. Members heard presentations from representatives from a number of organisations, including the World Customs Organisation, the UN Conference on Trade and Development, the World Bank, and the academic community.

A number of speakers pointed out that not all implementation issues -- particularly those where costs appeared to be a certainty and benefits only a possibility -- could be addressed by technical assistance, capacity building measures or financial support. Many participants expressed the need to move beyond the restatement of positions in the current process at the Implementation Special Sessions (see related story, this issue). Delegates in general were, according to an informed source, "frustrated both with the structure and content of the seminar," and were unsure of what to draw from it, particularly the input of those outside the WTO.

Following a presentation by the Chair of a report on the seminar, the Committee resumed a discussion begun at the previous session on special and differential treatment (SDT) of developing countries. Members agreed to mandate the Secretariat to produce an update of a 7 March 2000

Chair's report on SDT (document number WT/COMTD/W/66), using information from other WTO bodies as a basis.

The CommTD then addressed the agenda item on technical cooperation, and in this regard heard a number of presentations by the WTO Secretariat on its technical cooperation activities. These included a 15 February 2000 note by the Secretariat on "Participation of Developing Countries in World Trade: Recent Developments and Trade of the Least Developed Countries (LDCs)" and an interim evaluation report on technical cooperation. A review due this month of the Integrated Framework for Trade-Related Technical Assistance for LDCs -- a capacity-building project managed by the WTO and supported by five other agencies -- was not discussed; it will be taken up at the sub-committee on LDCs meeting scheduled for 25 July. The UNDP is also planning meetings in New York to decide on the faith of this multi-agency programme.

The UN Environment Programme was granted ad hoc observer status for the session, while requests for observer status from the Organisation of Petroleum Exporting Countries (OPEC) and the League of Arab States were deferred due to the wish by some Members to more fully consider the reasons for their presence at the CommTD.

The WTO's technical cooperation activities are carried out with the aim of helping developing countries to understand and implement WTO agreements; ensure their full participation in the international trading system; and strengthen their structures on a permanent basis so as to allow them to derive full benefit from the new trade environment. These activities constitute one of the instruments of special and differential treatment extended to developing countries in the WTO Agreements.

Following the 10 July continuation of the CommTD, the next (30th) Committee meeting is scheduled for 27 October. In the intervening period, Members will come together for sessions on related topics, including reflection on technical cooperation on 18-19 July, a seminar on problems of small economies on 21 October, and the second annual 'Geneva Week' from 23-27 October for representatives of WTO Members whose missions are not located in Geneva.

ICTSD Internal Files.

## **NEWS FROM THE REGIONS: LATIN AMERICA**

### **SACU-Mercosur**

South African Trade and Industry Minister Alec Erwin is expected to meet with Brazilian officials this month toward crafting a framework agreement expected to lead to the launch of free trade talks between the Southern African Customs Union (SACU, comprising South Africa, Botswana, Namibia, Lesotho, and Swaziland) and Mercosur (comprising Argentina, Brazil, Uruguay, Paraguay and associate members Chile and Bolivia). South Africa and Brazil have also forged an emerging alliance toward creating a more leveraged negotiating position for developing countries at the WTO (see *BRIDGES Weekly Trade News Digest* Vol. 4, No. 10, 14 March 2000, <http://www.ictsd.org/html/weekly/story2.14-03-00.htm> ). Trade between SACU and Mercosur has increased from US\$30 million in 1994 to US\$300 million in 1999.

### EU-Mercosur

Trade negotiators from the EU and Mercosur met from 13-16 June for bilateral trade talks. Following the talks, Argentine Deputy Foreign Minister Horacio Chighizola complained that EU negotiators failed to engage in meaningful dialogue toward moving free trade talks forward and warned that the next round (expected for November) must prove more fruitful lest the talks fall apart all together. "If the same thing happens at the next meeting, it will be the last," Mr. Chighizola said.

EU-Mercosur talks began in 1999 but have stalled over various differences between the two sides, including intellectual property rights, government procurement and Mercosur demands on EU agricultural liberalisation. An EU-Mercosur free trade agreement as proposed would remove tariffs on goods over a ten-year period from 2005, and is estimated to be worth about US\$6.2 billion annually to the EU and US\$5.1 billion annually to Mercosur and Chile. EU-Mercosur trade totalled an estimated US\$46 billion in 1998.

### Andean Summit

Leaders from the Andean Community (comprising Bolivia, Colombia, Ecuador, Peru and Venezuela) met in June for a summit, where the grouping discussed, *inter alia*, progress toward creating an Andean Common Market and a trade agreement with Mercosur. Regarding the latter, Andean Community Secretary General Sebastian Alegratt noted that the Andean Community had completed talks for a preferential trade agreement with Mercosur members Argentina and Brazil and would soon commence talks with Paraguay and Uruguay. "During the present year we will start talks with Uruguay and Paraguay with the aim of completing the first steps laid out with Mercosur to define a free trade zone that will start functioning in the middle of next year," Mr. Alegratt said.

### Latin American Summit

Latin American leaders met from 15-16 June for a so-called Rio Group summit, where leaders from 16 countries discussed, *inter alia*, trade and regional financial issues. The grouping discussed prospects for a new regional financial body designed to respond to regional financial crises by utilising more flexible measures than those generally prescribed by the International Monetary Fund (IMF). At the same time, Rio Group leaders expressed support for multilateral institutions such as the IMF and WTO. "We believe in strengthening multilateral financial organisations," outgoing Mexican President Ernesto Zedillo said. "We think they should be reformed but not in a way that would lead to their weakening or disappearance," he said.

### Mexico-Central American FTA

Mexico, Guatemala, Honduras and El Salvador on 29 June signed a free trade agreement that will liberalise regional trade over the next twelve years. Excluded from the agreement are key agricultural goods, including coffee, sugar, bananas and corn. Cement is also excluded. Trade between Mexico and the three Central American countries totalled \$1.05 billion last year -- only 0.4 percent of Mexico's total trade, which at present is dominated by trade with the US. Mexico already has free trade agreements with the Central American countries of Nicaragua and Costa Rica.

"South Africa prepares to sign trade accord with Brazil," IPS, 19 June 2000; "South America's Mercosur complains EU talks drag on," REUTERS, 23 June 2000; "Andean nations seek closer economic, trade ties," DOW JONES NEWSWIREs, 9 June 2000; "EU-Mercosur negotiations," EU PRESS RELEASE, 30 June 2000; "Latin American leaders express support for multilateral bodies," BRIDGENEWS, 16 June 2000; "Mexico signs free trade pact with Central American neighbours," ASSOCIATED PRESS, 29 June 2000.

## **IN BRIEF**

An importer was sentenced on 6 June to 20 months in US prison and a US\$25,000 fine for smuggling caviar into the US. The importer was also forced to forfeit over US\$2 million worth of caviar. The US Fish and Wildlife Service welcomed the sentencing, noting that it marked the first case upholding international protection for declining world sturgeon populations. "Caviar smuggling," CRS DAILY SUMMARY, 23 June 2000.

The EU and India on 28 June met for their first-ever summit, where they agreed to greater co-operation toward boosting bilateral trade and investment. The EU and India agreed to hold regular talks at the head-of-state level: India thus joins the selective group of countries -- the US, Canada, Russia, Japan and China -- that enjoy this status. The EU is India's largest trading partner; 1999 trade between the two sides totalled approximately US\$18 billion. "India and EU pledge closer ties," BBC NEWS, 28 June 2000; "EU, India say bilateral trade falls short of potential," DOW JONES NEWSWIREs, 28 June 2000.

## **WTO IN BRIEF**

Costa Rica and China on 23 June concluded bilateral talks toward China's accession to the WTO. 1999 bilateral trade between the two countries totalled about US\$68 million, US\$60 million of which was Chinese exports to Costa Rica. China must still conclude WTO accession agreements with Switzerland, Mexico, Guatemala and Ecuador. "Costa Rica says it reaches trade agreement with China," DOW JONES NEWSWIREs, 28 June 2000.

At the 21-22 June meeting of the WTO Committee on Sanitary and Phytosanitary (SPS) measures (see *BRIDGES Weekly Trade News Digest* Vol. 4 No. 25, 27 June 2000, <http://www.ictsd.org/html/weekly/story7.27-06-00.htm>), the US submitted a paper outlining its concerns over legislation introduced by other Members that governs trade in genetically-modified organisms (GMOs). According to the paper, the US is worried that not all legislation covering GMOs emanating from other countries is scientifically justified. The paper further reports that although the number of proposed biotech notifications reported to the WTO by Members has increased significantly over the past year, "some Members have well-advanced regulatory considerations or requirements not yet notified." WTO Agreements require Members to inform the WTO of plans to adopt or modify such legislation to the SPS or Technical Barriers to Trade (TBT) Committees. "U.S. Submits Paper to WTO Citing Increase in Biotechnology Restrictions," WTO REPORTER, 27 June 2000.

On 4 July, Albania concluded eight years of negotiations on its terms of accession to the WTO. It is now poised to join Croatia, and potentially Oman as well, as the next Members of the 137-country WTO. Albania's accession had been delayed for months by conflicts between the EU and the US over market access for audiovisual products, but the two were able to reach a compromise last month. Now that negotiations have been completed, Albania's bid to join the WTO will be approved at a 17 July meeting of the General Council. Albania must then ratify its accession protocol; it will become a full member of the WTO thirty days after ratification. "Albania Concludes WTO Entry Talks; Oman Next In Line," REUTERS, 04 Jul 2000.

## **ON THE MOVE**

Mr. Cam Avery, Director of Public Affairs for BC Gas Utility Ltd., has been appointed by the Canadian Environment Minister as a representative to the Joint Public Advisory Committee (JPAC) of the Commission for Environmental Cooperation (CEC). Mr. Avery also represents BC Gas on the Standing Committee on Public and Environmental Affairs in the Canadian Gas Association. The CEC was created as part of an environmental side agreement to the North American Free Trade Agreement (NAFTA, an agreement between the US, Canada and Mexico) to foster public participation in NAFTA affairs, including the review of US, Mexican and Canadian citizens' complaints that NAFTA parties are failing to effectively enforce their environmental laws. JPAC was established to advise the CEC Council and to help promote public participation in the activities of the CEC. "JPAC Bulletin," CEC, 29 June 2000.

## **EVENTS & RESOURCES**

### **EVENTS**

#### Coming Up This Week

4-7 July, St. Petersburg, Russia: UNEP REGIONAL WORKSHOP ON ALTERNATIVES TO POPS (PERSISTENT ORGANIC POLLUTANTS) PESTICIDES. For information contact: Murray Newton or Heidi Fiedler, UNEP Chemicals (IRPTC); tel: (41-22) 979-9111; fax: 797-3460; email: mnewton@unep.ch or hfiedler@unep.ch; Internet: <http://irptc.unep.ch/pops> .

5 July, Geneva: WTO DISPUTE SETTLEMENT BODY. This session, called by the US, will address the implementation of the recommendations of the DSB by the US in its dispute with the UK over countervailing duties on steel products originating in the UK. For information contact: Lucie Giraud, WTO Information and Media Relations Division, tel: (41-22) 739- 5075.

5-6 July, Geneva, Switzerland: WTO COMMITTEE ON TRADE AND ENVIRONMENT: This meeting will include an information session with selected Secretariats of Multilateral Environmental Agreements. For information contact: Sabrina Shaw, WTO, 154 rue de Lausanne, 1211 Geneva 21, Switzerland; tel: (41-22) 739-5482; email: [sabrina.shaw@wto.org](mailto:sabrina.shaw@wto.org); Internet: <http://www.wto.org/wto/envIRON/te030.htm> .

5-6 July, Geneva: WTO COUNCIL FOR TRADE IN SERVICES -- REVIEW OF ARTICLE II (MFN) EXEMPTIONS. For information contact: Nuch Nazeer, WTO Information and Media Relations Division, tel: (41-22) 739-5393.

5-7 July, Queensland University of Technology, Brisbane, Australia: SHAPING THE SUSTAINABLE MILLENNIUM, COLLABORATIVE APPROACHES. Themes discussed will include: Sustainable Communities in the Built Environment; Industrial and Construction Ecology; Green Design and Architecture; and Information, Communication and Education. For information see web: <http://olt.qut.edu.au/int/selby/events/Conference/default.htm> .

5-8 July, Canberra, Australia: ISEE 2000: PEOPLE AND NATURE - OPERATIONALIZING ECOLOGICAL ECONOMICS. Sponsored by The International Society for Ecological Economics. The conference will focus on operational applications and achievements of ecological economics, dealing with major conceptual challenges and practical problems. For information contact: Beth Stoodley, Centre for Continuing Education, The Australian National University, Canberra, ACT 0200, Australia; tel: (61-2) 6249-3806. From IISD Linkages, <http://www.iisd.ca/linkages/> .

6 July, Geneva: WTO WORKING PARTY ON ACCESSION OF OMAN. For information contact: Hans-Peter Werner, WTO Information and Media Relations Division, tel: (41-22) 739-5286.

6-7 July, Geneva: WTO COMMITTEE ON REGIONAL TRADE AGREEMENTS. For information contact: Lucie Giraud, WTO Information and Media Relations, (41-22) 739-5075.

6-7 July, Dominican Republic: 6th CONFERENCE AND BUSINESS MATCHMAKING OF THE CHAMBERS AND BUSINESSPEOPLE OF THE CARIBBEAN AND THE AMERICAS. Sponsored by the European Union's Institutional Development Program in the Dominican Republic, the main objective of the Conference is to generate business and policy discussion and initiatives on the key international trade issues that impact the economic and social development of the region. It includes a program of business matchmaking on 7 July. For information contact: Milagros Puello/Carmen Arias at Santo Domingo Chamber of Commerce & Production; tel: (1-809) 682-2688/7206; email: [camara.sto.dgo@codotel.net.do](mailto:camara.sto.dgo@codotel.net.do) or [economico@ccpsd.org.do](mailto:economico@ccpsd.org.do); Internet: <http://www.ccpsd.org.do/> .

7 July, Geneva: WTO COUNCIL FOR TRADE IN GOODS. *Inter alia*, Members will discuss: requests for extension of transition periods for TRIMs; TRIMs review; request for a waiver for the new ACP-EU partnership agreement; appointment of officers for the Committee on Sanitary and Phytosanitary measures. For information contact: Luis Ople, WTO Information and Media Relations Division, tel: (41-22) 739-5374.

7 July, Geneva: WTO WORKING PARTY ON GATS RULES. For information contact: Nuch Nazeer, WTO Information and Media Relations, (41-22) 739-5393.

8 July, Fukuoka, Japan: G-7 FINANCE MINISTERS MEETING. Finance ministers from the Group of 7 industrialised countries will discuss financial and economic aspects of advancing information technology as the key to world economic growth, and the international financial-system architecture -- including reforms of the International Monetary Fund -- and relief measures for heavily indebted poor nations in advance of the 21-23 July G-8 summit. For information visit:

<http://www.virtualokinawa.com/> (click on icon at top of page). From IISD Linkages, <http://www.iisd.ca/linkages/>.

10-14 July, Oregon State University in Corvallis and Newport, Oregon, USA: INTERNATIONAL CONFERENCE ON FISHERY MANAGEMENT AND SEAFOOD TRADE. The conference will cover a variety of topics from the health effects of consuming seafood and their marketing implications, to ecolabelling, HACCP, fisheries management policies across the world and cultural perspectives on resource use. Industry members from fishing, processing, retailing, and other sectors of the seafood industries are welcomed and encouraged to join other fishing and seafood experts from all over the world. For information see the conference website at: <http://www.orst.edu/Dept/IIFET/2000/>.

10-14 July, Corvallis, Oregon, USA: IIFET 2000: MICROBEHAVIOUR and MACRORESULTS. Sponsored by the International Institute of Fisheries Economies and Trade, the theme of this conference will focus on the long-term interest in the social, behavioural and biological sciences, and among marketers and policymakers in the fishing industry. Papers may be submitted. For information contact: Pam Garland, IIFET 2000 Conference Co-ordinator, PO Box 2423, Corvallis, OR, 97339-2423, USA; tel: (1 541) 754-9080; fax: 752-5450; email: [garlandp@peak.org](mailto:garlandp@peak.org); web: <http://www.osu.orst.edu/dept/IIFET/2000/index.html>.

11-13 July, Kathmandu, Nepal: SOUTH ASIA CAPACITY BUILDING WORKSHOP ON FOOD SECURITY. Organised by South Asia Watch on Trade, Economics and Environment (SAWTEE), Forum for Protection of Public Interest (PRO PUBLIC) and Consumers International - Regional Office for Asia and the Pacific (CI-ROAP). The objectives of the workshop are to: a) help participants understand the intricacies of food security, safety, health and nutrition issues in the South Asia region in the context of liberalisation and globalisation; b) equip participants with advocacy and action tools; c) aid in the exchange of views and identification of areas of further work required in this field; and d) create or strengthen the network of South Asian organisations working on food security. For information contact: Ratnakar Adhikari/Dhrubesh C. Regmi, SAWTEE/PRO PUBLIC, P.O. Box 14307, Gautam Buddha Marg, Anam Nagar, Kathmandu, Nepal; tel: (977-1) 268681; fax: 268022; email: [rmadi@propublic.wlink.com.np](mailto:rmadi@propublic.wlink.com.np) or [fppi@fppipc.wlink.com.np](mailto:fppi@fppipc.wlink.com.np).

### WTO Events

An updated list of forthcoming WTO meetings is posted at [http://www.wto.org/english/news\\_e/meets.doc](http://www.wto.org/english/news_e/meets.doc). 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 at the WTO, Centre William Rappard, Rue de Lausanne 154, 1211 Geneva, Switzerland.

11-13 July, Geneva: WTO COMMITTEE ON GOVERNMENT PROCUREMENT. For information contact Luis Ople, WTO Information and Media Relations, (41-22) 739-5374.

13-14 July, Geneva: COUNCIL FOR TRADE IN SERVICES. For information contact: Nuch Nazeer, WTO Information and Media Relations, (41-22) 739-5393.

### Other Forthcoming Events

15-16 July, Paris, France: EU ENVIRONMENT COUNCIL INFORMAL MEETING. For information contact: Monika Luxem, EC DG-11 (Environment); tel: (32-2) 296-7161; email: [monika.luxem@dg11.cec.be](mailto:monika.luxem@dg11.cec.be).

21-23 July, Okinawa, Japan: THE OKINAWA G-8 SUMMIT. For information visit: <http://www.virtualokinawa.com/> (click on icon at top of page). From IISD Linkages, <http://www.iisd.ca/linkages/>.

### **RESOURCES**

If you have a relevant resource (books, papers, bulletins, etc.) you would like to see announced in this section, please forward a copy for review by the BRIDGES staff to [hcameron@ictsd.ch](mailto:hcameron@ictsd.ch). Submissions of publications to ICTSD's documentation centre would also be welcome (contact [mgalvin@ictsd.ch](mailto:mgalvin@ictsd.ch)).

UNDP's HUMAN DEVELOPMENT REPORT 2000. Released 29 June 2000. The report by the UN Development Programme is aimed at providing a comprehensive assessment of progress on achieving human rights and human development at a global and country level. The report aims to encourage countries to make progress on human rights and development by ranking them on a variety of relevant criteria. For more information visit: <http://www.undp.org/hdr2000/home.html>. From IISD Linkages, <http://iisd.ca/linkages/>.

BIODIVERSITY AND BUSINESS: COMING TO TERMS WITH THE GRAND BARGAIN. In *International Affairs*, Vol.76, pp.241-264. April 2000. By K.T. Kate and S.A. Laird. The article examines markets for genetic resources, costs and duration of R&D, types of genetic resources accessed, providers of genetic resources and benefit-sharing partnerships in the pharmaceutical, biotech, crop protection, seed, botanical medicine, horticulture, and personal care and cosmetic industries.

GATS AND THE KYOTO MECHANISMS: OPEN MARKETS FOR CLIMATE CHANGE MITIGATION SERVICES? In *Aussenwirtschaft*, Vol.55, No.1, pp.65-84. March 2000. By U. Springer. In the General Agreement on Trade in Services (GATS), WTO Members have committed to liberalise several service sectors. However, in the environmental services sector, which includes most services found in the JI/CDM value chain, few countries have made commitments. Hence, companies delivering such services do not have market access in many countries, which leads to higher costs of JI/CDM services. The article argues that in the next WTO negotiations round, environmental and energy services must be defined more accurately and further liberalisation steps undertaken in the field of international environment and development negotiations.

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Electronic Resources

CD-ROM CONTAINING ALL DOCUMENTS FROM THE 1995 WORLD SUMMIT FOR SOCIAL DEVELOPMENT (Copenhagen, Denmark) TO THE PRESENT. Launched 27 June. The CD-ROM includes the Copenhagen outcome document and statements made by the representatives of all 186 countries that participated in the Conference that has raised global concern about social development issues. It also tracks efforts to implement the Social Summit agreements through the United Nations Commission on Social Development every year since the Summit. Also included is the recent report of the UN Secretary-General that analyses the progress since Copenhagen. It contains several 1997 reports by the International Labour Organisation that forecasted the impending social impact of the Asian financial crisis. For information contact Dan Shepard, tel: (41-22) 917-6802; fax: 917-0742; email: shepard@un.org. To obtain email: geneva2000@un.org .

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