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WTO COMMITTEE ON TRADE AND ENVIRONMENT ADDRESSES MEAS, FISHERIES

At a meeting of the WTO Committee on Trade and Environment (CTE) on 24-25 October, Members held an information session with representatives from four trade-related multilateral environmental agreements (MEAs) and tackled a number of issue-areas on the CTE agenda. Agenda items addressed included services and the environment; relations with intergovernmental organisations and non-governmental organisations; the relationship between the WTO and MEAs; and trade liberalisation in the fisheries and environmental services sectors. Due to extensive time used discussing the MEA-WTO linkage and fisheries, Members postponed consideration of the other items on the agenda -- namely domestically prohibited goods, relevant provisions of the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPs), and environmental assessments -- until the next CTE meeting, scheduled for 13-14 February 2001.

MEA Information Session

Following on the heels of a WTO-UNEP meeting on enhancing synergies and mutual supportiveness between MEAs and the WTO on 23 October (see *BRIDGES* Weekly Trade News Digest Vol. 4 No. 40, 24 October 2000, <http://www.ictsd.org/html/weekly/story1.24-10-00.htm>), the CTE on 24 October held an MEA information session with opening statements by WTO Director-General Mike Moore and UN Environment Programme Executive Director Dr. Klaus Töpfer. Noting that trade and environment cannot be addressed in isolation from each other, Töpfer called for an "early warning system" to avoid potential disputes from arising.

Presentations were made by the Convention on the International Trade in Endangered Species of Wild Fauna and Flora (CITES) (see WT/CTE/W/165); the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal (see WT/CTE/W/163 and Corr.1); UNEP Chemicals on the Rotterdam Prior Informed Consent Convention and the draft Persistent Organic Pollutants Convention (see WT/CTE/W/166); and the Intergovernmental Forum on Forests (WT/CTE/W/164). The International Tropical Timber Organisation circulated a paper on the International Tropical Timber Agreement (see WT/CTE/W/169).

During ensuing discussions, Members welcomed the previous day's UNEP-WTO meeting, indicating that such fora helped to build awareness of the various issues surrounding the use of trade measures pursuant to MEAs. Members also welcomed the UNEP-UNCTAD Capacity Building Task Force on Trade, Environment and Development, for which 30 proposals had been submitted thus far from 26 countries.

According to one trade delegate, the discussions around the MEA-WTO question at the CTE were positive in nature, due in part to the meeting's high rate of participation. "It was an encouraging session, since there was participation from Members who are normally quiet on this issue...Countries are obviously thinking the issues through," he said.

One issue that garnered some discussion was that of clarification of the MEA-WTO relationship, particularly with respect to potential MEA-related WTO disputes. Recent papers by Switzerland, the EC, and New Zealand were addressed.

The submission by Switzerland (see WT/CTE/W/168) highlighted the need for a clarification of the WTO-MEA relationship to, *inter alia*, prevent potential conflicts and provide greater legal certainty for both MEAs and the WTO. It urged that clarification of the WTO-MEA relationship should be determined by Members and should not be left to WTO dispute settlement panels.

The EC's paper (see WT/CTE/W/170) advocated a number of ideas that could provide foundations for agreement with regard to clarifying the WTO-MEA relationship. It considered, *inter alia*, reversing the burden of proof to accommodate specifically mandated trade measures in MEAs and the development, in conjunction with UNEP and the MEA Secretariats, a "code of conduct" for the use of trade measures in MEAs.

The paper from New Zealand (see WT/CTE/W/162) suggested focusing on, *inter alia*, encouraging the clear drafting of future trade-related provisions in MEAs, as well as robust dispute settlement systems and establishing an informal mechanism for a broader dialogue on the issues raised regarding the relationship between MEAs and WTO rules.

Norway, Korea, Brazil, Hong Kong China, Venezuela, India, Malaysia, Egypt, New Zealand, Australia, the United States and others were of the view that there was sufficient flexibility in the WTO to accommodate a mutually supportive MEA-WTO relationship, and that there was no need to change WTO rules to clarify this. The WTO Secretariat was requested to prepare a paper on dispute settlement provisions in the WTO and MEAs, in cooperation with UNEP and the MEA Secretariats.

Fisheries

A significant period of time was also devoted to the topic of fisheries subsidies. A core of countries, including Iceland and Australia, want to see fisheries subsidies eliminated, while Japan and Korea -- both of which submitted papers -- are opposed. In its submission, Japan argued that many factors aside from subsidies are likely to cause depletion of fishery resources. Korea's paper addressed the use of subsidies and their positive role in the fisheries sector based on its own national experience.

Comments were made by some Members on the WTO Secretariat's new paper on the environmental benefits of removing trade restrictions and distortions in the fisheries sector, which surveys the state of play of international discussions and recent work on sustainable fisheries management, particularly with respect to subsidies.

The EC, Tunisia, Canada and Norway advocated the sound management of fish stocks as the central feature of sustainable fisheries management, noting that the best place to discuss this matter and others -- such as determining what is and what isn't a harmful fish subsidy -- is the competence of the UN Food and Agriculture Organisation (FAO).

Relations with other organisations/transparency

Canada, Japan and the US referred to the process underway in the WTO on external transparency (see BRIDGES Weekly Trade News Digest, Vol. 4, No. 39, 17 October 2000, <http://www.ictsd.org/html/weekly/story1.17-10-00.htm>), highlighting opportunities for public outreach on trade and environment issues. In order to enhance public understanding of the WTO, Japan and Canada suggested that Members consider an NGO symposium or a series of smaller-scale dialogues on specific trade and environment topics. Hong Kong, China noted that relations with NGOs should be coordinated in the General Council. Canada welcomed the statement on trade and sustainable development by the International Institute for Sustainable Development, available on the WTO website at: http://www.wto.org/english/forums_e/ngo_e/ngo_e.htm.

Burkina Faso submitted a statement on behalf of the participants at the WTO regional seminar on trade and environment for French-speaking developing and least-developed countries in Sub-Saharan Africa, held in Libreville, Gabon from 11-13 July 2000.

On procedural matters, Members adopted the work programme and schedule of meetings for 2001. The next meeting of the CTE is scheduled for 13-14 February 2001, and is slotted to examine the items on the agenda related to market access. Other 2001 meetings will take place on 27-28 June and 30-31 October.

Official WTO documents can be downloaded at: <http://www.wto.org/wto/ddf/ep/public.html>.

A Trade and Environment Bulletin prepared by the WTO Secretariat on the 24-25 October CTE is expected to be posted to the WTO website shortly at: <http://www.wto.org>.

ICTSD Internal Files.

AGRICULTURE ROUNDUP

NGOs Actively Seek Reform of WTO Agriculture Agenda

On 26-27 October 2000 at the United Nations in Geneva, a group of international non-governmental organisations (NGOs) interested in redressing the WTO agriculture negotiations agenda -- namely the South Centre Project on WTO, the Institute for Agricultural Trade Policy (IATP), Action Aid, and Focus on the Global South -- hosted a seminar entitled, "WTO Negotiations on Agriculture: Setting the Right Agenda." The primary goal of the conference was to bring together WTO Members, primarily those from the south, to discuss several trade concerns related to agriculture that are not as of yet formally on the WTO negotiating agenda. Under the current negotiating framework, Members are mandated under Article 20 of the WTO Agreement on Agriculture to negotiate under three general areas of agricultural policy: export subsidies, market access and domestic support. The seminar organisers proposed that these three areas do not fully capture the global dynamic distorting world trade in agricultural products, and suggested adding to the list the effects of dumping and predatory pricing, food security, and the role of multinational companies in world food trade.

On agricultural commodity dumping, one participant argued that US agricultural trade policy effectively depresses world prices on agricultural commodities, having the effect of marginalizing southern agricultural producers or encouraging them to seek compensatory subsidy support. To address the problem, the participant proposed that data on the full costs of production in various countries be collected by the Organisation for Economic Cooperation and Development (OECD), for example, so that Members could have better information with which to action commodity dumping cases.

EU Sugar Reform Gets Sticky

A proposal tabled by the European Commission to reform the European sugar regime has been met with swift rejection by 11 EU member states, including France and Germany (see *BRIDGES Weekly Trade News Digest*, Vol.4 No.38, 10 October 2000, <http://www.ictsd.org/html/weekly/story2.10-10-00.htm>). The proposal, which seeks minimal quota reductions and abolition of reimbursement for storage costs, highlights the challenge European policy makers face institutionalising even minor reforms to the EU Common Agricultural Policy (CAP). In the context of ongoing negotiations in agriculture at the WTO and with the EU export subsidy regime under persistent attack from agriculture-exporting WTO Members for distorting trade and diminishing the competitiveness of agricultural producers around the globe, substantial CAP reform seems highly unlikely. In addition, on 23 October the European Commission presented a draft text of the EU's WTO position on agriculture to the Council of Agriculture Ministers. The proposal reiterates the EU's unwillingness to negotiate reductions in export subsidies unless the US

practice of export credits is also included on the negotiations agenda. The US has flatly rejected that export credits be discussed outside the OECD.

US Attacks Canadian Wheat Board...Again

On 24 October the US launched an investigation into the pricing practices of the Canadian Wheat Board (CWB). On eight previous occasions, similar US investigations have shown that the CWB does not engage in unfair trade practices. The petition was submitted by the North Dakota Wheat Commission (NDWC) under section 301 of the 1974 US Trade Act. The NDWC contends that the CWB discounts its wheat unfairly in third markets.

ICTSD Internal Files; "EU Sugar Verdict a Setback for Trade Reform," REUTERS, 24 October 2000; "Hopes of EU Sugar Reform Recede," FINANCIAL TIMES, 25 October 2000; "EU Commission Offers Tentative Plan Linking Export Subsidies Cut to Rules Accord," WTO REPORTER, 24 October 2000; "USTR Initiates Section 301 Investigation Against Canadian Wheat Board," INSIDE US TRADE, 24 October 2000; "US On the Attack Over Canadian Wheat Trade," FINANCIAL TIMES, 24 October 2000.

US-JORDAN FTA

On 24 October King Abdullah II of Jordan and US President Bill Clinton signed a landmark trade agreement that not only commits the two countries to a new schedule of tariff reductions, but also includes articles on environment (Article 5) and labour standards (Article 6). The US-Jordan Free Trade Agreement (FTA) is the first trade accord to which the US is party that includes provisions prohibiting the reduction of domestic environmental and labour regulations for trade enhancing purposes. The North America Free Trade Agreement (NAFTA) between the US, Canada and Mexico includes both environmental and labour side agreements, but these do not appear directly in the NAFTA text and as such are not subject to the same disciplines as other articles in the agreement. The US-Jordan FTA also represents the first trade deal the US has signed with an Arab state.

In addition to the FTA's environmental and labour provisions, the agreement includes articles covering the trade in goods and services, intellectual property rights, and electronic commerce. The FTA does not include any specific investment provisions.

According to the Office of the US Trade Representative (USTR), trade between the two countries was valued at just over \$US300 million in 1999 with US exports to Jordan amounting to only 0.040 percent of total US exported goods. Similarly, Jordanian imports into the US were also very low, amounting to 0.90 percent of total Jordanian exports. The agreement will likely increase, albeit minimally, the amount of trade between the two countries, although given the low import-export volumes, other reasons apart from trade concerns likely explain the signing of the agreement. With less than a week before US voters choose the next US president, the Clinton Administration has said the FTA can be used as a template for future trade agreements, a statement that political analysts assume will help secure votes from the politically active environment and labour communities. Presidential hopeful George W. Bush opposes the inclusion of environmental and labour language in trade agreements, as does the US Chamber of Commerce.

The agreement is also symbolic of the US commitment to peace in the Middle East. Citing that Middle Eastern instability is in part the result of high unemployment and low economic expectations, a trade agreement with Jordan "is going to be a source of domestic economic growth for Jordan that will make them an even stronger partner in the Middle East," according to USTR Charlene Barshefsky.

The US-Jordan Agreement was also subject to an environmental review pursuant to US Executive Order 13141. According to section 4(a)(ii) of the Order, reviews of the environmental effects of trade agreements entered into by the US are mandatory. According to the Order, "[t]rade agreements should contribute to the broader goal of sustainable development," and "[e]nvironmental reviews are an important tool to help identify potential environmental effects of trade agreements, both positive and negative, and to help facilitate consideration of appropriate responses to those effects whether in the course of negotiations, through other means, or both." The review of the FTA, carried out by the US International Trade Commission, found that no significant environmental effects would result from the agreement. Details of the review can be found at: <http://www.ustr.gov/environment/draftjordanreview.html>.

The FTA will take effect subject to ratification by both parties, with Congress set to debate the bill sometime next year. Since the US President does not have "fast-track" trade negotiating authority, Congress retains the right to amend the bill, as opposed to putting it to a ye-or-nay vote.

"US and Jordan Sign Historic Free Trade Agreement," WHITE HOUSE PRESS RELEASE, 24 October 2000; "US and Jordan Sign Free-Trade Pact," INTERNATIONAL HERALD TRIBUNE, 26 October 2000; US and Jordan Plan a Free-Trade Accord, INTERNATIONAL HERALD TRIBUNE, 21 October 2000; "US Companies Oppose Jordan Pact Over Labour, Environment Rules," BLOOMBERG, 25 October 2000.

GENEVA WEEK: NON-RESIDENT MEMBERS SEEK GREATER WTO PARTICIPATION

From 21 to 27 October, 37 WTO Members and Observers without permanent representation in Geneva met for "Geneva Week" -- a series of information sessions and meetings organised annually by the WTO and 13 other international organisations to inform non-resident governments of the work currently going on at the WTO and of trade-related assistance available through the WTO and its sister agencies. Geneva Week is part of the WTO's efforts to keep non-resident Members and Observers -- mainly least-developed countries or small economies from sub-Saharan Africa and island nations in the Caribbean and Pacific -- in touch with WTO matters. This year, Geneva Week focused in particular on the WTO's on-going work programme, including implementation of WTO agreements; mandated negotiations in agriculture, services and intellectual property; electronic commerce; and technical co-operation.

Some delegates from non-resident countries expressed frustration at not having their voices heard on important policy matters within the WTO. Lacking the financial and human resources to establish a mission in Geneva, non-resident countries see themselves as disadvantaged with regard to easy access to information on complex work underway in the trade body and the capacity to take part effectively in negotiations. Said Thokozani Banda, a Malawian diplomat based in Germany, "being a non-resident [in Geneva] has been a handicap in being able to fully understand the

mechanisms of the organisation, to network effectively with the WTO and other delegates from countries in similar situations." Delegates called on the WTO, international organisations and rich countries to provide financial assistance to help them establish their presence in Geneva.

Participants expressed their disappointment with the slow progress made so far in talks regarding implementation concerns of the WTO's poorest members, thereby echoing some of the comments voiced at the recent General Council Meeting on Implementation (see *BRIDGES Weekly Trade News Digest*, Vol. 4, Number 40, 24 October 2000, <http://www.ictsd.org/html/weekly/story3.24-10-00.htm>). Delegates also criticised the limited market access concessions offered last spring to least-developed countries by the Quad Group (US, EU, Japan and Canada) as part of a "confidence building package". Geneva Week participants furthermore expressed concern that their demands for more lenient treatment under agreements on subsidies, antidumping, intellectual property and others were being ignored.

Despite some of the disappointment expressed on certain issues, Geneva Week itself, according to one attendee, was "roundly supported" by delegates, and the quality of the presentations was very high.

Aside from Geneva Week, the WTO also implements other measures to assist the participation of non-resident Members, include providing computer equipment, Internet connections and training to establish "Reference Centres" within the trade ministries of these countries; sending information directly to their European missions; and compiling briefing notes on selected WTO issues. One source indicated, however, that it is very unlikely that the WTO itself will provide additional funding for non-residents to establish missions in Geneva. Instead, non-residents may need to seek out assistance from organisations such as the ACP Secretariat (expected to establish a Geneva office soon), the Commonwealth, the Caribbean Group, or the Geneva-based Agency for International Trade, Information and Cooperation.

For further information on Geneva Week visit:
http://www.wto.org/english/tratop_e/devel_e/infogenwk2_e.htm.

Sources: "WTO organises Second "Geneva Week" for Non-resident Delegations," WTO PRESS RELEASE, 16 October 2000; "WTO's Poorer, Nonresident Members Cite Disappointment With Implementation Efforts," WTO REPORTER, 27 October 2000; "Least developed countries want to be heard at WTO," WTO WORLD TRADE NEWS, 30 October 2000.

NEWS FROM THE REGIONS: AFRICA -- COMESA LAUNCHES FTA

The Common Market for Eastern and Southern Africa (COMESA), Africa's first regional free trade agreement (FTA), came into effect on 31 October 2000, reducing tariff barriers on tradable goods and services produced in the region. Built into the COMESA agreement is a commitment from its members to develop a common customs union and free investment zone by 2004, with the long-term objective of monetary union by 2025.

The economic rationale behind the development of a regional African trade zone is based on the expectation that a free trade area will help ensure regional market access for local producers, thereby enabling the region to develop with a greater degree of economic predictability. It is also a

step away from dependency on northern markets, which continue to present African exporters with numerous impediments despite the recent Cotonou Agreement and its predecessor, the Lomé Convention (both preferential access accords with Europe) (see *BRIDGES Weekly Trade News Digest*, Vol. 4 No. 25, 27 June 2000, <http://www.ictsd.org/html/weekly/story1.27-06-00.htm>).

Not only do African producers have difficulty competing with northern producers on economies of scale, but they also find strict market entrance requirements imposed on African goods by European import authorities to be cost prohibitive. The World Bank, for example, estimates that African exporters lose approximately \$US700 million annually due to strict food safety standards, which are often tighter than those recommended by Codex Alimentarius, the United Nations world food safety standard body (according to the World Bank, the EU standards will save two lives for every one billion Europeans. Europe has a population of 380 million).

It is, however, far from certain that COMESA alone will generate significant positive gains from trade, or even that those gains that do accrue will be equitably distributed. The regional economic asymmetry among COMESA participants is dramatic, with Egypt, COMESA's largest economy, reporting a \$US89.2 billion GDP in 1999, a GDP nine times larger than that of Kenya, COMESA's second strongest economy. Djibouti, COMESA's smallest participant, recorded a GDP of \$US500 million in the same year. Moreover, with marginal competitive advantage, many of the region's manufacturers are afraid that regional trade liberalisation may have the reverse effect by generating another wave of regional de-industrialisation.

Furthermore, intra-regional trade is very small, amounting to roughly \$US1.5 billion in 1998, and has fallen 1.3 percent between 1970 and 1998.

COMESA comprises Angola, Burundi, Comoros, Democratic Republic of Congo, Djibouti, Egypt, Eritrea, Kenya, Madagascar, Malawi, Mauritius, Namibia, Rwanda, Seychelles, Sudan, Swaziland, Tanzania, Uganda, Zambia, and Zimbabwe.

"EU Rules 'could cost' Africa \$700 Million in Exports," *FINANCIAL TIMES*, 26 October 2000; "Africa's COMESA sees monetary Union in 25 Years," *REUTERS*, 20 October 2000; "EU Market Inaccessible for COMESA Exports," *AGENCE-FRANCE PRESSE*, 26 October 2000; "Africa Tears Down Trade Barriers," *FINANCIAL TIMES*, 30 October 2000.

DISPUTE SETTLEMENT UPDATE

EU and US criticised for challenging TRIMs compliance of developing countries

At a recent meeting of the WTO Dispute Settlement Body, the EU requested the establishment of a panel to examine its complaint against India's investment regime in the automotive sector, claiming that the regime violates WTO investment rules under the Agreement on Trade-Related Investment Measures (TRIMs). It also objected to the local content, trade balancing and Forex balance requirements imposed on the Indian automobile sector. Three months ago, the US requested that the WTO set up a panel to investigate a similar complaint against India (see *BRIDGES Weekly Trade News Digest*, Vol. 4 No. 24, 20 June 2000, <http://www.ictsd.org/html/weekly/story5.20-06-00.htm>). India voiced its disappointment with the EU request, stressing the General Council position that countries show "due restraint" in filing cases on issues regarding TRIMs. India argued that restraint

should also apply to those countries that have not officially applied for extensions for the phase-out of their TRIMs obligations.

At the same meeting, the US was strongly criticised by Japan, Malaysia, Argentina, Pakistan, Mexico, Indonesia and Mauritius for requesting a panel on the Philippines' local content and export requirements imposed on auto companies (see *BRIDGES Weekly Trade News Digest*, Vol. 4 No. 40, 24 October 2000, <http://www.ictsd.org/html/weekly/story2.24-10-00.htm>). The US had filed its complaint despite the fact that the Philippines government is in the midst of requesting a five-year extension on the 1 January 2000 deadline to have its automotive sector requirements come into compliance with the TRIMs agreement. The US rejected suggestions that the WTO's Council for Trade in Goods consideration of a TRIMs extension should be used as an excuse for delaying cases.

FSC reform passed by US House of Representatives

On 26 October, the US House of Representatives voted 237-174 to approve the conference report on the Taxpayer Relief Act of 2000, which includes provisions for reform of the US foreign sales corporation (FSC) scheme. The provisions state that gross income for US taxation purposes does not include extraterritorial income. The new arrangements are estimated to result in almost \$US4.5 billion in tax breaks on foreign sales by US corporations over 10 years. President Clinton has announced his intention to veto the measure because of disagreements with other portions of the report.

Earlier this year, the WTO had agreed with the EU claim that the current FSC arrangement constituted an illegal subsidy under the WTO Agreement on Subsidies and Countervailing Measures. The WTO called on the US to withdraw the subsidies by 1 October 2000 (later extended to 1 November 2000) (see *BRIDGES Weekly Trade News Digest*, Vol. 4 No. 8, 29 February 2000, <http://www.ictsd.org/html/weekly/story1.29-02-00.htm>). The EU has already expressed doubts that the new FSC scheme will fulfil the US' WTO obligations. According to European Trade Commissioner Pascal Lamy, the EU will seek a new dispute settlement panel to decide the matter.

WTO rules against US restrictions on lamb imports

According to a confidential interim ruling, the WTO dispute panel supported Australia and New Zealand's complaint against US safeguard measures that imposed tariffs on lamb imports from the two countries for a period of three years while the industry underwent restructuring (see *BRIDGES Weekly Trade News Digest*, Vol. 3 No. 6, 15 February 1999; search from <http://www.ictsd.org/html/newsdigest.htm>). The panel has requested the US to remove these safeguards restrictions before they expire in late 2002. If the US does not comply, Australia and New Zealand may be authorised to impose retaliation or seek compensation. However, once the decision is made public next month, the US retains the right to appeal against the ruling.

Mexico wins case against Guatemalan anti-dumping duties on cement

A WTO dispute panel ruled last week that the anti-dumping measures imposed by Guatemala on Mexican cement are in breach of free trade rules. The panel called on Guatemala to revoke the 89.5 percent anti-dumping duties that the country had placed on Portland cement from Cruz Azul in

1997 to offset an increase in imports. Mexico can seek retaliatory sanctions against Guatemala if it fails to remove the duties. Guatemala can appeal the ruling.

Sources: "WTO Members blast U.S. for panel request on Philippines TRIMs," *INSIDE US TRADE*, 27 October 2000; "European Union drags India to WTO," *THE TIMES OF INDIA*, 25 October 2000; "WTO rules against US in lamb row," *AUSTRALIAN FINANCIAL TIMES*, 26 October 2000; "WTO Rules Against Guatemalan Dumping Duties on Mexican Cement," 24 October 2000; "House Clears Conference Report on Bill Containing FSC Reform," *WTO REPORTER*, 27 October 2000.

NON-APPROVED GMO CORN FOUND IN US, JAPANESE FOOD SUPPLIES

After the discovery last month that a genetically modified corn not approved for human consumption had slipped into the US food supply, various brands of taco shells, chips and other foods were removed from the shelves of supermarkets throughout the US. The US Environmental Protection Agency (EPA), which is in charge of regulating the use of pesticides -- including plant-pesticides expressed by genetically modified plants, had not approved the StarLink corn because of concerns it might trigger allergic reactions.

On 25 October, the Consumers Union of Japan said it found traces of StarLink corn in snack foods and animal feed sold in Japan. Japan is the world's largest corn importer, buying about 16 million tonnes annually, 4 million for food, the rest for feed. The discovery has heightened Japanese scepticism about US food imports, and Japan's Agriculture Ministry has asked visiting US government officials for a guarantee that shipments to Japan will be free of StarLink corn.

Even though the US Department of Agriculture (USDA) lifted export restrictions on shipments containing traces of StarLink, companies remain worried about losing overseas sales to other markets, including Latin America, Asia and Europe, because of adverse consumer opinion towards genetically modified food.

On 31 October, the EPA announced that it would conduct a rigorous scientific and public review of new information on the allergenic potential of StarLink. This information has been supplied by the producer of the corn variety, the French company Aventis SA, and by other food industry representatives.

For further information visit the EPA's biopesticide homepage at: <http://www.epa.gov/pesticides/biopesticides> or contact Dave Deegan, EPA Media Relations, tel: (1-202) 564-7839.

"Japan Asks That Imports Of Corn Be Starlink-Free", *BIOTECH ACTIVISTS*, 30 October 2000; "US Corn Exporters Relieved At Starlink Export Okay", *REUTERS*, 27 October 2000; "US Lifts Export Ban on Biotech Corn to Avert Export Woes", *BLOOMBERG*, 26 October 2000; "Gene-Modified Corn Turns Up in US Exports to Japan", *NEW YORK TIMES*, 25 October 2000; *ICTSD Internal Files*.

IN BRIEF

JAPAN-MERCOSUR AGREE TO INCREASE COOPERATION. On 24 November, Mercosur -- a common market comprising Argentina, Brazil, Paraguay and Uruguay -- and Japan signed a document aimed at activating dialogue and promoting closer cooperation. The announcement followed working level talks between the two parties in Tokyo. According to a Japanese Foreign Ministry Official, the agreement will promote cooperative exchanges in fields ranging from human resource development to technical assistance. The two parties agreed to meet annually in the future and to include representatives from the private sector in future talks. "Japan, S. America Common Market Agree to Promote Cooperation," KYODO, 24 October 2000.

US HOUSE PASSES BROAD TRADE BILL. The US House of Representatives passed a far-reaching trade bill on 24 October. The bill would ban the import of products made with dog and cat fur, suspend tariffs on HIV-combating drugs, and make normal trade relations with the West Asian nation of Georgia permanent. The bill has been passed on to the Senate where slight differences in the labelling of fur products must be worked out. The Senate version of the bill would require labelling of all fur products, while the House's labelling requirements are less demanding. Illinois Republican Philip Crane, the House sponsor, said the bill contains 155 provisions to lower or suspend tariffs for chemicals and drugs that are not produced in the United States. Additionally, the bill bans "grey market" cigarettes -- cigarettes manufactured abroad but sold in the US under US registered trademarks -- because they undermine funding for the states' tobacco settlement and potentially sidestep federal health requirements. "Bill Bans Imports of Dog, Cat Fur," NEWSEDGE CORPORATION, 26 October 2000.

CARIBBEAN LEADERS VOICE CONCERNS OVER EU MARKET ACCESS PLAN. In a meeting held on 20 October with the EU, Caribbean leaders expressed their worries about the EU's proposal to lift import duties, quotas and restrictions on "all goods" except firearms for 48 Least-Developed Countries (LDCs) (see *BRIDGES Weekly Trade News Digest* Vol. 4, No. 36, 26 September 2000, <http://www.ictsd.org/html/weekly/story4.26-09-00.htm>). Caribbean nations currently enjoy preferential treatment from Europe on sugar, rice, banana and rum exports. St. Kitts and Nevis Deputy Prime Minister Sam Condor expressed the Caribbean nations' concerns, saying, "while we understand the difficulties of the LDCs and while we do not wish to deny them any benefits which they can gain from anywhere, we are also concerned about our development." Following the meeting, the EU leaders agreed to convey the Caribbean concerns about the duty-free proposal back to Brussels. Friedrich Hamburger, EC Director for the Caribbean, Pacific and Indian Ocean, said the EU's proposal was intended to induce the US, Canada, Australia and Japan to also open their markets to LDCs. "Caribbean Nations Fear EU Plan For Poorest Nations," DOW JONES INTERNATIONAL NEWS SERVICE, 22 October 2000.

UN INVITES NGOs FOR HEARING ON FINANCING FOR DEVELOPMENT. At a forthcoming 6-7 November UN session on Financing for Development, non-governmental organisations (NGOs) will have opportunities to participate in networking and strategising sessions, lobby government representatives, and dialogue with key official personnel. In December 1999, in deciding to pursue the Financing for Development initiative, the UN General Assembly agreed to engage in a collaborative effort between the UN, the World Bank, the International Monetary Fund (IMF), and the WTO to find innovative ways to address the many issues affecting the financing of development. Themes to be discussed at the session range from tax havens and international taxes over creation of investment demand to global governance and the role of the UN. Development

financing -- how to pay for social and economic progress in poor countries -- has been a central and contentious topic of discussion at the UN for the past 40 years. The findings of next week's hearings will be channelled into an upcoming high-level global meeting sometime in 2001. The NGO hearings will be accompanied by a Financing for Development Week for NGOs, offering sideline events to the official UN meetings. For further information on the official hearings contact: Tim Wall at the Development and Human Rights Section, Department of Public Information, United Nations; tel: (1-212) 963-5851; email: wallt@un.org. For information on the Financing for Development Week contact: Friedrich Ebert Stiftung, Ad Hoc NGO Working Group to Facilitate NGO Involvement; fax: (1-212) 687-0261, email: fesny@igc.apc.org; web: <http://www.un.org/esa/ffd/>.

WTO IN BRIEF

CTD MOVING TOWARD COHERENT APPROACH IN TECHNICAL ASSISTANCE. The WTO Committee on Trade and Development (CTD) met on 27 October for the first half of its 31st session. Members covered, *inter alia*, the issue of small economies and strategy for technical assistance at the WTO. According to sources, several island state Members, such as Barbados, are seeking the creation of a separate WTO working party on small developing country economies. This is unlikely to occur, however, due to opposition from other larger developing countries, who are opposed to too much differentiation between developing countries' concerns in the trade body. The US, too, indicated that it does not want further "categorisation" through the creation of another sub-committee. The topic of differentiation was reiterated in a presentation at the CTD by a representative from the World Bank on "various needs of various groups of developing countries" in the context of special and differential treatment that was well-received by Members. At the second half of the 31st session, on 8 November, Members will resume discussions on strategy for technical assistance in the WTO in an effort to guide technical assistance practice away from its current ad-hoc nature to a more coherent approach. Towards that goal, the Secretariat has prepared a three-year plan (2001-2003) for technical cooperation, which Members will address in two weeks' time. *BRIDGES* will report on the outcome of that meeting in a forthcoming issue. ICTSD Internal Files.

EUROPE TO DEVELOP PROPOSALS FOR A WTO PARLIAMENTARY MECHANISM. On 26 October, the Conference of Presidents of the European Parliament (EP) charged a group of EP members to develop proposals for a parliamentary input mechanism to the WTO, with the intention of holding a preparatory meeting of parliamentarians from WTO Members in Brussels in the near future (EP officials indicate it will likely be sometime in Spring 2001). At the WTO Seattle Ministerial in December 1999, an EP proposal to create a parliamentary standing body to ensure greater democratic accountability and transparency in the WTO had been adopted unanimously by the parliamentarians of the WTO Members present. For further information on this issue contact the office of MEP Erika Mann, European Parliament, Bat Leo 12G342, B-1047 Brussels; tel: (32-2) 284-5191; fax: 284 9191; email: emann@europarl.eu.int.

SUPACHAI CALLS FOR INFORMAL WTO MEETING IN MID-2001. Thai Deputy Prime Minister Supachai Panitchpakdi, who will succeed Mike Moore as WTO Director General in 2002, announced that an informal meeting would likely be held in Hong Kong in mid-2001 to prepare for the fourth WTO Ministerial Conference scheduled for late-2001. The meeting will bring together the Group of 77 developing countries (G-77) and the leading industrial nations to discuss the

agenda of the Conference and to narrow the gap between the different points of view. "Thai Deputy PM Seeks Informal WTO Meeting in Mid-2001," YAHOO FINANCE NEWS, 25 October 2000.

WTO TEXTILES MONITORING BODY SUBMITS ANNUAL REPORT. On 20 October, the WTO Textiles Monitoring Body (TMB) signed off on its annual report (G/L/398; available online). The report provides a summary of matters discussed by the TMB between 14 September 1999 and 10 October 2000, as well as conclusions reached and related actions. The report informs Members of Norway's decision to eliminate all remaining quantitative restrictions on textile imports, leaving the US, the EU and Canada as the only WTO Members employing textile quotas subject to the Agreement on Textiles and Clothing (ATC) phaseout. The TMB also recommends that Argentina rescind most of the provisional safeguard measures applied to various textiles imports from Brazil, Pakistan and Korea. The Body furthermore concludes that restrictions on Turkey's exports of certain products by the US agreed upon by the two countries did not conform to the ATC's provisions. A review of the current textiles dispute between the US and Pakistan was postponed until the TMB receives notification of the results of consultations between the two countries. ICTSD Internal Files.

EU-CHINA RESOLVE BILATERAL TRADE PROBLEMS. The EU and China have resolved their outstanding bilateral obstacles to China's WTO accession that remained following the EU-China deal concluded in May 2000 (see *BRIDGES Weekly Trade News Digest*, Vol. 4 No. 20, 23 May 2000, <http://www.ictsd.org/html/weekly/story3.23-05-00.htm>). China has agreed to grant nine licenses to allow EU insurance companies to operate in the Chinese market. Beijing also confirmed that EU-owned hypermarkets, department stores and warehouses would be able to establish themselves in China and operate without restrictions once China enters the WTO. The next round of multilateral talks at the WTO's China Working Group is scheduled from 2 to 8 November. The negotiations, however, may be postponed due to a car accident involving Ambassador Pierre-Louis Girard, who has chaired the China Working Party since it was established in March 1987. With the EU deal stitched up, China still has three main hurdles to cross before acceding to the WTO. First, it must hammer out a market access schedule in Geneva. Second, it must complete protocol documents outlining its other commitments under the WTO. Third, it needs to finish bilateral negotiations with Mexico. "Dates for WTO China Working Party Talks Thrown Into Doubt by Chairman's Accident," WTO REPORTER, 27 October 2000; "Pascal Lamy announces remaining bilateral obstacles between EU and China to Chinese WTO accession have been resolve," TRADE, 27 October 2000; "WTO to jump-start China membership talks next week," BUSINESS TIMES, 26 October 2000; "China unlikely to join WTO before middle of next year," BUSINESS TIMES, 30 October 2000.

Official WTO documents can be downloaded at: <http://www.wto.org/wto/ddf/ep/public.html>.

EVENTS

For a more comprehensive list of events in trade and sustainable development, please refer to ICTSD's web calendar at: <http://www.ictsd.org/html/calendar.htm>.

30 October - 1 November, Geneva, Switzerland: UNCTAD EXPERT MEETING ON SYSTEMS AND NATIONAL EXPERIENCES FOR THE PROTECTION OF TRADITIONAL KNOWLEDGE, INNOVATIONS AND PRACTICES. For information contact: External Relations

Service, UN Conference on Trade and Development (UNCTAD), Palais des Nations, 1211 Geneva, Switzerland; tel: (41-22) 907-1234; fax: (41-22) 907-0043; email: ers@unctad.org; Internet: <http://www.unctad.org>.

30 October - 3 November, Geneva, Switzerland: SEVENTH INC-PIC MEETING. Seventh session of the Intergovernmental Negotiating Committee (INC) for an international legally binding instrument for the application of the Prior Informed Consent (PIC) procedure for certain hazardous chemicals and pesticides in international trade. For information contact: Niek Van der Graaff, FAO; tel: (39-6) 5705-3441; fax: 5705-6347; email: Niek.VanderGraaff@fao.org; Internet: <http://www.pic.int/>.

30 October - 4 November, Washington, DC: AFRICA FORUM 2000. For information contact: Africa Club Secretariat, World Bank Group, 701 18th Street NW, Room J10-014, Washington DC, 20433; tel: (1-877) 236-9156; fax: (522-3331; email: Africa_Day@worldbank.org.

31 October - 3 November, Beijing, China: THIRD WORLD FISHERIES CONGRESS. Organised by China Society of Fisheries. For information contact: Congress Secretariat; Bldg. 22, Maizidian Street, Chaoyang District, Beijing, China; tel: (86-10) 6419-4233; fax: (86-10) 6419-4231; email: cnsfish@public.bta.net.cn or csfish@agri.gov.cn; Internet: <http://www.fisheries.moa.gov.cn>.

1-3 November, Sarawak, Malaysia: BIODIVERSITY 2000 KUCHING: PRUDENT BIODIVERSITY MANAGEMENT AND SUSTAINABLE DEVELOPMENT. For information contact: Chua Tek Kheng, Sarawak Biodiversity Centre, KM 20 Jalan Puncak Borneo, Smengoh, 93250 Kuching, Sarawak, Malaysia; tel: (60-82) 610-610; fax: 611-535; email: chuatk@sbc.org.my; Internet: <http://www.sbc.org.my>.

2-5 November, Anacapri, Italy: ECONOMIC DEVELOPMENT AND SUSTAINABILITY: ENVIRONMENTAL AND CULTURAL TOURISM AS NEW OCCUPATION OPPORTUNITY. The event is organised by the University of Sannio. For information contact: Prof. Eugenia Aloj Totaro, Facoltà di Economia, Università del Sannio, Paiazza Guerrazzi, 1 - BENEVENTO, Italy; email: aloje@complab.com or ecolab@inwind.it.

3 November, Madison, Wisconsin: GENETICALLY MODIFIED FOOD: RISKS, REWARDS, & REALITIES. Organised by the Wisconsin Academy of Sciences, Arts and Letters. For information contact: Michael Goodman, Conference Director; Wisconsin Academy of Sciences, Arts and Letters, 1922 University Ave., Madison, WI, 53705-4099, USA; tel: (1-608) 263-1692; fax: 265-3039; email: conference@Wisconsinacademy.org; Internet: www.wisconsinacademy.org.

3-5 November, Boulder, Colorado, USA: THE SEVENTH ANNUAL EMPIRICAL INVESTIGATIONS IN INTERNATIONAL TRADE CONFERENCE. The Departments of Economics at Purdue University and the University of Colorado will collaborate to host the seventh EIIT conference. For information contact: Keith Maskus, Department of Economics, Campus Box 256, University of Colorado, Boulder, CO 80309-0256; tel: (1-703) 566-6003; email: maskus@colorado.edu; Internet: <http://www.eiit.org/>.

6-10 November, Monaco: THIRD GLOBAL MEETING OF REGIONAL SEAS CONVENTIONS AND ACTION PLANS. For information contact: Jorge Illueca, Assistant Executive Director,

Division of Environmental Conventions, UNEP, Nairobi, Kenya; tel: (254-2) 624-011; email: Jorge.Illueca@unep.org. From IISD Linkages, <http://www.iisd.ca/linkages/journal>.

6-7 November, New York, New York: HEARINGS ON FINANCING FOR DEVELOPMENT. For information contact: Federica Peitracci, FfD Secretariat; tel: (1-212) 963-8497; fax: 963-0443; email: peitracci@un.org; Internet: <http://www.un.org/esa/analysis/ffd>.

6-7 November, Brussels, Belgium: EUROPEAN COMMISSION-EU CIVIL SOCIETY CONSULTATION ON WTO ISSUES. The European Commission will conduct a series of five meetings over the two-day period covering services, environment and sustainable development, health, and agriculture. For information contact: Fatiha Kacimi, The European Commission DG Trade, 200 Rue de la Loi, B-1049 Brussels; tel: (32-2) 295-6673; fax: 296-9309; email: fatiha.kacimi@cec.eu.int.

WTO Events

An updated list of forthcoming WTO meetings is posted at: 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 the different bodies. Unless otherwise indicated, all WTO meetings are held at the WTO, Centre William Rappard, rue de Lausanne 154, 1211 Geneva, Switzerland.

1 November, Geneva, Switzerland: WTO COMMITTEE ON ANTI-DUMPING PRACTICES - INFORMAL GROUP ON ANTI-CIRCUMVENTION. For information contact: Louis Ople, Information and Media Relations Division; tel: (41-22) 739-5374.

1 November, Geneva, Switzerland: WTO TRADE POLICY REVIEW BODY - BRAZIL. For information contact: Lucie Giraud, Information and Media Relations Division; tel: (41-22) 739-5075.

2-3 November, Geneva, Switzerland: WTO COMMITTEE ON ANTI-DUMPING PRACTICES. For information contact: Louis Ople, Information and Media Relations Division; tel: (41-22) 739-5374.

2-3 November, Geneva, Switzerland: WTO COMMITTEE ON RULES OF ORIGIN. For information contact: Louis Ople, Information and Media Relations Division; tel: (41-22) 739-5374.

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. Submissions of publications to ICTSD's documentation centre would also be welcome (contact mgalvin@ictsd.ch).

EXPLORING THE GAPS: VITAL LINKS BETWEEN TRADE, ENVIRONMENT AND CULTURE. By James R. Lee. Kumarian Press, 2000. The book focuses on the relationship between

economic, ecologic, and social factors that have become increasingly disconnected from each other over time. The pace of today's globalisation is on a collision course with the human ability to absorb it, according to the author. To obtain a copy contact: Guy Benthams, Editor and Associate Publisher, Kumarian Press, Inc, 1294 Blue Hills Avenue, Bloomfield, CT 06002, USA; tel: (1-860) 243-2098; fax: 243-2867; email: kpbooks@aol.com; Internet: <http://www.kpbooks.com>.

INTELLECTUAL PROPERTY RIGHTS AND AGRICULTURE: AN ANALYSIS OF THE ECONOMIC IMPACT OF PLANT BREEDERS' RIGHTS. A discussion paper by Dwijen Rangekar, 2000. The author examines the technological impacts of changes in agricultural inputs, specifically seeds. The benefits of exchanging human labour for machines and the use of chemicals in agriculture are also looked at. To obtain a copy contact: Dwijen Rangekar, Research Fellow, School of Public Policy, University College London, 29/30 Tavistock Place, London WC1H 9QU, UK; tel: (44-0-20) 7679-4903; fax: 7679-4969; email: d.rangekar@ucl.ac.uk; Internet: <http://www.ucl.ac.uk/spp/>.

"Aid, policies, and growth." By Craig Burnside, in *AMERICAN ECONOMIC REVIEW*, 2000, vol. 90, no. 4, pp. 847-868. The paper uses a new database on foreign aid to examine the relationships among foreign aid, economic policies, and growth of per capita GDP. The author finds that aid has a positive impact on growth in developing countries with good fiscal, monetary, and trade policies but has little effect in the presence of poor policies.

"A reassessment of the relationship between inequality and growth." By Kristin Forbes, in *AMERICAN ECONOMIC REVIEW*, 2000, vol. 90, no. 4, pp. 869-887. The paper challenges the belief that income inequality has a negative relationship with economic growth. The results suggest that in the short and medium term, an increase in a country's level of income inequality has a significant positive relationship with subsequent economic growth.

TRADE, COMPETITION & MULTILATERAL COMPETITION POLICY. By Pradeep Mehta and Ujjwal Kumar, 2000. Published by the Consumer Unity & Trust Society. The paper is divided into three parts. The first deals with the interaction between trade and competition policy; the second with the status of competition policy issues at the WTO, and the third with the current debate vis-à-vis multilateral arrangements on competition policy. To obtain a copy contact: CUTS Centre for International Trade, Economics & Environment, D-217, Bhaskar Marg, Bani Park, Jaipur 302 016, India; email: cutsjpr@jpl.dot.net.in or cuts.jpr@cuts-india.org; Internet: www.cuts-india.org.

Electronic Resources

"GATSCrit." Established by the "Working Group Trade" of the German NGO Forum on Environment and Development. GATSCrit aims to enhance the dissemination of information on crucial developments at the international and European level as well as providing a forum for discussion and facilitating co-ordination for political actions. The listserv intends to co-ordinate its actions with those of other established listservs which are currently addressing GATS issues. To access visit: <http://www.egroups.com/group/GATSCrit>.

(RE-) **SUBSCRIBE TO THE ICDA WTO IMPACT LIST.** ICDA, the International Coalition for Development Action, issues a daily email newsletter with information on the WTO, trade and trade-related issues. Due to a computer crash this summer, many addresses of subscribers were lost. ICDA is welcoming old, as well as new, subscribers to join the list. To get on the mailing list, send

a few lines telling about your organisation's purpose, areas of work, activities. For information contact: ICDA at email: icda@skynet.be.

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