



INTERNATIONAL CENTRE FOR  
TRADE AND SUSTAINABLE  
DEVELOPMENT

# BRIDGES

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### LEAD STORIES

#### CTD Special Session Suspended Over Inability To Agree On Report

With time winding down on the initial phase of the Committee on Trade and Development's review of special and differential treatment (S&D), Member delegates met informally on 10 and 16 July with the hope of bridging some of the gaps that still remained prior to the 17 July formal session. With a large amount of ground not covered by the end of the 16 July meeting, Members decided to resume on the morning of 17 July and then continue with the regularly scheduled meeting, where they hoped to secure consensus on the report that Ambassador Ransford Smith (Jamaica) is required to present to the General Council on 31 July. Divisions on the report however, proved so wide -- particularly on the section 'The Way Forward' -- that the formal session was suspended, pending further revisions to the draft.

The mandate given to Members in Doha, and passed on to special sessions of the Committee on Trade and Development (CTD) by the Trade Negotiations Committee (TNC), specifies two particular objectives on which the body is to "report to the General Council with clear recommendations for a decision by July 2002." These are, firstly, to identify those S&D provisions that are mandatory/non-mandatory, consider the legal implications of making non-mandatory provisions mandatory, and identify those provisions that Members consider should be made mandatory. Secondly, Members are to examine additional ways in which S&D provisions can be made more effective and to consider how developing country Members can make better use of S&D provisions.

#### Circulating the first draft report

The first draft report (TN/CTD/W/12, currently restricted), which was circulated on 12 July and was expected to be finalised on 17 July, represented what some (mainly industrialised country) Members considered a good balance based on the available information and analysis to date. Other (mostly developing country) Members expressed "disappointment" over the little they felt had actually

been achieved -- pointing out that the report firmly supported only one of the 90 proposals put forward (see below). One African delegate, whose continent many trade experts feel is most in need of commercially valuable S&D provisions, noted that "this absence of progress on the specific [S&D] mandate given by ministers in Doha is not sending the right signals for making the Doha agenda truly a development one." This inability to move ahead so early in the agenda was further exacerbated by calls by the Quad Members of the US, Canada, the EC, and Japan to continue the discussions in an open-ended fashion, without providing a specific timeline for dealing with the proposals themselves.

### Overcoming differences

One of the two main issues that sources indicated were problematic was the debate over when discussions on the objectives and principles of S&D should occur. While most Members viewed such a discussion as necessary if S&D was to undergo the comprehensive review and amendment that was envisaged, there was a fair amount of divergence over when this discussion should happen, and what, if anything, should take priority over it. Most developing countries insisted that the mandate emanating from Doha did not provide for this broader discussion and that it revolved around specific proposals; thus making the proposals a priority. Furthermore, many adamantly rejected calls to move the proposal-specific work to subsidiary bodies as it was tasked specifically to the CTD. The EU, supported by most developed countries, countered this position by saying that in fact this discussion should form the core of the review, and thus should come prior -- or at least concurrent -- to the proposal-specific approach. In that regard, they echoed developed country calls to have those proposals discussed in the relevant subsidiary bodies.

One trade expert following the negotiations conjectured that this difference in perspective reflected the divergence over the depth of the review of S&D sought by Members. Most developing countries, the source continued, wanted to see movement on the 90 proposals made so far, and then engage in a dialogue on objectives and principles, with the final outcome being a substantial overhaul of the approach to S&D in the WTO system. Developed countries, the source speculated, would like to have the broader discussion first, hoping to narrow the focus of the review and thereby limit the scope of potential reforms and amendments in the long run.

The second major stumbling block was the sensitive issue of a post-July timeline. The draft report offered two bracketed options for the special session to "fulfil its mandate and to report back to the General Council with

clear recommendations [...]" -- namely to report either by 31 December 2002 or by 31 March 2003. The latter date was somewhat of a surprise, said one delegate, as the two dates initially discussed were the former and November 2002. Further, the draft report included a 31 October 2002 deadline, by which date Members will "endeavour to provide responses to the various Agreement-specific proposals [...]."

Sources at the 17 July meeting noted that some developing countries, including India, Egypt, & Kenya, were resolute to see the November date prevail. In addition, numerous developing country delegates noted their displeasure with the non-mandatory, exhortatory language of the deadline for responding to the agreement-specific proposals, with one adding, "it is this very type of 'best-endeavour' language that is causing a number of the problems that Ministers in Doha tasked us with fixing." A few other suggestions were made for deadlines, including the Fifth Ministerial Conference in September 2003 (Switzerland) and the spring 2003 (EC). The US and Japan, who contested the November 2002 date, called on Members to be "realistic" about what could be done.

A potential implication of the December option would be to align S&D with the reports for appropriate action to be made to the TNC on outstanding implementation issues. This could, fear some developing country delegates, put S&D up for direct tradeoffs on other implementation issues -- and thus they are pushing for the November date. One implication for the March 2003 option would be to align S&D with other negotiating deadlines -- specifically that of agriculture and services, which are to finalize modalities (agriculture) and have submission of initial offers (services) by this date. As one source familiar with the progress in these other areas of negotiations put it, this latter timeline would likely preclude S&D from making up any part of an early harvest in the Doha round.

### Background

Over the course of the special sessions, dating back to March 2002 (see BRIDGES Weekly, 5 March 2002, <http://www.ictsd.org/weekly/02-03-05/story2.htm>), Members have stumbled on various procedural and substantive issues. One that took up much time initially was whether the body was in fact a negotiating body or not -- something that recent comments >from delegates show is far from resolved. While tackling this and other procedural issues (such as how to report, how to plan for post-July, etc) Members submitted proposals on amendments to S&D language in over 90 WTO provisions. In recent weeks, the debate distilled into four primary areas: (i) agreement-specific proposals and issues; (ii) institutional issues; (iii) cross-cutting issues; and (iv) the way forward. Three of these four

areas (ii and iii were merged) formed the section headings for the draft report. The report was augmented by three annexes, with the first listing the various submissions made to date, the second listing which proposals dealt with the major systemic cross-cutting elements, and the final one summarising which proposals touched on specific elements of WTO agreements.

### **Monitoring mechanism the only item to receive firm support**

The only specific element of any of the 90 proposals to receive firm support in the draft report was that of the monitoring mechanism, as proposed in the Africa Groups submission (TN/CTD/W/3/Rev.1). Members disagree however on the form and structure that the mechanism could take (see BRIDGES Weekly, 10 July 2002, <http://www.ictsd.org/weekly/02-07-10/story2.htm>). Two other elements that do receive mention in the report, although not outright support, are the annual special session of the General Council on the participation of LDCs in the trading system and the Facility to ensure the financial backing required for effective utilisation of S&D provisions in the WTO agreements

At time of press, no date had been set for the resumption of the formal special session. ICTSD will continue to monitor this process closely and report in future editions.

ICTSD reporting.

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### **Trade, Debt, & Finance Working Group Hears Calls For Financial Reform**

The second meeting of the WTO's Working Group on Trade, Debt and Finance convened on 11 and 12 July, spending the majority of its time hearing reports from a number of regional and international agencies on the linkages between trade and finance. In addition to hearing these reports, the body adopted its work programme for 2002, after being unable to do so at its first meeting last April due to disagreements over the focus of the debt section of the plan (see BRIDGES Weekly, 23 April 2002, <http://www.ictsd.org/weekly/02-04-23/wtoinbrief.htm#2>).

### **UNCTAD report pushes for greater reform of current financial architecture**

While discussion focused around a number of papers, of note was a submission from the UN Conference on Trade and Development - UNCTAD (WT/WGTD/F/W/5, searchable at <http://docsonline.wto.org>), entitled "The effects of financial instability and commodity price

volatility on trade, finance and development". This document took a historical perspective on the issue of trade, debt and finance, drawing parallels between the questions UNCTAD felt the Working Group must ask with those asked by the architects of the post-World War II international economic system.

In context of the similarities drawn between the questions asked in 1944 and those being asked now, the UNCTAD report began with a review of the approach taken by the Bretton Woods' (World Bank, IMF, International Trade Organization (ITO)) architects. It discussed the failure to create a fully coherent global economic system -- noting in particular the failure to create an institution to stabilise primary commodity prices and the failure to implement a number of key elements of the proposed ITO's charter. The report concluded with a number of comments and recommendations, including, inter alia, that the present international trade and finance systems do not provide sufficient long-term financial resources to enable developing countries to achieve the rapid and sustained growth needed to reach the millennium development goals, and that the additional pledges made at the Monterrey Conference (see BRIDGES Weekly, 26 March 2002, <http://www.ictsd.org/weekly/02-03-26/story3.htm>) fell "far short" of the amounts needed to close the resource gap.

The UNCTAD report further called for a redesign of the architecture of the international financial system, with the basic objective of easing the integration of developing countries into the international trading system (noting undue emphasis on national level reforms to date). In addition, it perceived the need to integrate and elaborate on specific measures within the WTO framework that could be implemented when financing of external imbalances is insufficient or not available. On this latter recommendation, the paper noted the inadequacy of current balance-of-payment measures in the WTO as not being "designed for the problems endemic in the current international system [...]". Notably, the final point of the report looked towards the Working Group's second focus area, that of trade and debt, as being of "equal or greater importance" than its other area of trade and finance. It went on to say that many of the external account imbalances experienced by developing countries were arising mostly due to debt and debt servicing issues. Other papers presented at the session included (i) a WTO Secretariat literature review related to financial crises in the 1990s (WT/WGTD/F/W/4); (ii) a list of WTO provisions related to exchange arrangements and restrictions, balance-of-payments and external financial difficulties, financial assistance for development and coherence (WT/WGTD/F/W/3); (iii) an Asian Development Bank paper (WT/WGTD/F/W/6) entitled "Initiatives to Ensure Continuity of Trade Flows"

focusing on trade financing concerns and initiatives amongst the development bank's clients; and (iv) an OECD paper (WT/WGTDF/W/7) entitled "Financial Crises: Implications for Trade and Trade Policy" highlighting some of the key lessons from the financial crisis of 1997. (All above documents are searchable at <http://docsonline.wto.org>)

### Members' interventions

In making comments on the various presentations, Kenya expressed its concern regarding the "onerous" policy conditionality of the international institutions. With regards to the discrepancies between the international trading and financial systems detailed in the UNCTAD report, China noted that the WTO was not a rational trading system; India concurred with this view, saying that domestic reform had not helped development and a development-oriented international system was required. Pakistan noted that coherence should not reinforce the problems created by WTO rules and Malaysia intervened to say that the present financial system was not directing flows to development purposes. Brazil said they would come back to inconsistencies between the international trading system and the international financial system. In contrast, the EC alleged that the global economy had in fact withstood recent shocks well compared to earlier periods in history, and that poor countries had benefited from significant increases in investment inflows, while the US spoke about the need for complementary pro-competitive domestic reforms to be implemented along with trade liberalisation.

### Adopting an agenda

In the intervening period between this meeting and the Working Group's 15 April session, Chair Hernando Jose Gomez of Colombia was able to broker an agreement between developing and developed countries over the headings for the debt issue area of the work programme (see link above). The compromise reached included two core titles for this area of the work programme: i) external debt; and ii) trade-related issues and alleviation of the external indebtedness of developing and least-developed countries. While not falling under the 'single undertaking' negotiations of the Doha mandate, the Working Group on Trade, Debt and Finance is accorded "a high priority" (Doha Ministerial Declaration para. 52) and shall report on its progress at the Fifth Ministerial Conference in 2003. It meets again on 30 September and 17 December.

ICTSD reporting.

## OTHER NEWS LAST WEEK

### European Commission Presents Plans For Radical CAP Reform

EU Agriculture Commissioner Franz Fischler on 10 July outlined to the European Parliament (EP) plans to reform the EU's Common Agricultural Policy (CAP) by shifting income support away from producing surpluses and towards meeting tough environmental, animal welfare and food safety standards. Under the proposals, less money will be spent on market subsidies and more on rural development. "It is not enough just to touch things up cosmetically. We need a complete facelift to give credibility to the CAP," Fischler told the EP.

According to the proposal (available at [http://europa.eu.int/comm/agriculture/mtr/comdoc\\_en.pdf](http://europa.eu.int/comm/agriculture/mtr/comdoc_en.pdf)), farmers would get a single decoupled payment from Brussels based on historical references -- regardless of whether they continue production on the same scale. Fischler explained that this would streamline the CAP, enabling the extension of the Programme to millions of new farmers in an enlarged EU and giving the bloc the moral high ground in trade negotiations. Direct aid to farmers would be cut by three percent a year over seven years, with the savings spent on rural development. Aid to larger farms would be capped at EUR 300,000 per year. Guaranteed cereals prices would be cut by five percent, reducing the amount the EU pays in export subsidies that bridge the gap between high internal prices and a lower world market.

Arguing that EU member states had agreed in Berlin in 1999 to maintain the present CAP until at least 2006, European farming giant France is vehemently opposing the proposal while further pointing to the disadvantage of European farmers vis-à-vis US growers under a new US Farm Bill which has significantly increased spending on farm subsidies.

Stating that he was generally encouraged by elements of the proposal, Australia's Trade Minister Mark Vaile expressed his concern that the reform plans did not include any commitments to phasing out export subsidies for European farmers. "Surpluses will therefore continue to be dumped on world markets," he said in an 11 July statement. However, Thailand, a fellow member of the Cairns Group of agriculture exporting countries, welcomed the Commission's move: "If the European Union reduces its subsidies to farmers, it would help boost the export prices of agriculture products from Thailand to the EU market," Suvann Valaisathien, deputy commerce minister, said on 12 July.



"EU Unveils Disputed "Facelift" For Farm Subsidies," REUTERS, 10 July 2002; "Australia Trade Min: EU CAP Review Won't Cut World Surplus," DOW JONES, 11 July 2002; "'Towards Sustainable Farming" Commission Presents EU Farm Policy Mid-Term Review," EU PRESS RELEASE, 10 July 2002; "TRADE: Thailand Relieved At EU's Call For Cuts In Farm Subsidy" TERRAVIVA-EUROPE, 15 July 2002.

## **WTO Members Set Parameters For RTA Negotiations**

The WTO Negotiating Group on Rules resumed its session (see BRIDGES Weekly, 10 July 2002, <http://www.ictsd.org/weekly/02-07-10/story1.htm>) on 10 July to discuss regional trade agreements (RTAs), with three new proposals tabled by the EC (TN/RL/W/14), Australia (TN/RL/W/15) and Chile (TN/RL/W/16) (searchable at <http://docsonline.wto.org>).

On the general question of whether or not to support RTAs, two camps emerged. On the one hand were those who are widely engaged in RTAs, such as the EC, Norway, Brazil and Hungary, and who thus promote regionalism. On the other are those Members, led by India and Pakistan, who have engaged very little in RTAs and who are thus concerned that a proliferation of regional agreements could weaken the multilateral trading system. A third group with increased interest in the RTA debate are the African, Caribbean and Pacific (ACP) countries which are currently gearing up for negotiations with the EU on WTO compatible -- i.e. reciprocal -- Economic Partnership Agreements (EPAs) to replace existing preferential schemes under the Lomé Convention (see BRIDGES Weekly, 10 July 2002, <http://www.ictsd.org/weekly/02-07-10/inbrief.htm>). Sources commented, however, that in the meeting there had been an unexpectedly low degree of intervention by ACP states on the relationship between special and differential treatment provisions for developing country RTAs and GATT language on customs unions and free trade areas (Art. XXIV). ACP countries are meeting this week in Fiji to prepare for the next phase of EU-ACP negotiations.

### **Three proposals tabled**

In terms of detail, the EC submitted a paper where it emphasized the positive role of RTAs in achieving open markets. Furthermore, the European trade bloc pointed to the "development dimension" of regional integration, saying that flexibilities could be granted to developing countries to adjust according to their "individual level of development". Moreover, the EC singled out several points for negotiation in the goods and services sector as well as some procedural aspects.

For its part, Australia made some suggestions on how to overcome difficulties encountered by WTO Members in defining the term "substantially all the trade", which forms part of the definition of what constitutes a 'customs union' and a 'free trade area' under GATT Article XXIV:8. Australia suggested defining the term by the extent to which an RTA covers a defined percentage of all six-digit tariff lines listed in the Harmonised Commodity Description and Coding System, or Harmonised System. The Harmonised System is a method of classifying goods traded internationally, and is managed by the World Customs Organisation.

Chile, supported by developing countries such as Brazil and the Association of Southeast Asian Nations (ASEAN) members, made a proposal on when, where and what to notify when a Member enters into a RTA. Inter alia, Chile argued that notification needed to be made to the Committee on Regional Trade Agreements (CRTA) as well as to the Council for Trade in Goods (CTG) and the Council for Trade in Services (CTS) respectively. ASEAN added in its intervention that RTA notifications also should be made to the Committee on Trade and Development (CTD).

The Rules Negotiating Group is scheduled to meet again on 16-18 October 2002.

ICTSD reporting.

## **Services: Members Adopt Timeframe For Negotiating ESM; Government Procurement And Subsidies**

WTO Members met on 15 July in the Working Party on GATS (General Agreement on Trade in Services) Rules (WPGR) where they preliminarily adopted a work programme for negotiating a possible emergency safeguard measure (ESM) for the services sector, as well as multilateral disciplines on services-related subsidies and government procurement (services purchased for governmental purposes). The programme will enter into force on 22 July unless Members object to it before then.

### **Timetable for emergency safeguard mechanism**

According to trade sources, Members discussed and made changes to a 12 July draft Chair's paper outlining the work programme for the establishment of a possible ESM, and then adopted it on an "ad referendum" basis. This would mean, sources explained, that the Chair's draft would be considered definitive unless delegates raised objections before 22 July. Otherwise, the draft would become official and be made public on that date.

It was said that the Chair's draft, inter alia, provides that Members should table their proposals on an emergency safeguard by end-2002, take stock at the Fifth Ministerial Conference in September 2003 in Cancun, Mexico, and finalise the negotiations before mid-March 2004 as agreed on 15 March this year (see BRIDGES Weekly, 19 March 2002, <http://www.ictsd.org/weekly/02-03-19/story1.htm>).

Discussion continued further on ESM papers submitted at the last WPGR session on 3 June by the EC and Australia (see BRIDGES Weekly, 12 June 2002, <http://www.ictsd.org/weekly/02-06-12/story4.htm>).

### **Subsidies and government procurement**

Similarly, on the issue of subsidies and government procurement, the work programme encourages Members to make their respective proposals by 31 March 2003 and to take stock and review the status of the negotiations next year in Cancun, sources explained. Chile, Hong Kong/China and Argentina reportedly submitted a "simplified questionnaire" on subsidies in response to a 1997 Secretariat paper (S/WPGR/W/16) wherein the Secretariat had asked Members to provide information about all subsidies provided to their domestic service suppliers, and had further invited Members to give their views on the definition of the term "subsidy". As only a few Members have responded to the questions so far, Members agreed that more information was needed in order to proceed with the discussions.

The EC tabled a communication (S/WPGR/W/39, searchable at <http://docsonline.wto.org>) on government procurement of services, wherein it proposed to treat public services purchases in a similar fashion to general services. This would include establishing general rules such as transparency and most-favoured nation (MFN) treatment to apply across-the-board, together with special commitments (market access and national treatment) in specially chosen sectors. The paper received little discussion, however, as some Members, such as India, took the view that GATS Article XIII would expressly carve out negotiations on MFN, market access and national treatment. Article XIII, together with GATS Articles X and XXV contain 'built-in agendas' mandating negotiations on a possible ESM, government procurement and subsidies, respectively.

BRIDGES Weekly will report further on other services-related WTO meetings in its two forthcoming issues.

ICTSD reporting.

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## **IN BRIEF**

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### **EU Announces 'Positive Agenda' On Trade For Rio +10**

In a press release issued on 2 July outlining its priorities for the upcoming World Summit on Sustainable Development (WSSD) in Johannesburg, the EU announced that it was aiming at fashioning "ways and means" to build upon progress made in trade at Doha and in aid at Monterrey (see BRIDGES Weekly, 26 March 2002, <http://www.ictsd.org/weekly/02-03-26/story3.htm>) last year. In what it termed a "positive agenda", the EU said it is suggesting supportive measures for developing countries, including the integration of sustainability parameters into regional and bilateral agreements and preferential trade schemes, commitments from all countries to duty- and quota free market access for all products originating in least developed countries, the promotion of markets for organic produce, environmentally friendly products and "fair trade", measures to enhance the transparency of domestic trade procedures, the reform of environmentally harmful subsidies and the further development and support for sustainable impact assessments (SIAs). Further, the EU is proposing ways for developing countries to gain from sustainable development through foreign direct investment (FDI) initiatives, including the promotion of corporate social responsibility and export credits to encourage environmentally and socially sound investment.

The EC press release is available at: [http://europa.eu.int/comm/trade/csc/pr\\_020702.htm](http://europa.eu.int/comm/trade/csc/pr_020702.htm).

"The EU agenda for the World Summit on Sustainable Development", EUROPEAN COMMISSION PRESS RELEASE, 02 July 2002.

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### **Mexico Courts S. America With Free Trade**

Responding to recent weak economic signals from the US, Mexico over the past month has actively sought to improve its trade links with its southern neighbours. On 10 July, Mexico and Uruguay began free trade talks and expect to be able to sign a free trade accord before the end of the year, while on 5 July, Mexican president Vicente Fox signed an agreement with the Mercosur nations of Argentina, Brazil, Paraguay and Uruguay, pledging to create a regional free trade zone. "It doesn't make sense that our bilateral trade doesn't even amount to three percent of the region's commerce," Fox told local media during his tour of South America. While in Uruguay, Fox told Uruguayan president Jorge Batlle

that Mexico could serve as a springboard for Uruguayan goods to enter the US market, to which Mexico has preferential access via the North American Free Trade Agreement (NAFTA). Previously, Mexican and Central American leaders agreed on 28 June to push ahead with a plan for regional development through a series of public and private sector partnerships aimed at increasing trade and building infrastructure (see BRIDGES Weekly, 3 July 2002, <http://www.ictsd.org/weekly/02-07-03/inbrief.htm#5>), and on 12 June, Brazil and Mexico -- Latin America's two largest economies -- concluded a bilateral trade pact that the signatories hope will ultimately cover sectors representing USD 30 billion in trade for the two countries (see BRIDGES Weekly, 20 June 2002, <http://www.ictsd.org/weekly/02-06-20/inbrief.htm#2>).

"Uruguay, Mexico Opt for Fast Track to Free Trade Deal," EFE, 10 July 2002; "Mexico, Mercosur Pledge Free Trade Pact Within One Year," ASSOCIATED PRESS, 6 July 2002.

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### **WHO Approves Second Indian Company For Generic Aids Drugs**

On 10 July, the World Health Organization (WHO) announced that three drugs produced by Indian pharmaceutical company Ranbaxy Laboratories -- Zidovudine, Nevirapine and Lamivudine -- were fit for use in HIV/AIDS prevention programmes. The company will now become a pre-qualified supplier of these products to the WHO. Ranbaxy is the second Indian company to receive the approval after Cipla, which produces AIDS drugs several times cheaper than US firms. In India, companies can legally produce drugs by using different techniques than those established by the patent-holding companies, as India recognises patents on the drug making process rather than on the products themselves. Issues related to generic drug production continue to attract attention at the WTO, where Members are discussing (in the context of paragraph 6 of the Doha Declaration on TRIPs and Health) how countries with little or no manufacturing capacity in the pharmaceutical sector can make effective use of compulsory licensing (see BRIDGES Weekly, 3 July 2002; <http://www.ictsd.org/weekly/02-07-03/story1.htm>).

"India's Ranbaxy gets WHO approval for generic AIDS drugs," Associated Press, 10 July 2002.

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## **WTO IN BRIEF**

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### **US Favours 'End-Use' Over 'Process' Approach In Environmental Goods Talks**

In a 3 July submission to the WTO Negotiating Group on Market Access and the Committee on Trade and Environment, the US advocated the need for the WTO to come up with its own list defining the scope of environmental goods subject to negotiations by the time the Group agrees on modalities for the overall market access talks. While the exact date for agreeing to modalities remains under discussion, it will likely fall sometime between March and May 2003. The US paper (TN/MA/W/3, searchable at <http://docsonline.wto.org>) was largely supportive of environmental product classification previously undertaken by the Asia Pacific Economic Cooperation (APEC) forum and highlighted in an earlier submission by New Zealand (TN/E/W/6). In particular, the US agreed with the APEC 'end-use' approach of including primarily goods used to clean the environment or to contain or prevent pollution. Broadening the list of environmental goods for inclusion in market access talks to include products made in an environmentally sound manner would "pose difficulties of definition," the US argued. "Moreover, such a process risks prolonged discussions that could pit one Member's views that are based on their own environmental conditions, priorities, and values against those of another," the US said. The Market Access Negotiating Group missed its last scheduled meeting on 5 July due to the disagreement over a modalities deadline, but could meet again before the end of July if there is a breakthrough on that question.

ICTSD reporting.

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## **EVENTS**

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

### **ICTSD Event:**

24 July 2002, 09:00 - 11:00, Rooms 2 & 5, International Environment House, Geneva: INFORMAL ICTSD CAFÉ & CROISSANTS DIALOGUE ON "TRIPS AND HEALTH - FINDING COMMON GROUND ON PARAGRAPH 6 OF THE DOHA DECLARATION". Ambassador Boniface Guwa Chidyaisiku of the

Permanent Mission of Zimbabwe and Mr Chumpichai Svasti-Xuto of the Permanent Mission of Thailand will each give a brief 15-minute presentation on alternative proposals and approaches aimed at ensuring that WTO Members with insufficient or no manufacturing capacities in the pharmaceutical sector can make effective use of compulsory licensing under the TRIPs Agreement. The floor will then be given to the participants for an informal and open discussion from a sustainable development perspective. Participants are invited in their personal capacity. Given that there is limited seating, please RSVP to us your intention to participate by email to [awerth@ictsd.ch](mailto:awerth@ictsd.ch) or by fax at (41 22) 917 8093.

### Coming up this week: 17-24 July

16-19 July, Nadi, Fiji: 3rd ACP SUMMIT. Former African, Caribbean and Pacific delegates from 78 member countries will gather in Fiji for the summit, aiming to build their case before talks for new trade arrangements with the EU are formally launched in Brussels in September. For further information visit: <http://www.acpsec.org/fiji/index.html>.

17 July, Geneva, Switzerland: TRADE AND SUSTAINABLE DEVELOPMENT: WORKING GROUP ON ENVIRONMENT, TRADE AND SUSTAINABLE DEVELOPMENT (WGETD). Organised by ICTSD for World Civil Society Forum. This working group at the World Civil Society Forum due to take place between 14-19 July, will be discussing the linkages and conflicts between environmental protection, poverty alleviation and trade liberalisation, as well as civil society's role in helping to make trade policy to mutually benefit development goals. For further information contact: World Civil Society Forum, 31 Chemin William Rappard, 1293 Bellevue/Geneva, Switzerland; fax: (41-22) 959-8851; email: [forum@mandint.org](mailto:forum@mandint.org); Internet: <http://www.mandint.org/forum>.

18 July, Geneva, Switzerland: WTO AND CIVIL SOCIETY: WORKING GROUP ON ENVIRONMENT, TRADE AND SUSTAINABLE DEVELOPMENT (WGETD). Organised by ICTSD for World Civil Society Forum. This working group at the World Civil Society Forum will focus on tangible examples of participation that can enhance public participation in the WTO processes at a national and global level. For further information contact: World Civil Society Forum, 31 Chemin William Rappard, 1293 Bellevue/Geneva, Switzerland; fax: (41-22) 959-8851; email: [forum@mandint.org](mailto:forum@mandint.org); Internet: <http://www.mandint.org/forum/>.

18 July, Merida, Mexico: NORTH AMERICA REGIONAL SEMINAR ON THE FREE TRADE AREA OF THE AMERICAS (FTAA). In this regional seminar

hosted by the Mexican government, there will be three panels on 'Market Access/Agriculture', 'Services/Investment' and 'Transparency & Civil Society Participation in the FTAA processes'; and each one will be followed by an exchange among all participants attending the seminar. For further information contact: <http://www.economia-snci.gob.mx/oc/eventos/html/invitaen.asp>.

18-20 July, Sheffield, UK: TRADING CULTURE: INTERNATIONAL CONFERENCE ON THE THEMES OF THE 'INDIGENOUS' AND THE 'EXPORTABLE' IN FILM AND TELEVISION CULTURE. International trade in film began in the early part of the twentieth century. By the start of the twenty-first century this was extended to include an increasingly global trade in television programmes and a re-working of the concept of export in the era of satellites and the Internet. This conference will focus on the cultural dimension of these economic developments. For further information contact: Sharon Stone, AHRB Centre Administrator, Sheffield Hallam University, School of Cultural Studies, Psalter Lane, Sheffield S11 8UZ UK; email: [ahrb@shu.ac.uk](mailto:ahrb@shu.ac.uk).

19 July, Geneva, Switzerland: WTO NGO BRIEFING ON THE MEETING OF THE TRADE NEGOTIATIONS COMMITTEE (TNC). On 18 July, the TNC will hear reports from the chairpersons of the negotiating bodies established by the TNC, and this briefing will allow NGOs to get an update on the workings of the Committee. For further information contact: Hans-Peter Werner, External Relations Division, WTO; tel: (41-22) 739-5286; email: [peter.werner@wto.org](mailto:peter.werner@wto.org).

19 July, 09.45-13.00, Room XXV, Palais des Nations, Geneva: SPECIAL AND DIFFERENTIAL TREATMENT FOR DEVELOPING COUNTRIES: HISTORICAL ANALYSIS OF THE CONTRIBUTION TO GROWTH AND DEVELOPMENT OF FLEXIBLE TRADE AND RELATED POLICIES. Organised by the South Centre and Christian Aid, the seminar aims to substantiate developing countries' positions in ongoing WTO talks on special and differential treatment. With a presentation by Dr. Ha-Joon Chang, who will use examples from his recent book, *Kicking Away the Ladder: Development Strategy in Historical Perspective*. Interpretation in English, French and Spanish will be provided subject to availability. For further information contact the South Centre, Geneva, Switzerland; tel: (41-22) 791-8050; fax: 798-8531; email: [south@southcentre.org](mailto:south@southcentre.org); Internet: <http://www.southcentre.org>.

22 July, London, UK: ASIA-PACIFIC ENVIRONMENTAL POLICY AND REGULATORY REGIMES: RHETORIC AND REALITY. Organised by The Royal Institute of International Affairs. For this seminar the spotlight moves to an evaluation of the



policy and regulatory concerns surrounding the activities of both industries and agriculture in the Asian context. For further information contact: Louis Turner, Chief Executive, Asia- Pacific Technology Network, Chatham House, 10 St. James's Square, London SW1Y 4LE; tel: (44-790) 5204 677; fax: (44-207) 957 5710; email: [louist@aptn.org](mailto:louist@aptn.org).

## WTO Events

An updated list of forthcoming WTO meetings is posted at: [http://www.wto.org/english/news\\_e/meets.pdf](http://www.wto.org/english/news_e/meets.pdf).

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.

17 July, Geneva, Switzerland: WTO COUNCIL FOR TRADE IN SERVICES.

17 July, Geneva, Switzerland: WTO SPECIAL SESSION OF THE COMMITTEE ON TRADE AND DEVELOPMENT. The Committee will discuss the report on special and differential treatment to be issued to the General Council by the end of July.

17-18 July, Geneva, Switzerland: WTO COMMITTEE ON SPECIFIC COMMITMENTS.

18-19 July, Geneva, Switzerland: WTO TRADE NEGOTIATIONS COMMITTEE. On the agenda: Reports by the chairpersons of bodies established by the TNC (TN/AG/2, TN/CTD/2\*, TN/DS/2\*, TN/IP/2\*, TN/MA/2\*, TN/RL/2\*, TN/S/2, TN/TE/2), and discussion of future work.

22 July, Geneva, Switzerland: WTO COMMITTEE ON TRADE IN FINANCIAL SERVICES.

22 July, Geneva, Switzerland: WTO COMMITTEE ON TRADE IN FINANCIAL SERVICES- BRIEFING BY THE INTERNATIONAL MONETARY FUND ON THE FINANCIAL SYSTEMS ASSESMENT PROGRAMME.

22-23 July, Geneva, Switzerland: WTO COUNCIL ON TRADE IN GOODS.

23 & 25 July, Geneva, Switzerland: WTO SPECIAL SESSION OF THE COUNCIL FOR TRADE IN SERVICES.

24 July, Geneva, Switzerland: WTO TRADE POLICY REVIEW BODY- EUROPEAN UNION.

26 July, Geneva, Switzerland: WTO NGO BRIEFING ON TRADE IN SERVICES. The briefing is aimed at informing key civil society organisations on the various Trade in Services meetings that will take place in the second half of July, in particular the Special Session of the Council for Trade in Services on 23 and 25 July 2002. For further information contact: Bernard Kuiten, Counsellor, External Relations Division, World Trade Organization, Geneva, Switzerland; tel: (41-22) 739-5676; fax: 739-5777.

## Other Forthcoming Events

22-23 July, Mexico City, Mexico: 5TH APEC ENERGY MINISTERIAL MEETING. The APEC Energy Ministers have recognised in four previous meetings that the forecasted growth in energy supply and use will place considerable pressure on the local, regional and global environment. This meeting is a continuation of the cooperative efforts aimed at creating an energy infrastructure for the region that meets their economic, social and environmental goals of the 21st century. For further information visit: <http://www.apec2002.org.mx/>.

25 July, Brussels, Belgium: MEETING ON SUSTAINABILITY IMPACT ASSESSMENT OF WTO NEGOTIATIONS. Hosted by the European Commission, the meeting is convened to discuss a Sustainability Impact Assessment (SIA) of the Doha Development Agenda negotiations. The Institute for Development Policy and Management (IDPM), Manchester University, will present its first three sector studies: market access, with special emphasis on pharmaceuticals, non-ferrous metals and textiles; environmental services, with special emphasis on water and waste treatment; and competition. The reports are available at: <http://idpm.man.ac.uk/sia-trade>. To register for the EC's Civil Society Dialogue process visit: [http://trade-info.cec.eu.int/civil\\_soc/infosheet.php?action=ajout&critere=](http://trade-info.cec.eu.int/civil_soc/infosheet.php?action=ajout&critere=). For further information and to register, contact: European Commission, Trade DG, Information Unit; email: [eis@cec.eu.int](mailto:eis@cec.eu.int); fax: (32-2) 296-9854; Internet: [http://trade-info.cec.eu.int/civil\\_soc/intro1.php](http://trade-info.cec.eu.int/civil_soc/intro1.php).

## 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 Hugo Cameron, [hcameron@ictsd.ch](mailto:hcameron@ictsd.ch). Submissions of publications to ICTSD's documentation centre would also be welcome (email [resources@ictsd.ch](mailto:resources@ictsd.ch)).

JOURNAL OF INTERNATIONAL ECONOMIC LAW, July 2002; Vol. 5, No. 2. In this issue there are numerous trade and sustainable development related papers including "The Doha Declaration on the TRIPS Agreement and Public Health: Lighting a Dark Corner at the WTO" by Frederick M. Abbott, and "Competition Policy and the Future of the Multilateral Trading System" by Robert D. Anderson and Peter Holmes. For the full index and to download articles visit: [http://www3.oup.co.uk/jielaw/hdb/Volume\\_05/Issue\\_02/](http://www3.oup.co.uk/jielaw/hdb/Volume_05/Issue_02/).

MANUFACTURING DRUGS AND CHEMICALS IN CROPS: BIOPHARMING POSES NEW THREATS TO CONSUMERS, FARMERS, FOOD COMPANIES AND THE ENVIRONMENT. Report by Genetically Engineered Food Alert coalition, June 2002. A new report prepared by the Genetically Engineered Food Alert coalition details the threats that biopharmaceutical and biochemical crops pose, the extent to which they have been planted across the US, the failure of regulatory agencies to serve the public, and a set of recommendations. The executive summary and the full report can be downloaded at: <http://www.gefoodalert.org/pages/home.cfm>.

CRISIS IN SOUTHERN AFRICA. Oxfam Policy Papers, June 2002. Nearly 13 million people in Southern Africa face extreme food shortages between now and April 2003. In this policy paper Oxfam calls for action, both immediate and long-term, to get food aid to the worst affected countries in Southern Africa and distribute it fairly and effectively, and to rebuild people's lives. The report also argues that the right to food for all should be put to the top of the agenda of international financial institutions and governments both inside and outside the region, and policies changed. For further information and a copy of the report visit: <http://www.oxfam.org.uk/policy/papers/southernafrika/crisisinsouthernafrika.html>.

"Development goals, governance and capacity building: aid as a catalyst," DEVELOPMENT AND CHANGE 33 (2, 2002): 269-279. By John Degenbold-Matinussen. The article aims to elaborate and discuss in detail points raised earlier by Jan Pronk in a paper published in Development and Change (September 2001) relating to aid and international development co-operation.

"Learning to Export: Evidence from Moroccan Manufacturing," WORLD BANK WORKING PAPERS, NO. 2827. Using panel and cross-section data on Moroccan manufacturers, the authors uncover evidence of market learning but little evidence of productivity learning. The abstract and the full document are available online at: <http://econddev.forumone.com/view.php?type=5&id=14459>.

"Administrative Barriers to Foreign Investment in Developing Countries," WORLD BANK WORKING PAPERS NO: 2848. Morisset and Lumenga Neso present a new database on the administrative costs faced by private investors in 32 developing countries. The data include measures on the number of procedures, direct monetary costs, and time. The paper is part of a larger effort to study the role of administrative barriers in the investment decision of private firms. The authors may be contacted at: [jmorisset@ifc.org](mailto:jmorisset@ifc.org) or [lumenganeso@hec.unige.ch](mailto:lumenganeso@hec.unige.ch). The abstract and the full document are available online at: <http://econddev.forumone.com/view.php?type=5&id=15291>.

### WTO Documents

TIMELINE TO THE FIFTH SESSION OF THE MINISTERIAL CONFERENCE: INFORMAL NOTE FROM THE CHAIRMAN OF THE TRADE NEGOTIATIONS COMMITTEE (JOB (02)/78). This timeline is intended to help WTO Members focus discussion on future work in the Doha negotiations by providing a concise summary of the key dates and deadlines established so far in the leadup to the Fifth Ministerial Conference in Cancun, Mexico in September 2003. To access, visit <http://www.ictsd.org/ministerial/cancun/docs/JOB02-78.pdf>.

STATEMENT BY THE CHAIRPERSON OF THE SPECIAL SESSION OF THE COMMITTEE ON TRADE AND ENVIRONMENT TO THE TRADE NEGOTIATIONS COMMITTEE (TN/TE/2). Committee on Trade and Environment Special Session, 4 July 2002. The statement covers the minutes of the Special Session of the CTE held on 11-12 June 2002, including the discussion on Paragraph 31(I) on MEAs and WTO, para. 31(II) on Information Exchange and Criteria for Observer Status and para. 31(III) on Environmental Goods and Services.

SUBSIDIES: UPDATING NOTIFICATION PURSUANT TO ARTICLE XVI:1 OF THE GATT 1994 AND ARTICLE 25 OF THE AGREEMENT ON SUBSIDIES AND COUNTERVAILING MEASURES (G/SCM/N/60/CAN). Committee on Subsidies and Countervailing Measures, Communication from Permanent Mission of Canada, 6 June 2002. Canada's notification comprises industrial, cultural and agricultural goods programmes, including assistance for research and development, shared cost federal/provincial assistance and regional developmental assistance.

SUBSIDIES: UPDATING NEW AND FULL NOTIFICATION PURSUANT TO ARTICLE XVI:1 OF THE GATT 1994 AND ARTICLE 25 OF THE

AGREEMENT ON SUBSIDIES AND COUNTERVAILING MEASURES (G/SCM/N/48/USA, G/SCM/N/60/USA, G/SCM/N/71/USA). Committee on Subsidies and Countervailing Measures, Communication from Permanent Mission of the United States, 27 June 2002. The communication from the US is the update on notifications for calendar years 1999 and 2000, as well as a new and full subsidies notification for 2001. While information on most programmes granted or maintained at sub-federal levels are included, notably domestic agricultural support programmes is not yet available.

### Electronic Resources

BALI PREPCOMM TO EARTH SUMMIT 2002 VIDEO DIARIES. Video diaries including interviews with Ambassador Emil Salim, Jonathan Margolis, Head of the US Delegation and Dr. Klaus Toepfer, Executive Director of UNEP, are now online. All the outcomes, documents and reporting at the Bali Summit are also available at: <http://www.earthsummit2002.org/es/preparations/global/prep-comm-4.htm>.

MAKING FAIR TRADE WORK IN MEXICO: CITIZEN ACTION IN THE AMERICAS, NO. 1. Americas Program, Interhemispheric Resource Center (IRC). July 2002. The new project website provides information on the effects of the FTAA agreement on Mexican campesino farmers, artisans, small producers, family establishments, and independent service providers as well as ways in which co-ops, NGOs and community groups are establishing linkages to promote fair trade and help these communities tackle globalisation. For further information visit: <http://www.americaspolicy.org/citizen-action/series/mexicos-fair-trade-movement.html>.

### Position Vacancies

RESEARCHER/PROJECT MANAGER FOR THE FIELD OF ECONOMIC GLOBALISATION AND SUSTAINABLE DEVELOPMENT. Based in: Berlin, Germany. Reference number: (# 2002-03). The position covers: assessing the effects of trade in goods and services, investment, and competition; and research on global economic and environmental governance. Closing date has been extended to 26 July 2002. For further information visit: <http://www.ecologic.de>.

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