



INTERNATIONAL CENTRE FOR
TRADE AND SUSTAINABLE
DEVELOPMENT

BRIDGES

Weekly Trade News Digest

2 October 2002

Volume 6, Number 33

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LEAD STORIES

DISPUTE SETTLEMENT I: BRAZIL - SUGAR & COTTON

At a 27 September meeting of the Dispute Settlement Body (DSB), Brazil announced its intention (together with Australia) to begin consultations with the EC over sugar subsidies and with the US over cotton subsidies. In the latter instance, Brazil's case has been bolstered by a recent Oxfam report on the destructive impact of developed country cotton support on Africa, as well as potential support from West African countries.

Brazil-EC sugar

On 27 September, Brazil and Australia commenced consultations in the DSB against the European Union over its sugar subsidies (see related paragraphs in Agriculture story, this issue). The two countries say that the EU subsidies are trade distortive and fall afoul of WTO rules. For its part, Brazil has targeted exports of the so-called "C" sugar quota, and export subsidies exceeding the EU reduction commitments. The EU's C sugar quota covers sugar produced above domestic production quotas and which cannot be sold internally during the year it is produced. Due to export subsidies, this sugar is sold on the global market at what Brazil says is below the cost of production. In its request for talks with the EU, Australia said the EU's sugar regime violates numerous provisions of the WTO's Agreement on Agriculture, the Agreement on Subsidies and Countervailing Measures and the GATT.

Brazil-US cotton

Also at the 27 September DSB meeting, Brazil requested consultations over cotton subsidies imposed by the US. Brazil contends that the subsidies granted by the government of the US to its cotton farmers, such as marketing loans, export credits, commodity certificates and direct payments, are depressing world prices and are injurious to Brazilian cotton growers. Brazil claims that the cotton subsidies are exempted from the normal immunity granted under the so-called "peace clause" of the WTO's Agreement on Agriculture (AoA), which protects countries using subsidies which comply with the Agreement from being challenged

under other WTO agreements. Article 13 of the AoA exempts domestic support measures that comply with the peace clause from being challenged as illegal subsidies or as nullifying or impairing benefits normally accruing to a WTO Member through dispute settlement proceedings. This immunity, however, only applies as long as the level of domestic support for a commodity remains at or below 1992 levels. Brazil maintains that since 1992, the US has doubled the level of support to its farmers through subsidies programs.

Cotton's impact on Africa highlighted

In news relating to the cotton dispute, on 30 September, Oxfam International published a report entitled "Cultivating Poverty: The Impact of US Cotton Subsidies on Africa". The report details how subsidies given to American cotton farmers encourage over-production and export dumping. According to the report, this has led to artificially low world cotton prices, thereby devastating African cotton farmers, who find it impossible to compete. According to the report, "while America's cotton barons get rich, African farmers suffer the consequences." Sources indicate that the Oxfam report could significantly embolden African countries seeking to challenge US cotton subsidies, and at the minimum raise awareness within civil society and governments about the extent of the crisis faced by cotton farmers in Africa.

Sources indicate that a WTO challenge to US cotton subsidies could also be forthcoming from members of the West African Economic and Monetary Union (UEMOA) (Benin, Burkina Faso, Côte d'Ivoire, Guinea-Bissau, Mali, Niger, Senegal and Togo). These countries are reportedly exploring options to challenge cotton subsidies in developed countries to counter the current cotton market crisis and to expand their market access opportunities. Previously, on 24 June 2002, the Ministers of Agriculture of the UEMOA met in Abidjan (Côte d'Ivoire) to search for a common strategy to meet the market crisis on cotton products.

In both the cotton and sugar disputes, sources indicate that it is unlikely the consultations will result in mutually agreeable settlements. If no agreement is reached via consultations, the disputes will likely reach the panel stage within the next 60 days.

"Brazil - Cotton and Sugar Subsidies" WTO Reporter, 6 October 2002; "UEMOA - Cotton Subsidies" Afrol News 15 July 2002; Oxfam Report, Cultivating Poverty: The Impact of US Cotton Subsidies on Africa.

DISPUTE SETTLEMENT II: LUMBER, SARDINES AND WINE

Softwood lumber

On 27 September, the WTO issued the report of the panel (WT/DS236/R, available online at: <http://docsonline.wto.org>) that had examined Canada's complaint over the United States' preliminary determinations with respect to certain softwood lumber from Canada. As expected, the ruling was similar to a preliminary judgement released by the panel in July 2002, which in its essence found in favour of Canada. The dispute, in which Canada challenged countervailing duties imposed on imports of Canadian softwood lumber by the US, led to the formation of a panel on 5 December 2001 (see BRIDGES Weekly, 6 November 2001, <http://www.ictsd.org/weekly/01-11-06/story4.htm>). The US contended that low stumpage fees in the form of royalties charged by Canadian provinces to loggers were an illegal subsidy for Canada's softwood exports. Consequently, the US imposed countervailing duties of more than 19 per cent and antidumping duties of 8 per cent. Canada filed a dispute arguing, inter alia, that its stumpage fees did not meet the definition of a countervailable subsidy, as they did not confer "a benefit", an argument that was upheld by the panel.

In spite of the ruling, however, there is unlikely to be any respite for the hard-hit Canadian softwood industry soon: the US has indicated that it will appeal the decision, with a decision due in about six months. The softwood lumber dispute has had serious negative implications on the Canadian softwood lumber industry, based mainly in British Columbia and Quebec and to some extent in Ontario and Alberta. The higher export costs as a result of the US duties have forced many Canadian mills to shut down, with resultant job losses. However, some groups, including First Nations communities in British Columbia, have argued against the Canadian position, saying its stumpage fees do not value traditional land rights compensation or environmental costs appropriately (see BRIDGES Weekly, 2 May 2002, <http://www.ictsd.org/weekly/02-05-02/wtoinbrief.htm>).

EC - Sardines

On 26 September, the WTO Appellate Body handed down its report (WT/DS231/AB/R, see link above) on a case between Peru and the European Union over sardines. Essentially, the decision was in favour of Peru, with the Appellate Body upholding an earlier panel finding that the EU marketing standards for the sale of preserved sardines were WTO-inconsistent. Peru had filed the WTO complaint against the standards set out in EU Council Regulation (EEC) No.

2136/89 of 21 June 1989, arguing that they had unfairly restricted exports of Peruvian sardines to Europe. The claims by the EU to the effect that the panel erred in finding that the marketing standards constituted a "technical regulation" under the WTO Agreement on Technical Barriers to Trade (TBT) and that a standard set by the Codex Alimentarius Commission for Sardines products constituted a "relevant international standard" under the TBT Agreement, were rejected (see BRIDGES Weekly, 4 June 2002, <http://www.ictsd.org/weekly/02-06-04/story3.htm>).

Notably, the dispute provided further elaboration regarding the right of non-parties to submit amicus curiae ('friend of the court') briefs in WTO dispute proceedings. Two amicus curiae briefs were sent to the Appellate Body during the proceedings, one by a private individual, and another by Morocco, which had not exercised its third party rights at the panel stage and was therefore not allowed to make submissions to the Appellate Body. Peru objected to the briefs, arguing that only briefs attached to the submissions of parties in the dispute were acceptable under WTO rules. It also argued that accepting the brief from Morocco would allow a WTO Member to circumvent dispute settlement rules concerning third party rights. The Appellate Body rejected Peru's arguments but went on to hold that the briefs were not of assistance in the appeal.

Argentina - Wine Restrictions

On 4 September, Argentina initiated dispute settlement proceedings against the EU over restrictions on wine imports. Argentina has attacked EU Council Regulation 1493/1999 and Commission Regulation 883/2001, which set out authorised "oenological practices" and the regulation of trade in wine between the EU and third countries. In its request for consultations with the EU on 4 September, Argentina contended that the requirements on oenological practices were more trade restrictive than necessary and thus created an unnecessary barrier to trade in violation of the WTO's Agreement on Technical Barriers to Trade (TBT). In particular, Argentina alleged that the EU- authorised practices for the acidification of wine failed to take account of existing relevant international standards as required under Article 2.4 of the TBT Agreement. The EU has also signed bilateral trade agreements with third countries allowing them to export wine to the EU acidified with malic acid while refusing to grant other countries the same rights.

The period for consultations is due to end in approximately 30 days, upon which the request for panel establishment may be made, depending on the outcome of consultations.

"EC - Sardines" WTO news archives, 26 September 2002; "Philippines - Fresh Fruit Export Restrictions" WTO Reporter 27 September 2002; "Argentina - Wine Restrictions" WTO Reporter, 9 September 2002.

AGRICULTURE: NEGOTIATIONS CHAIR CALLS ON MEMBERSHIP TO MEET DEADLINES

Speaking to the special (negotiating) session of the WTO Committee on Agriculture (CoA) on 27 September, CoA special session Chair Stuart Harbinson imparted a sense of urgency on progress in the agriculture negotiations. In his summary of the previously held informal negotiations on domestic support, he called on Members to "reflect deeply and urgently on what your delegation can contribute" to reach an agreement on modalities (i.e. negotiating formulas) "acceptable to all by the end of next March." Besides Members' disagreement on various agricultural subsidy issues referred to by Harbinson, some sources further voiced concern about the newly launched WTO actions by Brazil against the EC on sugar subsidies and against the US on cotton. According to EC agriculture trade negotiator Jesus Zorilla, the Brazilian actions had served to "cloud the climate of the negotiations and radicalise positions".

"The time has now come to gear..."

Stuart Harbinson reiterated his caution on 27 September that the "continuing lack of specificity" and Members' tendency to repeat existing "maximal" positions would exacerbate his efforts to come up with an 'overview paper' summarising all tabled modalities options by the end of the year. These comments mirrored previous conclusions reached by Harbinson after the 23-25 September informal CoA special session on domestic support (see BRIDGES Weekly, 25 September 2002, <http://www.ictsd.org/weekly/02-09-25/story1.htm>) and the 6 September special session on market access (see BRIDGES Weekly, 13 September 2002, <http://www.ictsd.org/weekly/02-09-13/story1.htm>). Nevertheless, negotiators would still have the opportunity to overcome these deficiencies during the agriculture meetings to be held in November, Harbinson indicated.

"The time has now come to gear," he said, adding that "the clock is now running fast and the critical period is upon us. We do not have much time in hand if we are to meet the deadlines of 18 December for the 'overview paper' and 31 March for establishing modalities". If this goal wasn't achieved, "the credibility of the round could be undermined," he said.

Brazil-EC sugar dispute

Indirectly related to the ongoing agriculture talks at the CoA under the Doha mandate, Brazil on 27 September challenged the two giants of the global trading system by initiating dispute settlement procedures at the WTO against the US for its domestic cotton subsidies and the EC over its aid to sugar exporters (see related story, this issue). Commenting on Brazil's request for consultations with the EC (not yet derestricted), EC delegate Jesus Zorilla said that the complaint "comes at a bad time," as the Brazilians had "thrown a case at us that is going to cloud the climate of the negotiations and radicalise positions" on agriculture reforms. According to Pedro Camargo from the Brazilian Agriculture Ministry, the request for consultations, which has been under debate since mid-2002, had indeed been the result of a "difficult decision."

According to sources, the Brazilian complaint focuses on exported EC surplus sugar, or "C sugar," which Brazil says is sold abroad below production costs. Brazil has also targeted export subsidies on approximately 1.6 million tons of sugar imported under preferential terms from African, Caribbean and Pacific (ACP) countries ("ACP sugar") and which is "subsequently re-exported at subsidised prices" after having been refined in the EC. According to Zorilla, the European trade bloc had complied with its trade commitments under the WTO and had further maintained stable sugar production from that time. Trade sources indicated in this context that the EC, in its individual schedule of commitments under the AoA, had clarified in a footnote that its allowed quantity of subsidised sugar exports would "not include exports of ACP and Indian origin and on which the Community is not making any reduction commitment."

A European trade source further stated in this context that it considered the Brazilian move somewhat precarious as it might lead to an open fracture in the developing country WTO Membership between Brazil and other members of the Cairns Group of agricultural exporters, on the one hand, and those countries dependent on preferential market access for their sugar exports to the lucrative EC markets, on the other. "Some of the ACP countries might raise their voice against Brazil and others as it is their expressed intention to scrap the EC- ACP sugar regime," the source said. But a Brazilian source pointed out that if the EC would decrease its domestic sugar production, levels of sugar imports from ACP countries to the EC could be maintained or even increased. "If free trade rules would also apply in the agricultural sector, the EC would produce far less sugar than it currently does," the source said.

Two new papers on domestic support tabled

At the 27 September formal special session concluding the agriculture talks on domestic support, a new paper was tabled by the Cairns Group, and further one by Canada - also a Cairns Group Member but which had not subscribed to the Group submission. Largely confirming oral statements presented at the informal meetings, the Cairns paper called for eliminating the Amber Box (trade-distorting support) within five years and nine years for developing countries, with reductions and an eventual elimination of de minimis support (below 5 percent of production) for developed countries. Furthermore, the Amber Box reductions should be disaggregated and per-product, and developed countries should make an initial downpayment of 50 percent. In contrast, Canada in its individual submission said that the reduction commitments should be calculated on an aggregate basis, and the downpayment should be done by all Members. Further, the de minimis levels should remain unchanged for all, Canada stated. Canada furthermore suggested tightening the applicability of the Green Box (only minimally trade-distorting support), for instance by requiring the amount of compensatory payments under environmental programmes to be "less than the extra costs involved in complying with the government programme" and that it should "not be related to or based on the volume of production."

ICTSD reporting; "Trade: Brazil Launches WTO Actions Against US And EU," IPS, 30 September 2002.

OTHER NEWS

**DEVELOPING COUNTRIES WARY OF
ADDITIONAL COMMITMENTS IN WIPO**

Member states of the World Intellectual Property Organization (WIPO), meeting for the WIPO Assemblies on 23 September to 1 October, widely criticised the WIPO Director-General's proposed agenda for the international patent system, which many saw as going far beyond the scope of discussion. Also among the contentious issues on the table was a proposal by the US to establish a standing committee on enforcement that would take the place of existing advisory committees.

Developing countries strongly rejected the Director-General's most recent proposal on the international patent system (IPS). The Group of Countries of Latin America and the Caribbean (GRULAC) noted that the

document was not balanced, as it did not take into account major policy areas such as health, biodiversity and traditional knowledge protection, and only addressed concerns of patent holders, but not of the users of technology. They added that they were not prepared to accept any of the document's recommendations before their impact on development had been assessed. In their rejection of the proposal, several countries, including Brazil and Argentina, cited recent conclusions of the UK Commission on Intellectual Property Rights (CIPR) report, which had spoken out against a one-size-fits-all approach to intellectual property rights (see BRIDGES Weekly, 18 September 2002, <http://www.ictsd.org/weekly/02-09-18/story1.htm>).

Most developing countries -- including GRULAC, as well as several countries from the Africa Group and Asia -- also rejected a US proposal to set up a standing committee on enforcement with a normative mandate, which would allow it to establish treaties, models or best practice. Instead, developing countries favoured keeping the existing advisory committees, possibly merging them into one, which would be charged with information exchange, capacity building and training. While not opposing the idea of enforcement, the countries did not want to accept new commitments that might be used as an additional source of pressure exerted at the bilateral level. They further feared that the establishment of a standing committee would result in additional rules than already provided for in the WTO Agreement on Trade-related Aspects of Intellectual Property Rights (TRIPs). Given the limited participation of developing countries in WIPO some poorer country delegates were concerned that new rules would likely be biased in favour of influential members and business groups.

Background

In 2001, the Director-General of WIPO announced a new initiative -- the WIPO Patent Agenda -- aimed at launching worldwide discussions for the purpose of preparing a strategic blueprint for the future evolution of the international patent system (IPS). Currently, WIPO's efforts to harmonise the IPS focuses on three elements. First, the Patent Law Treaty (PLT) -- concluded in June 2000 -- harmonises patent procedures relating to national and regional patent applications and maintenance of patents. The Treaty will enter into force once 10 signatories have ratified or acceded.

Second, the Patent Cooperation Treaty (PCT), an international filing system for patents that enables inventors to apply for patent protection in up to 112 countries by submitting a single "international application", is currently being streamlined and

simplified to improve efficiency of the system and facilitate obtaining patents worldwide.

Third, a Substantive Patent Law Treaty (SPLT) is being developed which would cover a number of basic legal principles that underpin the granting of patents in different countries. Genetic Resource Action International (GRAIN) a non-governmental group, has expressed concern that the SPLT could make the TRIPs Agreement obsolete as it would set up a fixed set of rules on what could be patented and under what conditions. They added that while TRIPs "only" spelled out minimum required elements of national patent laws, the SPLT would define both the top and the bottom line (see BRIDGES Vol. 6 no 6, pp 17, <http://www.ictsd.org/monthly/bridges/BRIDGES6-6.pdf>).

Documents of the meeting are available at http://www.wipo.org/documents/en/document/govbody/wo_gb_ab/index_37.htm.

ICTSD reporting.

WTO COMPETITION MEETING ADDRESSES 'CORE PRINCIPLES'

At a meeting of the WTO's Working Group on the Interaction between Trade and Competition Policy held on 26-27 September, Members continued discussions as mandated by para. 25 of the Doha Declaration and focused in particular on the clarification of "...core principles, including transparency, non-discrimination and procedural fairness." While the meeting, according to a trade source, failed to break new ground in terms of agreement on the relevance of a multilateral framework on competition, it did see "interesting" submissions tabled by Members on substantive aspects of core principles for such a potential framework.

Background

According to the Doha Declaration, Members agreed last November that "negotiations will take place after the Fifth Ministerial Conference [in Cancun, September 2003] on the basis of a decision to be taken, by explicit consensus, at that session on modalities of negotiations". Under para. 25, the Competition WG is mandated to clarify core principles, such as transparency and provisions on hardcore cartels; modalities for voluntary cooperation; and support for reinforcement of competition institutions in developing countries. Its last meeting focused on ways to combat so-called 'hardcore cartels' (see BRIDGES Weekly, 10 July, <http://www.ictsd.org/weekly/02-07-10/wtoinbrief.htm>).

Calls for "comprehensiveness" and "special and differential treatment" to be added to core principles

A submission by New Zealand (WT/WGTCP/W/210, available at <http://docsonline.wto.org/>) called for the principle of "comprehensiveness" to be added to the open-ended list of core principles specified in para. 25 of the Doha mandate. The submission recognised exceptions and exemptions to competition laws and policies permitted by countries for valid reasons, but stressed the need to implement these in a manner that would minimise economic distortions. Interestingly, the submission stressed 'flexibility of approach' that "would recognise the diversity of circumstances in WTO Member countries" and "does not put pressure on developing countries to drive towards particular competition policy outcomes, which may be inappropriate and/or premature." The New Zealand paper also emphasised that agreement on core competition principles needed to be underpinned by the provision of relevant technical assistance to developing countries.

Thailand (WT/WGTCP/W/215) wanted "special and differential treatment" to be the fourth proposed core principle for competition negotiations, calling firstly for exemption of developing countries from national and international export cartels (citing the small scale of developing country exporters and importers and the need to counter the bargaining power of larger buyers or sellers from industrialised countries). The Thai proposal secondly called for a gradual introduction of greater transparency and due process in the administration and enforcement of competition law.

Reconciling industrial policy and the 'development dimension' with 'national treatment'

Both India (WT/WGTCP/W/216) and Switzerland (WT/WGTCP/W/214) in their submissions did not support the concept of 'national treatment' in its pure and literal meaning. India cited instances where differential application of competition laws (a violation of the doctrine of national treatment), such as between large domestic firms and multinationals, could level the competitive playing field, ensure dynamic efficiencies and build research capabilities and be beneficial to both economic development and competition. India considered it appropriate to adopt the concept of non-discrimination in terms of differential treatment of different countries with different capacities. It further stated that these countries also have the need and responsibility to provide assistance, positive measures and affirmative action to local firms and institutions in developing countries to ensure their viability, development, efficiency and competitiveness. India also highlighted the need for firms to be bound by

transparency and procedural fairness in another submission (WT/WGTCP/W/215).

Subject to transparency and the rule of law, Switzerland was in favour of a modified interpretation of the National Treatment principle, which, while not discriminating on grounds of nationality, allows in specific instances the use of industrial policy based on a public benefits test as well as for other policy choices, for example, in public services.

Australia (WT/WGTCP/W/211), Korea (WT/WGTCP/W/212) and Japan (WT/WGTCP/W/217) also made submissions on "core principles". The US presented two papers (WT/WGTCP/W/218 and WT/WGTCP/W/219) focusing on transparency and procedural fairness and South Africa (WT/WGTCP/W/220) presented a paper on its domestic legislation and experience.

Global Competition Body Launched

A new organisation, the International Competition Network (ICN), has been launched to assist developing and developed countries with practical competition enforcement and policy issues. The organisation also aims at being a forum for global competition rules. In the words of the chairperson of the South African Competition Tribunal, "it is the only international body exclusively devoted to competition law enforcement," citing that the Network would improve international co-operation and result in more efficient enforcement, benefiting not only local competition authorities, but also consumers and businesses.

The founding conference of the ICN was held in Naples, Italy 28-29 September, and the organisation has already announced a series of best practice proposals aimed at improving merger review and competition advocacy. For further information, visit <http://www.internationalcompetitionnetwork.org/index.html>.

ICTSD reporting; "Competition Network To Help With Globalisation," BUSINESS DAY, 1 October 2002.

IN BRIEF

FINGERS POINT AROUND IMF-WORLD BANK ANNUAL MEETINGS

The International Monetary Fund (IMF) and the World Bank (WB) wrapped up their annual meetings on 29 September amid street protests and accusations from within and without that the current system of international financial management was failing to improve conditions in poorer regions. World Bank officials lashed out at the US and other developed countries for hypocrisy in implementing protectionist trade policies at home -- particularly in agriculture and textiles -- while espousing further liberalisation in developing countries. "It is hypocrisy to encourage poor countries to open their markets while imposing protectionist measures that cater to powerful special interests," said World Bank Chief Economist Nicholas Stern. He was backed up by World Bank President James Wolfensohn, who accused industrialised countries of "squandering" USD1 billion a day on farm subsidies that can have devastating effects on farmers in poorer regions. Meanwhile, on 27 September the UN Conference on Trade and Development (UNCTAD) issued a report criticising new approaches by the IMF and WB to reduce poverty in Africa through specific economic stabilisation and structural adjustment policies. The report, entitled "Economic Development In Africa: From Adjustment to Poverty Reduction: What is New?", reviews the policy content of the IMF-WB poverty reduction programmes in Africa and analyses the extent to which the new poverty focus of the Bretton Woods institutions differs fundamentally from the structural adjustment programmes which have been applied in the past 20 years. "Yilmaz Akyuz, the director of UNCTAD's globalisation and development division, stated that instead of "reducing poverty and meeting Africa's social needs, this approach does not correct recognised errors but instead only adds new elements to the old [neoliberal policies of the IMF-WB]".

The UNCTAD report is available at: <http://www.unctad.org/en/pub/pogdsafricad2.en.htm>.

ICTSD Reporting; "Rich nations are criticized for enforcing trade barriers," NEW YORK TIMES, 29 September 2002; "UNCTAD Criticizes New IMF-World Bank Poverty Approach," UN Wire, 27 September 2002.

INDUSTRY GROUPS AGREE ON OPEN TEXTILE MARKET

On 20 September in Geneva, Switzerland, textile industry representatives from 36 countries, both industrialised and developing, agreed that current 'closed' international markets for textiles and clothing should be opened through the removal of non-tariff barriers, with reforms to be overseen by the WTO. Sources reported that concerns about counterfeiting, social costs, and environmental effects of the industry

were all raised. Until now, the industry has been regulated through the WTO Agreement on Textiles and Clothing (ATC), which sets out country quotas and preferences that many say has led to the development of infant industries in some of the poorest countries. Beginning in 2005, the sector is scheduled to come under WTO rules that substitute tariffs for quotas. While China did not attend this event, its rapid clothing market growth has pushed other countries such as Bangladesh and Pakistan to actively position themselves so as to safeguard their own market shares. In addition, while textile interests in the US are looking to maintain the present system, many textile-exporting developing countries have expressed their concern that keeping a system in place that mirrors the ATP would keep their goods out of wealthier nations, even after tariffs replace quotas. Attempts to phase out quotas at the WTO before the 2005 deadline have met with strong resistance from the US and other developed countries (see BRIDGES Weekly, 6 August 2002, <http://www.ictsd.org/weekly/02-08-06/story1.htm>).

"Textile Industry Leaders Call For Open Markets," REUTERS, 24 September 2002.

UNEP HEAD WANTS PIC CONVENTION IN FORCE BY 2003

UN Environment Programme (UNEP) Executive Director Klaus Toepfer on 29 Sept called for the speedy ratification of the Rotterdam Convention -- hopefully by mid 2003 -- which he believes will impose a "regime of transparency and honesty" restricting global trade and use of 31 harmful pesticides. Toepfer was speaking at the intergovernmental negotiating committee of the Rotterdam Convention on the Prior Informed Consent (PIC) Procedure for Certain Hazardous Chemicals and Pesticides in International Trade, which wraps up on 4 October. While the chemicals in question are for the most part banned in developed countries, some are still in wide use in developing regions. The treaty stipulates that countries exporting chemicals damaging to health or the environment have to inform importing nations of the dangers they pose, while also making it illegal to trade in chemicals against the wishes of recipient countries. The aim is to promote a shared responsibility between exporting and importing countries in protecting human health and the environment from the harmful effects of certain hazardous chemicals being traded internationally. To come into effect, the treaty must be ratified by at least 50 countries.

"U.N. Environment Agency Seeks Tough Pesticide Curbs," REUTERS, BONN, Germany, 30 September 2002.

US TO EXTEND ANDEAN TRADE BENEFITS

On 25 September, the US government and the Office of the US Trade Representative (USTR) announced that Colombia, Bolivia and Peru had qualified for duty-free benefits -- including for certain textiles and tuna -- through the expanded Andean Trade Preferences Act (ATPA). The legislation, which was approved as part of the Trade Act of 2002 (see BRIDGES Weekly, 6 August 2002, <http://www.ictsd.org/weekly/02-08-06/story3.htm>), provides preferential market access to the US market for Andean products as an incentive for non-narcotics production. The new law includes language on labour rights, including that qualification be conditioned on whether an Andean country provides internationally recognised labour rights. Despite Ecuador's inclusion as part of the Andean group, the USTR said that before the country could qualify it would need to resolve ongoing disagreements involving four American companies who claim they are owed approximately USD200 million in tax refunds. Inter alia, the Act stipulates that countries not expropriate the property of US owned-investors, do not repudiate contracts made with US citizens, and abide by the decisions of arbitrators in international commercial disputes. According to the USTR, once the Bush Administration determines that providing preferential access to Andean products does not harm US producers, approximately 6,300 products from the region will gain duty-free access to the US market under the expanded program.

ICTSD Reporting; "U.S. to Grant New Trade Benefits for Andean Nations," WASHINGTON FILE, 26 September 2002.

WTO IN BRIEF

WORLD BANK AND WTO TO ASSIST DEVELOPING COUNTRIES ON PRODUCT STANDARDS

In a continued effort to link aid with trade opportunities, the World Bank and the WTO on 27 September announced the creation of an initiative --entitled the Standards and Trade Development Facility -- to help developing countries by providing funding to help them meet international standards in food safety, and plant and animal health. The fund has been set up to assist developing countries that run into difficulty when their exports do not meet standards in other countries. The

World Bank has pledged USD 300,000 to set the fund in motion, while the WTO will assign money from the Doha Development Trust Fund to help launch the project. The Food and Agricultural Association, World Health Organisation, and the World Organisation for Animal Health are also expected to join the World Bank and WTO in the creation of the fund. According to World Bank research, Africa could add USD 1 billion a year from increased exports of nuts, dried fruits, and many other agricultural products. The report also found that African nations could gain USD 410 million a year if developed countries accepted international standards for pesticide residues in bananas, instead of more restrictive national standards.

"World Bank grant kicks off Bank-WTO assistance on standards," WTO NEWS, 27 September 2002.

EVENTS & RESOURCES

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/cal/index.htm>. If you would like to submit an event, please email events@ictsd.ch.

Coming Up This Week: 2-8 October

2-3 October, Luanda, Angola: SOUTH AFRICAN DEVELOPMENT COMMUNITY SUMMIT MEETING. This meeting will be led by the SADC Secretariat. For further information, visit <http://www.sadc.int/english/index.html>.

2-4 October, Geneva, Switzerland: UN CONFERENCE ON TRADE AND DEVELOPMENT (UNCTAD) EXPERT MEETING ON ENVIRONMENTAL REQUIREMENTS AND INTERNATIONAL TRADE. Experts will examine actual and potential trade and development effects (both positive and negative) of environmental requirements on developing countries, paying special attention to the conditions and needs of small and medium-sized enterprises (SMEs). Presentations by country experts are expected to provide country-specific experiences and views. Conference will be held at the Palais des Nations. For further information, visit <http://www.unctad.org/>.

8 October, London, England, GATS: SEMINAR ON HOW THE GENERAL AGREEMENT ON TRADE IN SERVICES THREATENS PUBLIC SERVICES AND

DEMOCRACY. Organised by the UK GATS Network. The seminar is being held for those working in policy and campaigns for organisations such as NGOs, trade unions, local authorities, social welfare organisations, professional bodies, women's organisations, government agencies, environmental organisations. Quaker International Centre, 1 - 3 Byng Place, WC1 (1330h - 1700h). Places are limited, so please send your booking in as soon as possible. To book a reservation for attendance, send your name, organisation and contact details to the UK GATS Network, 90 The Parkway, Canvey Island, Essex SS8 0AE; email: ukgatsnet@yahoo.co.uk.

WTO Events

An updated list of forthcoming WTO meetings is posted at: 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.

1-2 October, Geneva, Switzerland: WTO COUNCIL FOR TRADE IN GOODS. Items proposed for the agenda include, trade facilitation work programme: Article V of the GATT 1994, and trade facilitation needs and priorities of Members, particularly of developing and least developed countries.

3-4 October, Geneva, Switzerland: WTO TRADE NEGOTIATIONS COMMITTEE (TNC). The TNC will hear reports from the chairpersons of the negotiating bodies established by the TNC and will look at future work.

7 October, Geneva, Switzerland: WTO SPECIAL SESSION OF THE COMMITTEE ON TRADE AND DEVELOPMENT. Among the items to be discussed are: provisions aimed at increasing the trade opportunities of developing country Members; provisions under which WTO Members should safeguard the interests of developing country Members; and flexibility of commitments, action, and use of policy instruments.

8-9 October, Geneva, Switzerland: WTO COMMITTEE ON TRADE AND DEVELOPMENT. Discussion will focus around technical cooperation and planning for 2003 as well as discussion of paragraph 51 of the Doha Declaration (on identifying and debating sustainable development aspects of the negotiations).

8-9 October, Geneva, Switzerland: WTO COMMITTEE ON TRADE AND ENVIRONMENT. Meetings will focus

primarily on paragraph 32 of Doha Declaration. Labelling requirements for environmental purposes, and the effect of environmental measures on market access will be discussed at length. Paragraphs 33 and 51 of the Doha Declaration will also be discussed during the meetings.

10-11 October, Geneva, Switzerland: WTO SPECIAL SESSION OF THE COMMITTEE ON TRADE AND ENVIRONMENT. Members will discuss para. 31, on the relationship between WTO rules and specific trade obligations in MEAs; information exchange between the WTO and MEA Secretariats, and the reduction or elimination of barriers to environmental goods and services.

Electronic Events

Beginning 30 September, for six weeks: CONTRIBUTING TO EFFECTIVE ACP PREPARATIONS FOR AGRICULTURAL TRADE NEGOTIATIONS. This is an electronic forum being organised in the context of a new round of agricultural trade negotiations (WTO, Cotonou agreement), which will have far-reaching consequences. Although these negotiations are crucial for ACP countries, it is commonly perceived that ACP countries themselves are not sufficiently geared up to take part in them. The objective of the electronic forum is therefore to explore ways of improving ACP countries' participation in the current and forthcoming negotiations. It aims primarily at facilitating information exchange among various categories of stakeholders on priority concerns in the negotiations. To participate in this forum and to receive regular summaries of the discussions, please subscribe on-line using the form at <http://agritrade.cta.int/forums> or send an email to trade2002@lists.cta.int.

Other Forthcoming Events

10 October, The Hague, Netherlands: "EU TRADE POLICY: EBA OR EPA: WHAT'S IN IT FOR DEVELOPING COUNTRIES? (EVERYTHING BUT ARMS / ECONOMIC PARTNERSHIP AGREEMENTS?)" Organised by INZET. The activity forms part of a wider trajectory of expert meetings in the context of the INZET trade programme. Including involvement of Southern partners, it will be concluded by a public manifestation on market access in November 2002. For further information, contact: svolten@inzet.nl; fax +31 (0)20-627 38 39.

10 October, Madrid, Spain: EIGHTH ANNUAL WORLD BANK CONFERENCE ON DEVELOPMENT IN LATIN AMERICA AND THE CARIBBEAN (ABCD-LAC 8). This year's ABCD-LAC conference will bring together top policy makers from Latin America and the Caribbean, distinguished leaders from the academic community,

officials from international financial institutions, and development professionals involved in the Region. The goal of the conference is to facilitate the exchange of ideas between the public and private sectors, to disseminate them to the general public, and to provide countries' economic decision-makers with the opportunity to discuss alternative policies and experiences. For further information on the conference, visit <http://www.worldbank.org/>.

16 October, Geneva, Switzerland: WTO INTRODUCTION DAY. Gathering intended for newly arrived WTO delegates, non-governmental organisations and interested WTO-interns and staff. Open to staff of Geneva-based representatives of NGOs the event includes a number of sessions concerning the role of the WTO as well as the programs that the organisation is currently undertaking. To confirm participation, contact: Bernard Kuiten, WTO External Relations; email: Bernard.Kuiten@wto.org, or Mrs. Syrat, telephone: (41-22) 739-5631.

23 October - 1 November, New Delhi, India: 8TH SESSION OF THE CONFERENCE OF THE PARTIES TO THE UN FRAMEWORK CONVENTION ON CLIMATE CHANGE (UNFCCC). The 186 countries that are party to the UN climate treaty will meet to prepare for the entry into force of the Kyoto Protocol. The convention is expected to draw over 5,000 people, including over 100 ministers from the nations that signed the original agreement in 1997. For further information, visit <http://unfccc.int/>.

1 November, Quito, Ecuador: FREE TRADE AREA OF THE AMERICAS (FTAA) 2002 FTAA MINISTERIAL MEETING. The Government of Ecuador will host the seventh FTAA Ministerial Meeting. Trade Ministers from the 34 FTAA member countries will meet to review the progress achieved to date and to give guidance to negotiators for the final phase of the negotiations. The Ministerial meeting will be preceded by the twelfth meeting of the FTAA Trade Negotiation Committee (TNC), which will take place on October 28-31, 2002, also in Quito. Other events being held in Quito in parallel with the official meetings, are: the Americas Business Forum (ABF); "Towards Sustainability in the Americas" organised by the Ecuadorian Centre for Environmental Law (CEDA); and "Another America is Possible" organised by the Hemispheric Social Alliance. For further information on the conference or these other meetings, visit http://www.dfait-maeci.gc.ca/tna-nac/civil_society-e.asp.

3-15 November, Santiago, Chile: 12TH SESSION OF THE CONFERENCE OF THE PARTIES TO THE CONVENTION ON INTERNATIONAL TRADE IN ENDANGERED SPECIES (CITES). Over 54 proposals concerning different endangered flora and fauna will be

discussed during these meetings. The 158 member parties will discuss a variety of issues including reopening of trade in certain populations of minke whale by the Japanese, and controlled trade of elephant ivory by a number of countries in Southern Africa. For further information, visit http://www.cites.org/eng/news/press_release.shtml.

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 resources@ictsd.ch. Submissions of publications to ICTSD's documentation centre would also be welcomed (see mailing address below).

ICTSD Resources

TRADE NEGOTIATIONS INSIGHTS: FROM DOHA TO COTONOU. Volume 1, Issue 3. The new issue of TNI focuses on the relationship between the EU and ACP and the current Economic Partnership Agreements being sought by the two groups. Available in French and English. To view this journal, visit http://www.ictsd.org/tni/tni_english/TNI1-3_EN.pdf.

BRIDGES BETWEEN TRADE AND SUSTAINABLE DEVELOPMENT (monthly journal), Year 6, No. 6. ICTSD's latest monthly journal takes a look at the World Summit on Sustainable Development held in Johannesburg last month, focusing on trade-related developments. Also included are articles concerning the World Intellectual Property Organization (WIPO) and its move toward a global patent system. To obtain a copy, visit <http://www.ictsd.org/monthly/bridges/BRIDGES6-6.pdf>.

Other Resources

"Governance for Sound Chemicals Management: The Need For a More Comprehensive Global Strategy," in GLOBAL GOVERNANCE, vol. 8, p.p. 323- 342. By Krueger, J., and Selin, H. (2002). In addition to the often severe environmental and human health effects of hazardous chemicals, the significance of the chemical industry to politically important sectors such as agriculture, industry, and trade -- the products of the chemical industry are worth approximately USD1,600 billion annually and account for around 13 percent of world trade -- ensures that chemicals regulation will continue to occupy a prominent place on the international environmental agenda for the foreseeable future.

TRADE AND ENVIRONMENT - DIFFICULT POLICY CHOICES AT THE INTERFACE. 2002. Edited by Shahrukh Rafi Khan, Sustainable Development Policy Institute, Islamabad. Fostering international trade and protecting the environment are issues that continually arise in the global policy agenda. But there have often been differences of perspective, even clashes of interest, between the industrialised and developing countries. The contributors clarify the issues involved; including how trade impacts on the environment, and the positive and negative effects which environmental concerns can have on trade. They share one particular concern: to convince Third World countries that it is in their interest to take environmental concerns seriously - both to protect their resource base at home and to gain greater access to markets in the North. Several strategies and policies to this end are examined in detail, including greener, cleaner production processes and setting ISO 14000-compatible environmental standards. The South's concerns in relation to trade liberalisation and the environment are set out. And practical proposals are made as to how the South ought to proceed in identifying and pursuing its interests in future trade negotiations. To obtain a copy of this publication, visit <http://www.zedbooks.demon.co.uk/>.

FROM ADJUSTMENT TO POVERTY REDUCTION: WHAT IS NEW? September 2002. Prepared by UNCTAD. This new study looks closely at the renewed efforts by the multilateral financial institutions to tackle poverty in Africa. After nearly two decades of applying structural adjustment programmes, poverty levels in Africa have risen, slow and erratic growth are the norm, rural crises have intensified and deindustrialisation has damaged future growth prospects. But has there been a change of mind? The study suggests that a careful, frank and independent assessment of the effects on economic growth and income distribution of the packages on offer is required if they are to deliver on their promises. And any fresh policy initiatives must be matched with adequate external resources, debt reduction and better market access if they are to succeed. To obtain a copy of this publication, visit <http://www.un.org/publications>.

"Trans-Parliamentary Associations in Global Functional Agencies," in TRANSNATIONAL ASSOCIATIONS (2, 2002) pp. 88-91. Although elected parliamentarians have well-studied official roles in national legislative bodies, the transnational activities of parliamentarians has received less scholarly attention. The main outlet for such parliamentary activity was the Inter-Parliamentary Union (IPU), which undertakes transnational action on the full range of issues. Over the past decade, however, catalysed by the IPU, parliamentarians from around the world have come together to focus on a particular international organisation. Is it possible that such trans-

parliamentary associations could serve as an antidote to the syndrome of democratic deficit in international governmental organisations?

ENVIRONMENT'S NEW ROLE IN U.S. TRADE POLICY. September 2002. Carnegie Endowment for International Peace: Trade, Equity, and Development Series Issue no. 3. By John Audley. The US Trade Act of 2002 integrates environmental policy priorities into US trade negotiations. According to the paper, the manner in which resulting tensions between trade and environment are resolved requires greater involvement by Congress. Of particular short-term importance to Congress should be how bilateral negotiations with Chile and Singapore are concluded and regional negotiations with Central America begun. The author finds that TPA presents Congress with the leverage it needs to oversee trade negotiations, an opportunity to work with the administration and win back public support for US trade policy that respects worker rights and protection of the environment. To obtain a copy of this publication, visit http://www.ceip.org/files/Publications/TED_3.asp?from=pubdate.

"Unrestricted Market Access for Sub-Saharan Africa: How Much is it Worth and Who Pays," in JOURNAL OF AFRICAN ECONOMIES, Volume 10, No. 4, 2001, pp. 410-432. By Aaditya Mattoo, Elena Lanchovichina and Marcelo Olarreaga. Initiatives to improve market access for the poorest countries have recently been announced by the EU, Japan and the USA. This paper assesses the impact of these initiatives and others that might be taken for a subset of 37 Sub-Saharan African countries (SSA-37). The paper suggests that fully unrestricted access to all the Quad countries (EU, US, Canada and Japan) would produce substantial gains for SSA-37, leading to a 14 percent increase in non-oil exports (USD2.5 billion) and boosting real incomes in SSA-37 by about 1 percent. Most of these gains would come from preferential access to the highly protected Japanese and European agricultural markets. The smallness of SSA-37 ensures that the costs of trade diversion for the Quad, other developing countries and the world as a whole are negligible.

CORNERING THE MARKET: THE WORLD BANK & TRADE CAPACITY BUILDING. By Jeff Powell, 2002. Increasingly, the more common route to influence trade policy for the World Bank is via trade-related capacity building (TRCB). This strategy coincides both with the Bank's re-positioning as a provider of development knowledge (the 'Knowledge Bank') and the role which TRCB has been set up to play in keeping the trade liberalisation moving forward. The Bank is increasing the amount of resources it dedicates to this area. Already, the Bank is involved in many trade-related research and training activities at the national, regional

and global levels. This briefing examines in detail the role of the Bank in the Integrated Framework for technical assistance to the least developed countries (IF). After a failed first attempt, this initiative, designed to coordinate the TRCB activities of the multilateral agencies and donors, has been revamped and is now used as a means to reduce poverty. To obtain a copy of this paper, visit <http://www.brettonwoodsproject.org/briefings/index.html>

WTO Resources

DOHA DECLARATIONS. This booklet contains the full texts of the Declarations and Decisions adopted by WTO Members at the Doha Ministerial, as well as some relevant documents of the WTO General Council dealing with implementation of the Doha mandate. The booklet can be downloaded free from the WTO website at: http://www.wto.org/english/res_e/booksp_e/ddec_e.pdf.

TRADE POLICY REVIEW: THE EUROPEAN UNION (WT/TPR/M/102). 23 September. Prepared by the WTO. The sixth TPR of the EU was held on 24 and 26 July. During the review it was noted that the EU had taken significant steps towards trade liberalisation and had ushered rapid expansion of global markets. However, it was argued that developing countries had been left out of this process, and while the leaders of the EU had pledged to aid developing countries, little action had actually taken place. The report discusses the EU's stance on this situation, and actions recommended by the review body to improve trade relations in the future. To obtain a copy of this review, visit <http://docsonline.www.wto.org/>.

Electronic Resources

"The Many Faces of the Trade-Environment Conflict: Some Lessons for the Constitutionalization Project," in EUROPEAN INTEGRATION ONLINE PAPERS (EIoP) Vol. 6 (2002) N° 11. By Oren Perez. The 'trade and environment' nexus emerged over the last decade as one of the main concerns of the anti-globalization movement. The dyad -- 'trade-environment' -- was invoked increasingly as if it designates a singular social dilemma, whose boundaries and contours are well defined. This article challenges this assumption. The trade and environment conflict, it is argued, should not be viewed as a singular problem, but rather as a mixture of multiple dilemmas. The article's main thesis is that the trade-environment conflict cannot be resolved by a singular legal formula or economic model. Its resolution requires, rather, an assemblage of varied responses, which will be sensitive to its multi-dimensional character. To view this article, visit <http://eiop.or.at/eiop/texte/2002-011a.htm>.

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BRIDGES Weekly Trade News Digest is made possible in 2001 - 2002 through the generous support of the Government of the United Kingdom (DFID). Additional support is provided by ICTSD's core donors: the Governments of Finland, Denmark, the Netherlands and Sweden; Christian Aid (UK), MISEREOR, NOVIB (NL), Oxfam (UK) and the Swiss Coalition of Development Organisations (Switzerland). BRIDGES Weekly also benefits from support for the BRIDGES series of publications including: the Rockefeller Foundation, the John D. and Catherine T. MacArthur Foundation and Swiss Development Cooperation.

ISSN 1563-003

