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DEVELOPMENT CENTRAL ISSUE TO MARKET ACCESS TALKS

Convergence over how to structure negotiations on market access for industrial goods continued to elude countries as they met for a 14-16 April meeting of the WTO's Negotiating Group on Non-agricultural Market Access last week. With a 31 May deadline looming for the group to agree on a framework for negotiations on market access for non-agricultural products, many are now sceptical that Members have enough time or political will to reach agreement on how to proceed.

Differences remain over a number of areas, including: how to address the mandate of special treatment for developing and least-developed country participants, including through less than full reciprocity in reduction commitments; which type of formula to use to reduce tariffs; whether these negotiations should include reference to the complete elimination of tariffs; and how to define and address non-tariff barriers. The Chair of the Negotiating Group, Pierre-Louis Girard (Switzerland), indicated that he plans to distribute an initial draft outline of parameters for the negotiations in mid-May that will attempt to bridge these areas. Due to the packed agenda, there was no discussion of environmental goods at the 14-16 April meeting (definitional issues in this area are being addressed for the most part at special sessions of the Committee on Trade and Environment, see <http://www.ictsd.org/weekly/03-02-19/story4.htm>).

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Developing countries express concern over tariff reduction

In its intervention at the Negotiating Group on behalf of several African and Asian countries (Egypt, India, Indonesia, Kenya, Malaysia, Mauritius, Tanzania, Uganda and Zimbabwe; TN/MA/W/31, available at <http://docsonline.wto.org>), Nigeria highlighted the importance of "less than full reciprocity in reduction commitments" for tariffs between developed and developing countries. Nigeria told the Group that tariffs are an "instrument of domestic industrial policy" for many developing countries, and revenue from customs duties forms a significant share of their overall revenue,

which goes to meet their developmental expenditure. "Alternative forms of taxation will take long periods of time to become available and supplement and replace the loss of customs revenue," Nigeria added. "Tariffs are a tool for developing countries, maybe the only tool, and if we take them away there won't be any protection left for us," the statement said.

Tariffs are important revenue generators for poorer states, where income and other tax collection systems are underdeveloped. According to IMF figures, import duties represented 15 percent of government revenue in developing countries in 1999-2001. In African least-developed countries, the percentage was more than twice as high, at 34 percent.

In its statement, the US countered this claim, saying that tariffs are neither an equitable nor economically efficient means for developing countries to raise revenues, as they "tend to distort resource allocation and shift the tax burden to the poorest segments of the economy". "We do not want a general nervousness about revenue consequences -- or even the revenue problems associated with a particular group of countries -- to limit the overall ambition of this negotiating group," the US paper said. In a 26 November 2002 paper, the US had proposed scrapping tariffs on virtually all industrial and consumer products by 2015, a perspective shared by New Zealand. At the meeting, Australia, New Zealand and the US said they wanted the option of total elimination of tariffs to be included in the Chair's forthcoming May text.

But developing countries in the Nigerian group cautioned that they would have difficulty accepting the elimination of all tariffs as the objective of the negotiations "even in an extended timeframe". Barbados, Jamaica, and Trinidad and Tobago (TN/MA/W/30) echoed the African/Asian group, saying that the economic realities and level of development of each Member must dictate the pace at which tariff reduction takes place.

Which formula?

According to a WTO Secretariat supporting document (TN/MA/6/Rev.1), 17 of the 25 proposals submitted so far on modalities (i.e. ways to structure tariff reduction negotiations) suggest the use of a formula approach. Different formulas exist, including those that apply on a tariff-by-tariff (line-by-line) basis, sector-by-sector, zero-for-zero, the 'Swiss' formula with different coefficients, a reduction in the average tariff, or a combination of these. Harmonisation and request/offer processes have also been put forward by some countries as supplementary approaches.

Developing countries are pushing for modalities that provide spaces for less than full reciprocity. According to the submission from Barbados et. al, negotiating modalities must not require unreasonable tariff reductions that result in serious economic and social dislocations in small domestic markets. Other important considerations in the formulation of modalities, they said, include the percentage rates for tariff reductions, special and differential treatment for sensitive products and sectors, and relevant time periods for implementation in terms of the overall negotiations.

The group including Nigeria said it preferred a linear percentage reduction in tariffs, wherein lower percentage average reductions could be used for developing countries, and higher ones for industrialised Members. They argued against Swiss-type formula approaches, saying these impact more heavily on tariff structures of developing countries. In a separate submission (TN/MA/W/10/Add.2), India proposed a formula under which the target for reductions would be 50 percent for developed countries and 33 percent for developing countries. Australia said that a linear based formula would not address the mandate to eliminate tariff peaks, high tariffs and tariff escalation, and said it preferred a harmonisation formula, which it indicated would tackle these issues.

In another document discussed at the Group, (TN/MA/W/15/Add.2), Japan elaborated on its proposal for 'zero-for-zero' and harmonisation formulas. Japan's approach was opposed by a number of Members, who noted that it excluded fisheries and forestry. Malaysia and the Philippines pointed out that the two excluded sectors are heavily protected in Japan and that the proposal was "extremely self-serving". New Zealand warned against flexibility and exclusion of products, as they might constitute a "slippery slope", and said "it would be difficult to stop even developed countries from asking for sensitive selective products' exclusion".

For its part, the EC elaborated on its proposal to compress tariffs above 50 percent and below to a range of 15 to zero percent. The EC approach also aims to eliminate all so-called 'nuisance' tariffs (those two percent and below), and reduce tariff peaks and tariff escalation. While most developing countries agree with reducing tariff peaks and escalation -- which often discriminate against products of higher value- added -- they caution that eliminating nuisance tariffs should not be considered as a concession equivalent to reduction of higher tariffs.

Lack of progress on agriculture holding up MA talks

Chile noted that while the EC seemed to support free trade in non- agricultural products, its perspective on

agriculture left much to be desired. "If the EC had the same ambition in agriculture as it shows here it would help a lot the Doha Round," Chile said. Other Latin American countries, including Brazil, intimated that the continuing stalemate in agriculture talks at the WTO (see BRIDGES Weekly, 2 April 2003, <http://www.ictsd.org/weekly/03-04-02/story1.htm>) could have ramifications in the non-agricultural market access negotiations. According to one Latin American trade source, "It is totally unrealistic to agree to modalities on non-agricultural market access without agreement on agriculture [modalities]".

Non-tariff barriers

Members continue to grapple with how to address non-tariff barriers (NTBs). These are referred to in the Doha Declaration, but it is not clear how negotiations are meant to proceed. Fifteen submissions were made by developing and developed countries on NTBs (see Secretariat overview of proposals submitted, TN/MA/9), providing a variety of different approaches for dealing with this issue. Many included detailed information on what the scope of NTB negotiations should be in the Negotiating Group and elsewhere. Since many NTBs relate to existing bodies in the WTO (i.e. Customs Valuation Committee, Committee on Technical Barriers to Trade, etc.), many submissions note that the matter should be taken up in the relevant committees. Many proposals also note that other NTB issues related to negotiations (i.e. Services, Trade Facilitation, etc.) should be addressed by other negotiating bodies. Only one submission states that NTBs should be identified and negotiated in the Negotiating Group on Non-agricultural Market Access. Like in the tariff negotiations, a range of modalities have also been proposed, though thus far there is little convergence on scope or formulas to tackle NTBs.

The next meeting of the Negotiating Group on Market Access is scheduled for 28-28 May.

ICTSD reporting; "Impact of WTO Tariff Reductions on Budgets for Developing Countries Downplayed by U.S.," WTO REPORTER, 14 April 2003; "WTO Members Divided Over Industrial Tariffs," AFP, 17 April 2003; WTO Negotiating Group On Mkt Access For Non-agri Goods Accepts India's Idea," THE FINANCIAL EXPRESS (INDIA), 18 April 2003.

OTHER NEWS

LATIN AMERICA TO FEEL EFFECTS OF EU GSP REVIEW

EU governments agreed in early April to a revision of the EU Generalised System of Preferences (GSP) for the period 2003-2004, increasing duties on certain products, while lowering them on others. The GSP will maintain the controversial concept of 'graduation,' which ties benefits to levels of economic development, and the review will affect exports from, inter alia, Colombia, Costa Rica, Brazil and Mexico. The new GSP will imply a gradual increase in tariffs for flowers and fruits in the case of Colombia and Costa Rica; wood from Brazil; and crystal, ceramics, chemicals, and prepared foodstuffs from Mexico. Meantime, tariffs will be reduced for transport material for Brazil, and for animals, fruits, flowers and other plants for Mexico. The duty increases will be applied in two steps: 50 percent in November and the remainder in May next year.

The EU decided to extend preferential duties for key imports from Argentina and Uruguay, whose economies have been buffeted by major crises in recent months. Under normal circumstances, Argentina would have lost its preferential tariffs for fish, fresh fruit and vegetables, making them more expensive to export to the EU. Argentina feared this would cost it hundreds of millions of dollars a year.

According to local sources, the increase in tariffs will generate significant losses in Colombia and Costa Rica, and in some cases affect the most successful exports from the Latin American countries to the EU. One commentator noted that while one intention of the GSP system is to provide incentives for a shift from basic activities to higher value-added production (e.g. from pineapple exports to canned pineapple or juice exports), the preference scheme in some cases has worked in the reverse direction.

Background

The EU GSP has been designed to allow European countries to grant preferential non-reciprocal tariff reductions for developing countries. These preferences seek to promote development and provide incentives for beneficiary countries to combat drugs, respect human rights, and to comply with core labour standards. Within the WTO framework these types of preferences are an exception to the Most Favoured Nation (MFN) principle contained in article 1 of the 1994 General Agreement on Tariffs and Trade (GATT). The preferences granted by the EU tend to be very important with regard to non-traditional exports from

developing countries. For example, 90 percent of exports from the Andean countries are based on the EU GSP to combat drugs. This GSP is a ten-year agreement (1995-2004). The EU reviews its GSP preferences annually on the basis of economic criteria, and as countries develop, their tariff preferences are reduced.

ICTSD reporting; "EU agrees preferential tariff deal; EU lets Argentina and Uruguay keep trade benefits," REUTERS, 9 April 2003; "En noviembre mueren las preferencias arancelarias de la UE para Colombia," EL TIEMPO, 9 April 2003.

DISPUTE SETTLEMENT: PRELIMINARY RULING AGAINST INDIA IN TEXTILES CASE

On 11 April, a WTO panel on a dispute brought by India against US rules of origin for textiles issued its confidential preliminary ruling, in favour of the US. A final report in the dispute is expected in another 30 days. The conclusions are however unlikely to change. The US - Rules of Origin on Textile and Apparel Products dispute (WT/DS243, available at <http://docsonline.wto.org>), involved a challenge by India with regard to US modifications to rules of origin provisions in domestic law made in 1996. According to India, the modifications (Section 334 of the Uruguay Round Agreements Act, Section 405 of the Trade and Development Act of 2000 and the customs regulations implementing these provisions) essentially changed, to India's disfavour, the prevailing rules of origin in international trade in textiles. Prior to the US modifications, textile and apparel products, like other industrial products, could be considered to originate in a country if they had undergone "substantial transformation" in that country. India claimed that its balance of concessions had been nullified or impaired in accordance with Article XXII (1)(a) of the General Agreement on Tariffs and Trade (GATT) as a result of the US legal changes in 1996.

According to India, the modifications were also in violation of US commitments under the WTO Agreement on Rules of Origin (ARO), and in particular Article 2(b), which restricts Members from using their rules of origin regime to "pursue trade objectives directly or indirectly". Hence, India stated that "the structure of the changes, the circumstances under which they were adopted and their effect on the conditions of competition for textiles and apparel products suggest that they serve trade policy purposes" (India's request for consultations, WT/DS243/1).

In two cases brought by the EC over the same US measure modifying its rules of origin (WT/DS85 and WT/DS151), the US was able to strike a deal with the EC, essentially making certain exemptions of textile products from the applicability of the modified US rules. In India's view therefore, the US "discriminated against the Indian exports over exports from the EU member countries".

The panel's unfavourable decision against India was based on the fact that India was unable to demonstrate, using "hard evidence," how "its exports were restricted over the past seven years due to the US measure". A final panel report is expected for public circulation in about 60 days from the date of the interim report. India is likely to appeal to the Appellate Body. According to Munir Ahmed of the International Textiles and Clothing Bureau, a close observer of the case, it is a "clear and simple case" and India "should definitely appeal".

ICTSD reporting; "WTO Textile Ruling Stuns India", ASIA TIMES, 18 April 2003.

IN BRIEF

LACK OF DOHA ROUND PROGRESS HIGHLIGHTED AT ECOSOC

At a high level meeting of the UN Economic and Social Council (ECOSOC) on 14 April, representatives from the WTO, the World Bank, and the International Monetary Fund (IMF), met with finance ministers to discuss progress made on commitments established at last year's Conference on Financing for Development held in Monterrey, Mexico. Participants at the ECOSOC meeting highlighted the uncertainty caused by the war in Iraq as well as the global economic slowdown as obstacles to implementing the Monterrey Consensus -- an effort calling on governments, international institutions, and non-governmental participants to work closely together to produce a clear economic strategy to promote development and fulfil other commitments made in Monterrey. Secretary General Kofi Annan, in a message to the ECOSOC meeting, stressed that global development leads to both greater stability and security. He expressed his disappointment over missed negotiating deadlines in the WTO Doha round, especially with regard to access to essential medicines and agriculture, and urged developed countries to "dramatically reduce agricultural subsidies, without delay". Annan contended that this would help boost the world economy and put the Doha negotiations back on track.

The ECOSOC meeting followed the World Bank/IMF spring meetings, held from 12-13 April in Washington DC (see BRIDGES Weekly, 16 April 2003, <http://www.ictsd.org/weekly/03-04-16/inbrief.htm>).

"War, weak economy shadow Monterrey follow-up," UN WIRE, 15 April 2003; "Annan urges developed countries to slash subsidies," UN NEWS SERVICE, 14 April 2003.

FTAA: NEGOTIATIONS PROGRESS, BRAZIL SIGNALS CAUTION

Trade negotiators from 34 countries in the Americas met in Puebla, Mexico during the second week of April for talks on the hemisphere-wide Free Trade Area of the Americas (FTAA). The negotiators at the FTAA trade negotiations committee (TNC) indicated that the talks have reached their "last stage," and an "architectural framework" for the FTAA is set to be discussed at the next meeting. The issues considered included market access, agriculture, and assistance to developing countries. With regard to market access, deputy US Trade Representative Peter Allgeier stressed that, "there is no product excluded from our offers, no agricultural product, no industrial product". The negotiating states provided their market access offers on 15 February 2003, and will provide counteroffers by 15 June.

On agriculture, the meeting issued guidance to the FTAA agriculture negotiating group negotiating to "intensify its discussions on all issues on its agenda, in particular those related to export subsidies and to all other practices that distort trade in agriculture products, including those that have an equivalent effect to agriculture export subsidies, without any exceptions and without prejudging the outcome". On technical assistance, Allgeier said assistance could take the form of quick tariff phase-outs, longer implementation timelines for developing countries, and other initiatives. On transparency, Clodoaldo Huguene, Brazil's Undersecretary General for Trade Issues noted that a series of meetings between government officials and civil society will be arranged. The FTAA TNC is also discussing the establishment of a permanent civil society committee once the FTAA is in place.

Following the Puebla meeting, Brazilian Foreign Minister Celso Amorim told a committee of Brazil's Congress on April 23 that Brazil will seek to temper the pace of FTAA negotiations. The statement -- the first delivered on the issue after President Luiz Inácio Lula da Silva took office in January -- stressed the need for extended discussion across all sectors of society.

The next meeting of the body overseeing the FTAA negotiations will take place on 7 July in El Salvador. FTAA trade ministers will meet from 20- 21 November in Miami, and the negotiations are scheduled to conclude on 1 January 2005.

"Brazil Seeks to Slow Down Tempo Of FTAA Talks, Foreign Minister Says," INTERNATIONAL TRADE DAILY, 25 April 2003; "FTAA Talks Enter 'Last Stage,' Trade Officials Say After Meetings," INTERNATIONAL TRADE DAILY, 16 April 2003.

WTO IN BRIEF

WTO, UNCTAD FORM NEW TECHNICAL ASSISTANCE PARTNERSHIP

The WTO and the UN Conference on Trade and Development (UNCTAD) agreed on 16 April to establish a framework for technical assistance cooperation. This system will allow for more efficient collaboration between the two organisations. UNCTAD Secretary-General Rubens Ricupero said the strategic partnership will "result in even more effective capacity building for developing countries". According to the memorandum of understanding, the purpose of the strategic partnership is to implement the Doha Development Agenda, serve development goals, and integrate developing and least developed countries into the global economy and the multilateral trading system. A list of activities and goals for the partnership will be created in May and activities will last for twelve months.

"WTO and UNCTAD step up strategic partnership," WTO PRESS RELEASE, 16 April 2003.

CHINA, EGYPT NEW ITA MEMBERS

The WTO Information Technology Agreement (ITA) Committee met on 24 April and approved two new members, China and Egypt. These countries are now the 58th and 59th members of the ITA, which is based on a Ministerial Declaration from the 1996 WTO Singapore Ministerial meeting, and requires participants to completely eliminate duties on IT products. The agreement took effect in 2000, although some developing countries have been granted extensions. Also at the 24 April meeting, Japan proposed that the ITA be extended to cover the "digital appliances sector" (including products such as refrigerators with internet functions, home theatre systems, and audio equipment with MP3 capability). Japan had made this proposal at the negotiating group on market access (see related

story, this issue of BRIDGES Weekly). The next meeting of the ITA will take place on 16 July.

ICTSD reporting.

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: 1 - 7 May

28 April - 9 May, New York, US: 11TH SESSION OF THE UN COMMISSION ON SUSTAINABLE DEVELOPMENT. For further information, contact: Division for Sustainable Development Secretariat, tel: +1 212 963-3170; fax: +1 212 963-4260; email: dsd@un.org; Internet: http://www.un.org/esa/sustdev/csd11/csd11_2003.htm.

4-6 May, Arizona, US: THE EMISSIONS MARKETING ASSOCIATION SEVENTH ANNUAL SPRING MEETING. This meeting is entitled "Maximising the Value of Emissions Trading in Uncertain Times". For further information, contact Linda Terry, tel: +1-414-276-3819, or visit: <http://www.emissions.org/conferences/springconference03/default.html>.

4-6 May, San Francisco, US: GHG REGISTRIES - THE BUILDING BLOCKS OF CLIMATE POLICY. At this event -- hosted by the California Climate Action Registry, the International Emissions Trading Association and British Petroleum -- representatives from companies, governments, and NGOs will have the opportunity to enhance their knowledge on the evolution and importance of greenhouse gas registries in the US and internationally. For more information on this event, please visit: <http://www.climateregistry.org/>.

5-6 May, Brussels, Belgium: SYMPOSIUM ON THE FUTURE OF TEXTILES AND CLOTHING TRADE AFTER 2005. The European Commission is hosting a symposium to examine the consequences and policy implications of the abolishment of quotas on textiles and clothing after 2005. The symposium is geared at trade and industry representatives, senior policy makers of governments and international organisations, trade unionists, and representatives of NGOs and

consumers from around the world. For further information, visit: <http://europa.eu.int/comm/trade>.

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, and are open to WTO Members and accredited observers only.

29 April to 2 May, Geneva, Switzerland: WTO COMMITTEE ON ANTI-DUMPING PRACTICES.

1-2 May, Geneva, Switzerland: WTO SPECIAL SESSION OF THE COMMITTEE ON TRADE AND ENVIRONMENT.

5-7 May, Geneva, Switzerland: WTO NEGOTIATING GROUP ON RULES.

7 May, Geneva, Switzerland: WTO DISPUTE SETTLEMENT BODY.

Other Forthcoming Events

13-14 May, Tokyo, Japan: EXPERT MEETING ON 'AGRICULTURE FOR PEACE'. For more information on this event, please contact Prof. A.H. Zakri at: phone: +81 3 5467 23233; fax: +81 3 5467 2324; email: zakri@ias.unu.edu (NA); Internet: <http://www.ias.unu.edu/index.cfm>.

14 May, London, England: THIRD ANNUAL WTO CONFERENCE: DISPUTE RESOLUTION AT THE CROSSROADS. This event, organised by the British Institute of International and Comparative Law (BIICL), the Georgetown University Institute of International Economic Law (IIEL), and the Journal of International Economic Law (JIEL), will feature panel discussions on the nature and goals of dispute settlement, trade remedies, compliance issues, and new WTO laws as they relate to dispute resolution. For more information on this event, please visit: <http://www.biicl.org/events/2003Events/5May/May%202003%20Events.htm>.

22 May, Washington DC, US: INVESTMENT, SUSTAINABLE DEVELOPMENT AND THE WTO: ALLIES OR ANTAGONISTS? This event, sponsored by Friends of the Earth, Oxfam America, National Wildlife Federation, Heinrich Boell Foundation, and the Center

for International Environmental Law, will focus on investment agreements and their effects on sustainable development. Please RSVP to lwatkins@foe.org. For more information, please visit: http://www.ciel.org/Tae/Carnegie_WTO_22May03.html.

1-3 June, Evian, France: G-8 SUMMIT. The G-8 Summit gathers heads of state/government from Canada, France, Germany, Italy, Japan, the UK, the US, and the Russian Federation, with the EU, to meet informally to discuss issues relating to globalisation. This year's themes are: solidarity, responsibility, security and democracy. For further information visit: <http://www.g8.fr/evian/english/home.html>.

14-15 June, Windsor, Ontario, Canada: NAFTA AT TEN HARMONISATION AND LEGAL TRANSFORMATION. The University of Windsor, Faculty of Law and the Law School at the University of Detroit Mercy will hold a conference on legal transformation and harmonisation in the North American Free Trade Area to recognise the tenth anniversary of the NAFTA. Panels will cover topics such as: e-commerce and harmonisation; intellectual property harmonisation or transformation; harmonisation and legal transformation; harmonisation and protection of the environment; corporate law, regulation and responsibility; and NAFTA, democracy and social justice. For further information visit: <http://cronus.uwindsor.ca/users/t/brogan/main.nsf>.

21-23 September, Miami, Florida, US: EMA 7TH ANNUAL FALL MEETING & INTERNATIONAL CONFERENCE. This Emissions Marketing Association (EMA) annual meeting will focus on, inter alia: international cross boundary legal and tax issues - implications of NAFTA and WTO; the implementation of GHG emissions trading programs; a US greenhouse gas (GHG) policy update; joint implementation (JI) and Clean Development Mechanism (CDM) case studies; a North American SO₂ and NO_x market update; and environmental risk management; GHG inventory, accounting, and registry issues. For information on the meeting and on submitting an abstract, see <http://www.emissions.org/conferences/fallconference03/default.html>.

13-17 October, Lisbon, Portugal: CONSUMERS INTERNATIONAL WORLD CONGRESS 2003. This event, organised every three years by Consumers International, will focus on the theme of 'The future of consumer protection: representation, regulation and empowerment in a world economy'. It will consist of a series of plenary sessions, workshops, training sessions, and fringe meetings on the changes in the global economy and their implications for consumer rights. For more information on this event, please visit:

http://www.consumersinternational.org/News_Events/world.asp?cat=24&ionid=135.

12-14 November, Halle-Wittenberg, Germany: BUSINESS AND EMISSIONS TRADING WORKSHOP. This small international workshop, organised by the Martin-Luther-University will focus on the economic lessons learned with regard to emissions trading, from a business perspective. For more information, and to view the call for papers, visit: http://www.wiwi.uni-halle.de/loi/bwl/umwelt/index.php?folder_default_netfolderID=11006.

RESOURCES

BACK TO BASICS: MARKET ACCESS ISSUES IN THE DOHA AGENDA. UN Conference on Trade and Development - UNCTAD(April 2003). This study focuses on the market access issues in merchandise trade that developing countries will face in the upcoming WTO negotiations. The report concludes that while developing countries as a group potentially have much to gain from improved access, the extent and distribution of these gains depend a great deal on the extent to which developing countries participate in the liberalisation process and on the agreed negotiation targets and modalities. The study also states that, "using new data on preferences within the framework of the computable general equilibrium (CGE) model, it is estimated that a 50 per cent reduction of tariffs in agriculture would increase world welfare by about \$20 billion". To access the report, visit: <http://www.unctad.org/Templates/webflyer.asp?docid=3120&intltemID=1397&lang=1>.

SEARCHING FOR THE HOLY GRAIL? MAKING FDI WORK FOR SUSTAINABLE DEVELOPMENT. By Lyuba Zarsky and Kevin Gallagher, Global Development and Environment Institute, Tufts University (March 2003). The authors stress that Foreign Direct Investment (FDI) is potentially a powerful engine to promote, or undermine, prospects for sustainable development. Focusing on developing countries, they explore some of the factors that determine whether FDI helps or hinders sustainable development. The report is available at http://www.ase.tufts.edu/gdae/highlights/holy_grail.pdf.

SUSTAINABILITY ASSESSMENTS: TOOLS FOR EFFECTIVE TRADE POLICY IN THE HEMISPHERE. By Kevin P. Gallagher and Hernán Blanco, the Americas Program at the Interhemispheric Resource Center (IRC), April 2003. Sustainability assessments are defined as analyses of the potential social and environmental benefits and costs of proposed trade agreements. Last October, at the Seventh Ministerial Conference of the Free Trade Area of the Americas

(FTAA) in Quito, civil society organisations recognised the lack of sustainability assessments (SAs) in the FTAA process. In this paper, the authors discuss why SAs should be included, how they could be incorporated into the FTAA, and the benefits of their use. To access a copy of this paper, please visit: <http://www.americaspolicy.org/briefs/2003/0304sa.html>.

SERVICES TRADE LIBERALISATION AND FACILITATION. Asia Pacific Press 2002. Edited by Sherry Stephenson and Christopher Findlay with Soonhwa Yi. This book seeks to help service sector policymakers in developing and developed economies keep up to date with the major issues being discussed in the ongoing WTO services negotiations. Ideas about ways the negotiations can be pursued in key areas are presented. Topics covered include the value of the core principles of the GATS, why commitments on the movement of people are so important, how credit might be given for reforms already undertaken, how domestic regulation can be aligned with the world's best practices, what to do about transparency and recognition, and the options for regional approaches to reform. For further information visit: <http://www.asiapacificpress.com/cache/item-497public.html?cache=no>.

THE DOHA WORK PROGRAMME: TIME LIMITS AND PROGRESS. Agency for International Trade Information and Cooperation (April 2003). AITIC has created a new "tool", prepared as part of the AITIC Non-Residents' Programme. It is a "living" document intended to provide less- advantaged countries with a complete list of deadlines under the Doha Work Programme. To access a copy of this chart, please visit: <http://www.acici.org/aitic/countdown.htm>.

WORLD DEVELOPMENT INDICATORS 2003. World Bank, April 2003. Development economists at the World Bank have released this annual report, which provides and analyses statistics that indicate progress made in achieving Millennium Development Goals relating to reducing poverty, and improving education, gender equality, health care, hunger elimination and the environment. Statistics show that while slow progress is being made in reducing poverty, there's not enough progress in improving infrastructure in areas such as health and education. To access a full copy of this report, please visit: <http://web.worldbank.org/WBSITE/EXTERNAL/NEWS/0,,contentMDK:20104957~menupK:34463~pagePK:34370~piPK:34424~theSitePK:4607,00.html>.

"ASEAN-China Free Trade Area: advantages, challenges, and implications for newer ASEAN member countries", in ASEAN ECONOMIC BULLETIN 20 (1, 2003). Thitapha Wattanapruttipaisan argues that

China's accession to the WTO and the proposed ASEAN-China Free Trade Agreement will provide greater market access in resource- and agro-based products and some manufactured goods for the ASEAN-4 countries (Cambodia, Laos, Myanmar, and Vietnam). At the same time, there will be much greater competition from China in both ASEAN-4's home and third-country markets, especially in a wide range of labour- and technology-intensive manufactures. Wattanapruttipaisan stresses that special and differential (S&D) treatment and flexibility for the ASEAN-4 will be necessary to enable a more effective participation by the newer members in the proposed ASEAN- China FTA. In this connection, the author makes proposals for enhancing domestic entrepreneurship and inter-firm networking, and for monitoring and benchmarking supply capabilities and competitiveness at the enterprise level within ASEAN and China.

"The Digital Trade Agenda of the U.S.: Parallel Tracks of Bilateral, Regional and Multilateral Liberalisation" by Sacha Wunsch-Vincent in the Swiss Review of International Economic Relations/Aussenwirtschaft. This article describes the US digital trade objectives and the parallel track of negotiations, and evaluates this parallel track strategy. To access the article, visit the website <http://www.journal-aussenwirtschaft.ch>, go to Issue 2003-1 and select the article.

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