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LEAD STORIES

WTO MEMBERS FAIL TO MAKE PROGRESS AT MINI-MINISTERIAL

Trade Ministers from 31 WTO Member countries met from 21-22 June in Sharm el-Sheikh, Egypt, for a mini-ministerial meeting, seeking to find solutions to the current deadlock under the Doha round of trade negotiations. WTO Director-General Supachai Panitchpakdi expressed his concern at the lack of movement and political will in negotiations, especially with regard to agriculture, and told ministers that time was running out for a deal. The meeting was the third mini-ministerial held since the beginning of the Doha round in November 2001, and followed up from a similar meeting of ministers in Tokyo in February (see BRIDGES Weekly, 19 February 2003, <http://www.ictsd.org/weekly/03-02-19/story1.htm>). This past weekend's meeting focussed on paving the way for the fifth WTO Ministerial Conference to be held in Cancun, Mexico in September.

EU CAP reform singled out as stumbling block

The mini-ministerial took place in the context of a meeting of EU farm ministers that had failed to approve reforms of the EU common agricultural policy (CAP) and postponed negotiations to a later date in June (see related story, this issue of BRIDGES Weekly). A number of countries stressed the need for EU reform in this area in order for the Doha round as a whole to move. Following the meeting, US Trade Representative Robert Zoellick said that, "while we've been discussing ways to move the negotiations forward, it's become clear that whether we move ahead or get stuck very much depends on the European Union". Australian Trade Minister Mark Vaile stressed that, "it is now all eyes on the EU to see what they can do to make sure this process moves forward". Pascal Lamy, the EU Trade Representative, said that talks would progress within the Union, and he was expecting positive results in Cancun.

Indian commerce minister Arun Jaitley reportedly told the Sharm el-Sheikh meeting that any deal on agriculture needed to take the concerns of vulnerable

developing countries into account, and that the market access that agriculture exporters were seeking in the negotiations would have to "be tempered" with sufficient provision of special and differential treatment for developing countries.

During the meeting, ministers discussed a request from Singapore for a new draft of a WTO negotiating paper on agriculture modalities, which set out the framework for negotiations. The current draft -- a revision of an initial draft from January -- was circulated on 18 March (see BRIDGES Weekly, 20 March 2003, <http://www.ictsd.org/weekly/03-03-20/story1.htm>). George Yeo, Singapore's trade minister, suggested that a new draft should be circulated among Members by the end of July, in time for a final mini-ministerial meeting to take place in Montreal, Canada, from 28-30 July. Japan, South Korea and Switzerland supported the idea, but the US and other agricultural exporters preferred basing talks on the existing modalities draft, fearing that a new draft would be tailored more toward the interests of countries that seek limited change in the area of agriculture.

Access to essential medicines

Other issues discussed at the meeting included access for developing countries to essential drugs. The US continued to voice concerns about potential infringements on patent rights, but said it was working to find a solution prior to Cancun. Zoellick said he was engaged in talks with the pharmaceutical industry, as well as with African countries and key developing country producers of generic drugs, such as India and Brazil. Another US official indicated that the US, which rejected a deal in December 2002 (see BRIDGES Weekly, 20 December 2002, <http://www.ictsd.org/weekly/02-12-20/story1.htm>), could consider abandoning the idea of a restricted list of drugs to be covered under a deal. The idea of a list had been put forward by the US due to a fear that generic producers would begin to manufacture drugs geared toward developed country markets, such as those to treat obesity, or Viagra -- a lucrative business for the pharmaceutical industry. Following the meeting in Sharm el-Sheikh, Harvey Bale, president of the International Federation of Pharmaceutical Manufacturers Associations, said that, "getting a solution by Cancun is important to all of us. We feel we are wrongfully being blamed for holding up progress in certain parts of the (Doha) negotiation". He went on to say that the while the pharmaceutical industry is interested in helping countries in need, it would be a "gross exaggeration and a gross distortion" to give more advanced countries such as India and China the same rights as "poor states like Haiti, Namibia or Bangladesh".

Other issues discussed

At the end of the meeting, ministers said they had experienced some success in clarifying a number of important issues on the road to Cancun, such as special and differential treatment for developing countries and implementation issues. They further agreed to "intensify" negotiations on the so-called 'Singapore issues' of investment, transparency in government procurement, trade facilitation and competition policy. However, India said it had strong reservations in this regard, stating that the time was not yet ripe for launching negotiations, and that the clarification process must continue.

Egypt's commerce minister Youssef Boutros Ghali said the meeting had taken place in a positive spirit, and with regard to the overall Doha round, he still believed that Members were close enough on track to meet the January 2005 deadline.

"WTO chief sounds alarm bell as trade ministers meet", REUTERS, 21 June 2003; "Ministers agree to compile new blueprint for WTO farm talks", KYODO NEWS, 22 June 2003; "US says working for drugs deal as WTO talks wrap up", REUTERS, 22 June 2003; "Ministers fail to break deadlock on farm trade ", FINANCIAL TIMES, 23 June 2003; "Australian Trade Min: EU Must Give Ground On Agriculture", DOW JONES, 24 June 2003; "Drugs firms seek solution to world trade deadlock", REUTERS, 23 June 2003; "US says working for drugs deal as WTO talks wrap up", REUTERS, 22 June 2003.

SINGAPORE ISSUE CONTROVERSY CONTINUES

Meeting from 12-13 June, the WTO Council for Trade in Goods focused its work on trade facilitation, with Members continuing to disagree on the need for a negotiated multilateral framework on this issue. The WTO Working Group on Transparency in Government Procurement met on 18 June, where delegates are also divided over launching negotiations at the WTO's fifth Ministerial meeting in Cancun, Mexico in September. Meanwhile, informal negotiations headed by the General Council Chair and the Chairs of WTO Working Groups on the so-called Singapore issues -- that include investment and competition policy apart from trade facilitation and government procurement -- are ongoing.

Trade facilitation: why the WTO and why binding rules?

At the WTO Goods Council meeting, Members saw no consensus on modalities for trade facilitation talks, with most Members reiterating well-known positions. While not contesting the positive aspects of measures leading to trade facilitation, Members disagreed on how to frame these measures. The meeting -- chaired by Milan Horkova (Czech Republic) -- saw many countries, mostly developing countries, resisting the idea of launching negotiations for a binding agreement that would be subject to binding dispute settlement. Other developing countries indicated more readiness to start talks, on the condition that effective technical assistance and capacity building would be provided.

Para 27 of the Doha declaration provides that until the Fifth WTO Ministerial Conference, the Council for Trade in Goods "shall review and as appropriate clarify and improve relevant aspects for Article V (Freedom of Transit), VIII (Fees and Formalities Connected with Importation and Exportation) and X (Publication and Administration of Trade Regulations) of the GATT 1994 and identify the trade facilitation needs and priorities of Members, in particular developing and least-developed countries". Agreement on negotiations on trade facilitation after the WTO's Fifth Ministerial Conference in September 2003 would be "on the basis of a decision to be taken, by explicit consensus, at that session on modalities of negotiations".

At the meeting Members discussed the trade facilitation work programme focussing on three 'core' agenda items: Articles V, VIII and X; trade facilitation needs and priorities of Members, especially developing and developed countries; and technical assistance and capacity building. Proponents of talks on trade facilitation, mainly the EU, called for a "flexible but binding" broad framework of principles subject to dispute settlement. Many developing countries, notably China and Brazil, questioned the need for binding guidelines and proposed non-binding ones. Taking a stiffer line, India said that the matter was best left to Members for autonomous implementation, while Malaysia added that present rules were already adequate to deal with the matter. "Why have non-binding guidelines within a WTO when there are other institutions such as the World Customs Organisation (WCO)?" was a question asked by many developing countries.

Pointing out drawbacks in existing conventions dealing with trade facilitation, notably the revised International Convention on the Simplification and Harmonisation of Customs Procedures (the revised Kyoto Convention), Australia in a submission (G/C/W/466, searchable at

<http://docsonline.wto.org>) laid out the case for including trade facilitation within the WTO's umbrella. The paper argued that, compared to voluntary agreements, that WTO has a sufficiently broad mandate and is capable of taking the comprehensive approach necessary to address various types of border controls. WTO commitments could also provide the requisite strong political impetus and direction for countries. Recognising the importance of technical assistance, Australia said that a framework of WTO rules would ensure a coherent and targeted approach to the delivery of technical assistance and capacity building, consistent with Members' obligations. Reflecting the Australian position, the US said that an agreement on trade facilitation would be a 'win-win' outcome for Cancun.

Some developing countries, including Egypt, suggested that they could accept negotiations as long as there were clear commitments from developed countries for technical assistance and capacity building. Others were more sceptical. One developing country trade diplomat questioned whether technical assistance and capacity building would adequately address the lack of monetary resources in developing countries, where more important and competing priorities existed.

Transparency in government procurement

The Working Group on Transparency in government procurement (WGTGP) met on 18 June. Chaired by Ronald Saborio Soto (Costa Rica), the Working Group saw Members sticking to previously held positions.

During the meeting, the EU outlined some positive effects of an agreement on transparency in government procurement and its implementation. In its submission (WT/WGTCP/W/41), the EU said that transparency would lead, among other things, to legal certainty and thereby enhance competition, lower prices, and enable procuring entities to get better value for money. While not eliminating corruption, transparency would help reduce it. Responding to developing country concerns on escalation in administrative costs that an agreement would entail, the EU said it was difficult to find any example of a country with a complete lack of rules in government procurement and even so, the savings obtained by introducing competition would outweigh the costs.

According to trade sources, Poland, Switzerland, and the US spoke out in favour of the EU submission while Brazil, Colombia, Peru, Thailand and Morocco were critical but did not outrightly reject the possibility of negotiations on transparency in government procurement. Malaysia, Philippines, Egypt, India, Nigeria and China on the other hand were critical of the

EU proposal and did not see any benefits of an agreement within the framework of the WTO. One developing country delegate stated that the EU needed to come up with empirical evidence to prove its claim. Moreover, he said it was not the purpose of the WTO to combat corruption, and the task was best left to government authorities.

Links between the Singapore issues and overall negotiations

With talks in other negotiating bodies in limbo, consensus on launching negotiations on the Singapore issues seems far from imminent. Some developing country trade diplomats have explicitly stated that the lack of meaningful progress in the Doha round, especially on agriculture, implementation issues, and special and differential (S&D) treatment for developing countries, negatively affects any movement on the Singapore issues. While this is the case for trade facilitation and transparency in government procurement, considered relatively 'easier nuts to crack,' it holds even more true for the more contentious Singapore issues of investment (see BRIDGES Weekly, 18 June 2003, <http://www.ictsd.org/weekly/03-06-18/story3.htm>) and competition policy (see BRIDGES Weekly, 4 June 2003, <http://www.ictsd.org/weekly/03-06-04/wtoinbrief.htm>).

Any decision on whether a consensus on modalities is possible will emerge only after the Chairs of the groups on the Singapore issues complete a process of informal consultations that has already begun (see BRIDGES Weekly, 18 June 2003 accessible at <http://www.ictsd.org/weekly/03-06-18/story3.htm>) and report back to the General Council. Some countries, especially smaller ones, have expressed concern with this process, which they feel lacks transparency and is exclusive.

ICTSD reporting.

OTHER NEWS

US TAKES NEXT STEP IN EU BIOTECH CHALLENGE

The US on 19 June announced it would request the establishment of a WTO dispute settlement panel to examine its complaint against the EC's continued de facto moratorium on the approval of genetically modified organisms (GMOs), after tUS-EC

consultations had proven inconclusive (see BRIDGES Weekly, 14 May 2003; <http://www.ictsd.org/weekly/03-05-14/story1.htm>). Pressure is also growing on Egypt to launch a dispute, after it decided to withdraw from joining the US case as a third party.

US to request panel

The US in a statement noted it was "disappointed but not surprised that these consultations have not resulted in any changes to the EU's five year old illegal and unscientific moratorium". The US is likely to submit its request at the next meeting of the Dispute Settlement Body on 21 July. If the request is rejected by the EC as expected, the second request, which would automatically lead to the establishment of the panel, could be submitted on 29 August. The US pointed out that a panel request would not prevent the EU from "following through on their promises to reverse course and end the moratorium".

According to EU sources, the US Office of the Trade Representative has told the EU that it would drop the case if the EU adopted its traceability and labelling regulations that would result in a lifting of the moratorium. These regulations have been submitted to the European Parliament for a second reading on 3 July, and could be adopted by October 2003. Adoption, however, might be delayed if the Parliament approved a different version of the regulations than that adopted by Ministers in late-2002 (see BRIDGES Trade BioRes, 11 December 2002, <http://www.ictsd.org/biores/02-12-11/inbrief.htm>).

Egypt under pressure to launch dispute

In a letter to the European Consumers' Organisation, Egypt declared its intention not to join the motion of arbitration launched by the US. It remains unclear, however, whether Egypt will launch a separate dispute as announced by the US on 13 May (see BRIDGES Weekly, 14 May 2003, referenced above). Egypt is reportedly engaged in internal consultations to determine whether the country is actually negatively affected by the EU's moratorium and whether it has an interest in launching a dispute.

Meanwhile, pressure on Egypt to join the dispute is growing in the US. In a letter to Egypt's Minister of Foreign Affairs Ahmed Maher, US Senator Chuck Grassley, chair of the Committee on Finance (R, Iowa), suggested that a decision against a complaint might harm Egypt's prospects for a free trade agreement (FTA) with the US. "One of the criteria that ought to be used to determine with whom the United States negotiates future FTAs is whether a country shares the same vision of the global trading system as does the

United States," he noted. "I certainly would like to be able to include Egypt in that camp."

EC responds to consultation requests

Australia, Argentina, Brazil, Canada, Chile, Colombia, India, Mexico, New Zealand and Peru have joined the US request as third parties. Argentina and Canada, which are also undertaking separate proceedings, have yet to announce whether they will request a panel. The consultations initiated by the US and Argentina were held jointly, while the Canada-EC consultations were held separately.

In its response to the requests to join consultations, the EC noted that it was not aware of any exports from Australia, Chile, Colombia, Mexico, New Zealand and Peru being affected by EC biotech measures. The EC also pointed out that several Australian states had enacted different types of 'moratoria' on commercially-grown GM crops while Mexico had suspended authorisation for large-scale commercial growing of GM corn due to concerns over potential impacts on wild relatives and traditional crops. In addition, the EC highlighted that "no living modified organisms can at present be grown or introduced into New Zealand" under the country's legislation and noted that transgenic foods and GMOs were not allowed for import, sale, production or marketing in Peru. The EC concluded that the dispute "may therefore have important implications" for these countries.

For additional information on the US-EC biotech dispute, see http://www.ictsd.org/issarea/environment/biotech_case.htm.

ICTSD reporting.

RULES: NEW 'FRIENDS OF ANTI-DUMPING' PROPOSALS; CHILE SUBMISSION ON FISHERIES SUBSIDIES

The WTO Negotiating Group on Rules met from 18-19 June to consider a number of submissions on issues related to anti-dumping, subsidies and countervailing measures. On fisheries subsidies, delegates addressed a new submission by Chile.

Chile submission on fisheries subsidies

Chile -- a member of the "Friends of Fish" group, which also includes the US, Argentina, Iceland, New Zealand, Norway and Peru -- presented a new proposal on possible approaches to improved disciplines on

fisheries subsidies (TN/RL/W/115, searchable at <http://docsonline.wto.org>). The paper identifies fisheries resources as a classic example of the 'tragedy of the commons,' and observes that fisheries subsidies act as a barrier to trade to non-subsidising countries, as these countries cannot participate in the exploitation of shared, and sometimes their own, fishery resources on equal terms. The subsidisation of fleets, allowing them to exploit fish stocks under pressure, also has a negative impact on conservation measures but into place by other WTO Members.

To address these problems, and considering submissions previously made by the US (see BRIDGES Weekly, 26 March 2003, <http://www.ictsd.org/weekly/03-03-26/story2.htm>) and the EU (see BRIDGES Weekly, 14 May 2003, <http://www.ictsd.org/weekly/03-05-14/story5.htm>), the paper outlines a "red box" of banned fisheries subsidies, and an "amber box" of subsidies that would be allowed as long as notification requirements were fulfilled. The "red box" would include all subsidies that promote overcapacity and overfishing, such as subsidies to: transfer a country's ships to the high seas or the local waters of another country; purchase new or used ships; modernise the fleet; and reduce the costs of production factors. Subsidies in the form of positive discrimination in tax treatment or access to credit would also be banned.

The "amber box" would include all other subsidies, not causing injury to other Members, and duly notified. These subsidies would include social subsidies designed to assist small-scale fisheries and coastal communities, and to improve fisheries management to ensure the sustainability of the fisheries. On the notification scheme for the "amber box" subsidies, the paper outlines issues for discussion. First, notifications under the WTO should be complementary with existing schemes under, e.g. the FAO. Second, notification should be mandatory, and as a third point, Chile supported the EU proposal for a scoreboard of notifications made publicly available.

During the Negotiating Group meeting, members of the "Friends of Fish" group supported the proposal from Chile, and Members briefly discussed technical details related to the notification requirement. Japan and Korea, who the Friends of Fish say provide their fishing fleets with substantial capacity-linked subsidies, retained a cautious stance.

New "Friends" papers on anti-dumping

During the Negotiating Group meeting, a group of "Friends of Anti-Dumping Negotiations" -- that want to change WTO rules to prevent abuse of anti-dumping

measures and burdensome or unnecessary investigations -- submitted three proposals on improving the WTO Anti-dumping Agreement. The first "Friends" proposal (TN/RL/W/113), presented by Japan, was on the prohibition of 'zeroing' in the calculation of dumping margins. When dumping margins are calculated, zeroing refers to an approach that ignores sales made above the home market price, making the dumping margins higher -- and allowing for higher anti-dumping duties to be imposed. The US, which makes use of the zeroing practice, stressed that zeroing should be dealt with in negotiations, not in dispute settlement, referring to a case initiated by the EU against the US in this regard.

The second proposal (TN/RL/W/118), presented by Chile, focussed on price undertakings, encouraging their use as a formal alternative to anti-dumping duties. Price undertakings are less disruptive measures than anti-dumping duties, requiring exporters to raise their export prices to eliminate the harmful effect of dumping. The US expressed concern that price undertakings might be imposed when a party had not chosen this alternative over anti-dumping remedies.

The third proposal, on lesser duty (TN/RL/W/119), focussed on the need to make a mandatory rule banning the anti-dumping duty to exceed what is needed to remove the injury to the domestic industry. The US stressed that such an approach did not reflect the increased burden to parties, including submission of data. Australia and the EU supported the "Friends" proposal, and noted that they use the lesser duty approach. The Negotiating Group also discussed several other anti-dumping proposals and responses to requests for clarification of previous proposals. The US made a proposal on "Further Issues Identified under the Anti-Dumping and Subsidies Agreements for Discussion by the Negotiating Group on Rules," bringing its total number of submissions in this area close to 30.

The next, and final meeting pre-Cancun of the Negotiating Group on Rules, will be held from 21-23 July. An informal meeting is taking place on 25 June to consider the Chair's report to Cancun on the status of discussions. The Trade Negotiations Committee will consider this report on 14 July.

ICTSD reporting.

IN BRIEF

STILL NO BREAK-THROUGH IN EU CAP REFORM

When EU agriculture ministers met from 17 to 19 June in Luxemburg to finally reach an agreement on the future of the European Common Agricultural Policy (CAP), talks again collapsed. A group of EU member states, led by France, declared on the last day of the meeting that they were not able to agree to the most recent compromise proposal put forward by the European Commission. According to sources, 75 percent of the subsidies for arable crops would be de-linked from production under the latest proposal, while only 70 percent of the support paid to the livestock sector should be decoupled under this formula. In contrast, France was said to have demanded a decoupling ranging between 50 and 60 percent. Talks were scheduled to resume on 25 June, with German Agriculture Minister Kuenast being "very optimistic" that a final agreement could be struck by the end of the week. An agreement on EU farm policy reform could give some impetus to the ongoing WTO agriculture negotiations, with informal meetings of a special (negotiating) session of the WTO Committee on Agriculture (CoA) being scheduled for 26 and 27 June, and an official session for 1 July.

Reportedly, France and Germany -- who recently agreed on a bilateral deal with regard to CAP reform (see BRIDGES Weekly, 18 June 2003, <http://www.ictsd.org/weekly/03-06-18/story1.htm>) -- had tried to put the issue on the agenda of the EU Summit held on 20 June in Porto Carras, Greece. Nevertheless, the Greek EU presidency refused to address the CAP reform process during the summit prior to an agreement reached at ministerial level. Some sources speculated that French President Jacques Chirac, a former minister of agriculture, would have had good chances to secure a very positive deal for French farmers if he could have discussed the issue with his colleagues in Porto Carras.

"EU-Gipfel laesst Chirac bei Agrarreform abblitzen", FT DEUTSCHLAND, 22 June 2003; "Agriculture: France, other EU states reject agriculture compromise offered by EC," WTO REPORTER, 20 June 2003.

AFRICA TRADE MEETING HIGHLIGHTS KEY ISSUES IN CANCUN RUN-UP

African trade ministers met from 19 to 20 June in Mauritius for the first African Union Trade Ministers' meeting, with the objective to find a common position in light of the upcoming fifth WTO Ministerial to be held in Cancun, Mexico in September. At the end of the two-day meeting the ministers voiced concern over missed deadlines with regard to WTO negotiations on agricultural issues and poor countries' access to essential drugs. Ministers adopted a Declaration, which called for the WTO to focus on addressing their development concerns in the existing WTO agreements -- especially on agriculture -- instead of starting negotiations on trade agreements on the so called Singapore issues of investment, competition, government procurement and trade facilitation. The declaration also supported those African countries that have launched an initiative on the complete elimination of cotton subsidies (see BRIDGES Weekly, 7 May 2003, <http://www.ictsd.org/weekly/03-05-07/inbrief.htm>).

Trade experts and NGOs, meeting concurrently with the ministers, complained of a lack transparency and inclusiveness at the WTO, and said Africa was being marginalised in trade negotiations. The NGO forum stressed that "the manipulative and undemocratic practices initiated at Doha, such as the appointments of Friends of the Chair in informal working groups, which make undemocratic decisions on key issues is being institutionalised at the WTO in the run up to Cancun".

"Africa Prepares Participation In Trade Conference", ANGOLA PRESS AGENCY, 16 June; "Experts Criticise WTO On Transparency", THE NATION, 19 June; "Trade Experts Say WTO Is Marginalizing Africa", NAIROBI DAILY NATION, 19 June; "Africa Rejects Expansion Of WTO Powers", WORLD DEVELOPMENT MOVEMENT PRESS RELEASE, 20 June 2003; "Grand Baie Ministerial Declaration On The Fifth Ministerial Conference Of The WTO, the Ministers of Trade of the Member States of the African Union," 20 June 2003.

MERCOSUR AND INDIA ADVANCE FREE TRADE DEAL

The foreign ministers from the Mercosur countries -- Argentina, Brazil, Paraguay, Uruguay, and associate members Chile and Bolivia -- signed the draft of a negotiating protocol with India during their bi-annual Mercosur summit in Asuncion, Paraguay, from 17-18 June. India's Minister of Commerce and Industry, Shri Satyabrata, and Mercosur leaders hope this will lead to a mutually beneficial free trade agreement. The protocol

calls for "clear-cut, reliable and enduring ground rules to further the development of trade and investment". "India is a significant point of reference for Mercosur, and not solely on account of the extraordinary growth that we have witnessed in some sectors, such as information technology and specialty chemicals," the Paraguayan foreign minister said. In 2001, the trade flow from Mercosur to India yielded \$728 million and \$700 million from India to Mercosur. Growth is expected to increase significantly as exports from India to countries such as Brazil have doubled in just the last several years.

Also at the Mercosur summit, the Mercosur leaders, as well as the Venezuelan president agreed to expand economic and politic ties, and to turn the Mercosur from a customs union into a common market by 2006. The Mercosur leaders agreed to prioritise the inclusion of the Andean Community countries Venezuela, Peru, Colombia, and Ecuador. Boosting Mercosur will place member nations in a stronger position in negotiations with the US on the terms of the planned Free Trade Agreement of the Americas (FTAA), and with other countries and blocs too. "That would guarantee an influential presence of South America in the world," Brazilian President Luiz Inacio Lula da Silva told the summit.

"Mercosur Leaders Agree to Expand, Strengthen Trade Ties," VOA NEWS, 19 June 2003; "Mercosur Takes a Step Towards Free Trade Pact Talks with India," MERCOPRESS, 18 June 2003; "Mercosur Leaders Pledge to Create by 2006 Full-Blown Common Market, Add 4 Members," INTERNATIONAL TRADE DAILY, 20 June 2003.

STANDARDS GAP HURTS AFRICAN COUNTRIES

According to a new report entitled "Standards and Global Trade: A Voice for Africa," African countries face critical challenges in increasing their capacity to meet production and quality standards required in foreign markets. This standards divide prevents Africa from accessing the global market and benefiting from gains from increased exports. "Rising exports can help to create new jobs, increase growth and speed poverty reduction," said World Bank Vice President for sub-Saharan Africa, Callisto Madavo. The World Bank book identifies the lack of ability of African countries to meet trade standards, as well as their limited impact in shaping these standards, as real barriers to trade. The report focuses its analysis on five countries -- Kenya, Mozambique, Nigeria, South Africa, Uganda -- and proposes an action plan for each one of them. It stresses the necessity of public-private cooperation and investment to bridge the standard gap, and highlight the

benefits of rich countries removing non-tariff barriers and further opening their markets.

The report was released in conjunction with the World Economic Forum's Africa Economic Summit in South Africa from 11-13 June. The summit called for action and for concrete ways to work toward the principles outlined in the New Economic Partnership for Africa's Development (NEPAD) agreement.

To access the report, visit http://publications.worldbank.org/ecommerce/catalog/product?item_id=1688508.

Note: Due to an error in the previous issue of BRIDGES Weekly, this story is being reprinted.

"Bridging The 'Standards Divide' Could Boost African Exports, Jobs And Poverty Reduction", WORLD BANK PRESS RELEASE, 10 June 2003; "Africa's Rescue Plan Begins", NEWS24 RELEASE, 10 June 2003.

WHALING COMMISSION MORE SPLIT THAN EVER

The annual meeting of the International Whaling Commission (IWC) ended on 19 June in Berlin, leaving the 51 members in deep disagreement over the objectives of the Commission. During the one-week conference, member countries discussed several proposals, including two for whale sanctuaries, put forward by Australia and New Zealand, and Argentina and Brazil, respectively. Both proposals, which would have needed a three-quarter majority to pass, were defeated. However, members agreed to establish a conservation committee by simple majority vote. The conservation committee will address inter alia the impact of marine pollution, climate change, and by-catch in fishing nets. Two Japanese proposals suggesting quotas for catching 150 Bryde's whales and 150 minke whales were both turned down. On the last day of the meeting, the group of pro-whaling countries - which consists of 17 countries and is headed by Japan, Norway and Iceland -- delivered a letter to the Commission, expressing their deep concern over the latest developments, threatening to leave the Commission and to look into alternative bodies to regulate the sustainable use of abundant whale resources. The anti-whaling nations and conservation groups on the other hand saw the Berlin meeting as a historic turning point, and were pleased with its outcomes. The IWC will meet again in June next year in Sorrento, Italy.

For a more detailed report on the meeting, please see the forthcoming issue 12 (volume 3) of BRIDGES Trade BioRes at: <http://www.ictsd.org/biores/index.htm>.

"Whales Win No Sanctuary From Acrimonious Commission" ENS, 19 June 2003. "End in Sight for the IWC" High North News, 19 June 2003.

WTO IN BRIEF

CANCUN PREPARATORY PROCESS SHIFTS TO INFORMAL MODE

Trade negotiators in Geneva have started to meet informally, under the guidance of WTO Director and TNC Chair Supachai Panitchpakdi and General Council Chair Carlos Perez del Castillo. These Heads of Delegation meetings -- attended by one or two persons from each missions -- are being convened on a number of issues, identified in late May by Supachai in the form of a checklist to help focus the process of consultations. The checklist includes all of the areas currently in negotiations at the WTO and those areas that the Doha Ministerial Declaration cites for action by Ministers at the fifth Ministerial Conference in Cancun: agriculture modalities, non-agricultural market access, services, rules, dispute settlement, geographic indications (GIs), trade and environment, implementation issues and special and differential (S&D) treatment for developing countries, access to essential medicines, the Singapore issues, and a few additional areas. According to trade sources, informal negotiations have also started on a draft text for Cancun, which will include the areas mentioned in the checklist. Some Members, as well as civil society groups, have reportedly voiced concern that the Chairs are dictating the preparatory process, and called for differences of positions to be reflected in any draft text for Cancun.

The next meeting of the Trade Negotiations Committee, where all Members will be updated on progress in the informal process, is scheduled for 14-15 July, and the next General Council session will take place on 24-25 July. No further meetings have, as of yet, been scheduled prior to the Cancun Ministerial.

ICTSD reporting; "Geneva Update," IATP, 23 June 2003.

WTO DIRECTOR-GENERAL SETS UP ADVISORY GROUP OF EXPERTS

WTO Director-General Supachai Panitchpakdi has set up a Consultative Board to help him improve the functioning of the WTO. The Board will be tasked with preparing a report on how to strengthen the WTO, and to provide the tools to overcome future challenges related to an increasingly integrated economy. One of the priorities Supachai has expressed for his time as Director General is to strengthen the WTO as an institution. With this intention, the advisory group will be composed of experts in the field of international trade. Chaired by former GATT/WTO Director General Peter Sutherland, the members of the Consultative Board have experience in government, academia, business, the non-profit sector, trade and economic policy-making. These members include Jagdish Bhagwati of Columbia University in New York, Kwesi Botchway, former finance minister of Ghana and now Director of the Africa Programs and Research at the Harvard Centre for International Development, Niall W. A. FitzGerald, co-chair and CEO of Unilever, and other. The announcement of the Consultative Board followed shortly after the Director-General had set up two informal advisory bodies with business groups and non-governmental organisations (see BRIDGES Weekly, 18 June 2003, <http://www.ictsd.org/weekly/03-06-18/wtoinbrief.htm>).

"WTO Director-General Establishes a Consultative Board on the Future of the Multilateral Trading System", WTO PRESS RELEASE, 19 June 2003; "WTO Chief Sets up Advisory Group On Future of Multilateral Trading System", WTO REPORTER, 24 June 2003.

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: 26 June - 2 July

23-27 June, Trondheim, Norway: **FOURTH TRONDHEIM CONFERENCE ON BIODIVERSITY**. Technology transfer and capacity building are to be major themes of the seventh Conference of the Parties

of the Convention on Biodiversity in 2004. One aim of the Trondheim Conference on Technology Transfer and Capacity Building, focusing on biodiversity, will be to provide input to that discussion and the discussions at the SBSTTA- meeting in November 2003, while also supporting the work of UNEP and its Intergovernmental Strategic Plan for Technology Support and Capacity Building to Developing Countries. For further information contact the Trondheim Conference organisers; tel: (+47 22) 24 5700; fax: (+47 73) 801401; email: laila.saksgard@nina.no; Internet: <http://www.biodiv.org/doc/meetings/abs/abswsb-01/other/abswsb-01-norway-en.pdf>.

25-26 June, Brussels, Belgium: **EUROPEAN EMISSIONS TRADING 2003**. This pan-European event will focus on company mitigation of carbon risk and on profit-making opportunities in the new European emissions trading market. It will feature cross-industry case studies from across Europe. For further information visit: <http://www.iqpc.co.uk/cgi-bin/templates/105222083231237792968700002/genevent.html?topic=168&event=3331>.

26 June, London, England: **TRADE, GATS & THE ENVIRONMENT - THREATS & OPPORTUNITIES**. Manchester City Council will sponsor this forum. Participants will address key social and environmental issues and challenges related to GATS and sustainable development with a view to the forthcoming WTO Ministerial Conference. The forum will also seek to answer some specific questions regarding water and education. For further information contact Sian Slater, tel: +44 (0)20 7089 4300; fax: +44 (0)20 7089 4310; Internet: <http://www.stakeholderforum.org> and <http://www.earthsummit2002.org>.

30 June - 5 July, Rome, Italy: **25TH SESSION OF THE CODEX ALIMENTARIUS COMMISSION**. For further information on this conference, visit <http://www.codexalimentarius.net/timetab.htm>.

1 July, Brussels, Belgium: **EUROPEAN FORUM ON SUSTAINABLE TRADE**. The inauguration of the European Forum will take place on 1 July. It will seek to offer a platform for dialogue between the European Commission, the Sustainable Trade and Innovation Centre (STIC) International and interested parties in developing countries to achieve the objectives of sustainable trade. STIC is a new global partnership designed to enable developing country producers to benefit from growing market pressures to integrate environmental and social factors into their export strategies. For further information visit: <http://www.epe.be/euhub/events/agenda.htm>.

1 July, London, UK: LAW OF THE SEA DISCUSSION GROUP:HIGH SEAS MARINE PROTECTED AREAS. Organised by the British Institute of International and Comparative Law (BIICL), this event will cover, inter alia, the role of the International Seabed Authority in the selection, designation and management of high seas marine protected areas. Admission is free. To register please email to: info@biicl.org. For further information on the institute see: <http://www.biicl.org>.

2 July, Brussels, Belgium: BRIEFING SESSION ON MULTILATERAL ENVIRONMENTAL AGREEMENTS AND THE WTO. Organised by the International Institute for Sustainable Development (IISD) and the Royal Institute of International Affairs (RIIA), this briefing session, part of the EU Civil Society Dialogue, will highlight the outcome of discussions held during a meeting in London in April, focussing on the types and purpose of trade measures in MEAs, their effectiveness and necessity, the interaction of trade measures with the WTO, and debates so far within the Doha Round. For further information and registration, visit: http://trade-info.cec.eu.int/civil_soc/intro1.php.

2 July, Geneva, Switzerland: BRIEFING SESSION ON INVESTMENT RULES, SUSTAINABLE DEVELOPMENT AND THE WTO. Organised by IISD and RIIA, this briefing session aims to feed into the ongoing international investment negotiations, with ideas from discussions of NGOs, academics, industry and governments, from both developed and developing countries. The briefing session will highlight the outcome of discussions held during a meeting in London in April, focussing on investment rules, and bilateral and regional investment agreements. The session will be followed by an interactive session of discussion, questions and answers. For further information contact Aaron Cosbey, tel: +1 250 362-2275; email: acosbey@iisd.ca. To confirm attendance please contact Clarita Martinet at: cmartinet@iisd.ca.

3 July, Brussels, Belgium: BRIEFING SESSION ON INVESTMENT RULES, SUSTAINABLE DEVELOPMENT AND THE WTO. This IISD/RIIA briefing session, part of the EU Civil Society Dialogue, will focus first on our many years of experience with the bilateral investment treaties, and the NAFTA's investment provisions, asking whether there are lessons for the WTO negotiations, and what the relationship would be between the existing treaties and a WTO agreement. It will then ask: what are the elements of a positive agenda? That is, what sort of investment rules and institutions would foster quality investment? And what would be the challenges faced by the WTO in trying to broker an agreement with such a focus? The briefing session will highlight the outcome of discussions held during a meeting in London in April.

For further information and registration, visit: http://trade-info.cec.eu.int/civil_soc/intro1.php.

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.

27 & 30 June, Geneva, Switzerland: WTO TRADE POLICY REVIEW BODY - INDONESIA.

30 June, Geneva, Switzerland: WTO COMMITTEE ON SPECIFIC COMMITMENTS.

30 June, Geneva, Switzerland: WTO COMMITTEE ON AGRICULTURE.

1 July, Geneva, Switzerland: WTO SPECIAL SESSION OF THE COMMITTEE ON AGRICULTURE.

1 July, Geneva, Switzerland: WTO WORKING PARTY ON DOMESTIC REGULATION.

2 July, Geneva, Switzerland: WTO COMMITTEE ON TECHNICAL BARRIERS TO TRADE.

2 July, Geneva, Switzerland: WTO WORKING PARTY ON GATS RULES.

2-3 July, Geneva, Switzerland: WTO SPECIAL SESSION OF THE COUNCIL FOR TRADE-RELATED ASPECTS OF INTELLECTUAL PROPERTY RIGHTS.

Other forthcoming meetings

7 July, Geneva, Switzerland: 7TH WTO INTRODUCTION DAY. The WTO Secretariat will present the basic legal principles, the website and documents on line, and the current activities of the WTO. This event is intended for delegates newly arrived in Geneva, non-governmental organisations, as well as the interns currently working in the Secretariat and new staff members. Other interested WTO staff members are also welcome to attend the presentations. To confirm your participation contact Mandy Syrat, email: mandy.syrat@wto.org; tel: +41 22 739 56 31.

27-30 July, Montreal, Canada: MOBILISATION AGAINST THE WTO MINI- MINISTERIAL IN MONTREAL. Civil society groups and individuals are organising a movement to oppose the WTO during a so-called 'mini- ministerial' in Montreal from 28-30 July. Demonstrations are being planned in response. "Mobilisation Against the WTO Mini-Ministerial in Montreal" is an open organisational assembly process called by Montreal region activists affiliated with various local anti-capitalist, anti- imperialist, and anti-war groups. For further information contact the organisers at tel: +1 514 409-2049; email: resisteomc@resist.ca; Internet: <http://montreal.resist.ca>.

29-31 October, Davis, USA: WORKSHOP ON ACCESSING BIODIVERSITY AND SHARING THE BENEFITS. Scholars at the University of California have conducted an international study of the status of access and benefit- sharing policies among countries on the Pacific Rim. The international workshop will review the findings of that study, draw lessons from it, and design strategies to facilitate the goals of the Convention on Biological Diversity regarding genetic resources. For further information contact Santiago Carrizosa, tel: +1 530 754 8506; email: scarrizosa@ucdavis.edu; Internet: <http://www.grcp.ucdavis.edu/>.

6-8 November, Santiago de Cuba, Cuba: INTERNATIONAL SCIENTIFIC WORKSHOP ON ENVIRONMENT, SUSTAINABLE DEVELOPMENT AND CULTURAL IDENTITY. The objective of this workshop will be to foster discussion of environment, sustainable development, and cultural identity, in the face of the challenges of a globalised world. The workshop will cover inter alia: environment and development; tourism and cultural identity; and current problems caused by globalisation. For further information contact Ana Victoria Knaggs, email: knaggs@fie.uo.edu.cu or universitoriente@eresmas.net.

22-28 November, Santa Clara, Cuba: III INTERNATIONAL CONFERENCE ON SCIENCE AND THE ENVIRONMENT: "ENVIRONMENT IN THE 21ST CENTURY". The conference will cover the following themes: Energy, Resources and Environment, Sustainable Development and Clean Technologies, Environmental Education and Communication, Environmental Management and Biodiversity. Activities include inter alia: masterly lectures, round tables, and postgraduate courses. For further information contact Rachel Bruhnke, email: rachel@globalexchange.org; tel: +1 415-255-7296, ext 354.

13-18 June 2004, Sao Paulo, Brazil: 11TH UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT. UNCTAD holds its ministerial-level

conference every four years to set the organisation's priorities and guidelines for action. The conference is UNCTAD's highest governing body and also includes a high-level debate on current issues involving economics and development. The theme of the 2004 UCTAD XI conference will be "Enhancing coherence between national development strategies and global economic processes towards economic growth and development, particularly of developing countries". For further information visit: <http://www.unctad.org>.

RESOURCES

EXPANDING THE WTO RULES? SHOULD THERE BE WTO RULES ON COMPETITION, INVESTMENT, TRADE FACILITATION AND TRANSPARENCY IN GOVERNMENT PROCUREMENT? By the Federal Trust for Education and Research (June 2003). The report explores the need for and scope of any negotiation on WTO rules on the Singapore Issues - investment, competition, transparency in government procurement and trade facilitation. It examines various questions such as: what is known about the interaction of the 'Singapore issues' with international trade, sustainable economic growth and poverty alleviation? Is the WTO best suited to overseeing multilateral rules on these issues? The document is now available at: http://www.fedtrust.co.uk/Media/FedT_Sing_Issues_Report.pdf.

WTO: THE DOHA AGENDA - THE NEW NEGOTIATIONS ON WORLD TRADE. By Bhagirath Lal Das (Zed Books, May 2003). This book addresses the issues involved in the current round of world trade negotiations. The author shows that issues of great importance to developing countries, such as textiles, do not figure in the talks, and makes practical policy proposals for the revision of the existing WTO Agreements to protect and improve the development prospects of the poor and disadvantaged countries. For more information contact Mohammed Umar: tel +44 20 7837 4014; fax: +44 20 7833 3960; email: sales@zedbooks.demon.co.uk.

THE EU BETWEEN JO BURG FOLLOW-UP AND CANCUN POLITICS: HOW TO SET THE RIGHT FRAMEWORK FOR INVESTMENT RULES. By the Heinrich Böll Foundation (2003). This is a summary report of a public hearing held on 6 March 2003 in Brussels, Belgium that brought together European policymakers and civil society. The hearing served as an exchange of views on trade policy and sustainable development in the aftermath of the WSSD, and in anticipation of the WTO's Fifth Ministerial Conference to be held in Cancun, Mexico in September 2003. The report is available at: http://www.boell.be/web/72_50.htm.

"The Agreement On Textiles And Clothing: Is It A WTO Failure?" By Jaime Malaga and Samarendu Mohanty, ESTEY CENTRE JOURNAL OF INTERNATIONAL LAW AND TRADE POLICY (Volume 4, Nr.1, 2003). The Agreement on Textiles and Clothing (ATC) was signed in April 1994 to dismantle the complex quota system in place. On the verge of the established deadline, the liberalisation results achieved seem disappointing for most textile exporting countries. What went wrong? Is anyone to blame? This paper analyses the ATC rules and discusses conflicting interpretations of the results so far, as well as expectations for 2005. The article is available for download at: <http://www.esetyjournal.com>.

A STRATEGIC ASSESSMENT OF THE KYOTO-MARRAKECH SYSTEM. By the Royal Institute of International Affairs (June 2003). The report assesses issues related to the current state of the Kyoto-Marrakech system. It deals with issues of carbon pricing, business approaches, US positions on climate change and prospects of the Kyoto system. The paper can be accessed at: <http://www.riia.org/pdf/research/sdp/Kyoto-Marrakech%20Grubb%20et%20al%20Jun%202003.pdf>.

FORESTRY PROJECTS: LESSON LEARNED AND IMPLICATIONS FOR CDM MODALITIES. By Jane Ellis (OECD, May 2003). This paper examines how additionality, baselines and leakage have been assessed for several afforestation/reforestation (A/R) projects currently underway. It identifies trends and draws lessons from this experience that could be useful when agreeing on the modalities and procedures for including A/R projects into the CDM for the first commitment period. The paper is available for download at: <http://www.oecd.org/env/cc>.

POLICIES TO REDUCE GREENHOUSE GAS EMISSIONS IN INDUSTRY - SUCCESSFUL APPROACHES AND LESSONS LEARNED. By Stephen Bygrave and Jane Ellis (OECD, May 2003). The paper provides a background on greenhouse gas emissions in the industry sector and policy trends, workshop conclusions, as well as experience relating to the implementation of policy instruments to reduce emissions in the industry sector - with a focus on voluntary approaches, taxes, and trading. The paper is available for download at: <http://www.oecd.org/env/cc>.

EVOLUTION OF MITIGATION COMMITMENTS: SOME KEY ISSUES. By Cédric Philibert, Jonathan Pershing, Jan Corfee-Morlot and Stéphane Willems (OECD, May 2003). This study considers a broad range of issues relating to the future of the UN Convention on Climate Change. It first draws a "long-term picture," considering damage and policy costs, risks and

uncertainties, and technical, institutional and social changes. It then considers various forms of quantified objectives for future commitments, as well as alternatives to quantified objectives at country level, and discusses allocation. The paper is available for download at: <http://www.oecd.org/env/cc>.

TECHNOLOGY INNOVATION, DEVELOPMENT AND DIFFUSION. By Cédric Philibert (OECD, May 2003). This paper reviews climate change mitigation potential from existing and emerging energy technologies. Dissemination of existing efficient technologies should not be neglected; but the depth of the emission cuts needed in the future will require new technologies. The study discusses how technologies evolve, the role of behaviour, and what policy tools may foster technical change. The international dimensions are also examined. The paper is available for download at: <http://www.oecd.org/env/cc>.

"Ecotourism: Alleviating The Negative Effects Of Deforestation On Indigenous Peoples In Latin America". By Marla Kerr, COLORADO JOURNAL OF INTERNATIONAL ENVIRONMENTAL LAW AND POLICY 14 (2, 2003). This article provides the three principles of a properly implemented ecotourism project: First, the project must effectively combat the causes of deforestation in the region; second, indigenous peoples must have control over the project; and third, the project's benefits must outweigh its costs. Such a project solves deforestation problems and its negative impact on indigenous people.

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Contributors to this issue of **BRIDGES Weekly Trade News Digest**© are Heike Baumuller, Cecile Giraud, Marianne Jacobsen, Mahesh Sugathan and Alex Werth. Editor: Malena Sell, msell@ictsd.ch. Managing Editor is Hugo Cameron, hcameron@ictsd.ch. The Director is Ricardo Meléndez-Ortiz, melendez@ictsd.ch. ICTSD is an independent, not-for-profit organisation based at: 13, ch. des Anémones, 1219 Geneva, Switzerland, tel: (41-22) 917-8492; fax: 917-8093. Excerpts from **BRIDGES Weekly Trade News Digest**© may be used in other publications with appropriate citation. Comments and suggestions are welcomed and should be directed to the Editor or the Director.

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