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LEAD STORIES

MEMBERS DEBATE DRAFT MINISTERIAL TEXT AT WTO GENERAL COUNCIL	1
CIVIL SOCIETY GROUPS CRITICISE NEGOTIATING PROCESS, MEMBERS MORE POSITIVE	3
WTO MEMBERS REMAIN DIVIDED OVER SINGAPORE ISSUES	4

OTHER NEWS

COTTON & SPECIAL PRODUCTS CROP UP IN WTO AGRICULTURE GROUP	5
EARLY HARVEST ON S&D MAY HAVE TO WAIT UNTIL CANCUN	7
SMALL STATES CAST FOR FISHERIES SUBSIDIES EXCEPTIONS IN WTO RULES TALKS	8
EU BLOCKS SUGAR PANEL AT DSB MEETING	9

IN BRIEF

WIPO IPR/TK COMMITTEE CLOSES WITHOUT AGREEMENT ON MANDATE	10
EU BIOTECH REGULATIONS SET TO ENTER INTO FORCE	10
US-AUSTRALIA FTA TALKS ENTER MARKET OFFER PHASE	11
FTAA MEET TAKES STOCK OF PROGRESS, SEEKS TO FORGE COMMON VIEW	11
US TARIFFS ON VIETNAMESE CATFISH THREATEN TRADE RELATIONS	11
NEW UN TASK FORCE ON GENDER AND TRADE	12
DELEGATES PREPARE FOR POPS CONVENTION ENTRY INTO FORCE	12

WTO IN BRIEF

NEW DEADLINE SET FOR DSU NEGOTIATIONS	12
CAMBODIA'S TOUGH WTO MEMBERSHIP NEGOTIATIONS COMPLETED	13

EVENTS & RESOURCES

EVENTS	13
RESOURCES	14

LEAD STORIES

MEMBERS DEBATE DRAFT MINISTERIAL TEXT AT WTO GENERAL COUNCIL

At a 24-25 July meeting of the WTO General Council -- the last session prior to a two-week WTO recess -- Members discussed a draft Ministerial Declaration put forward by General Council Chair Carlos Perez del Castillo (Uruguay) on his own responsibility for adoption at the fifth WTO Ministerial meeting to be held in Cancun, Mexico, in September. On agriculture -- a key sticking point in the current negotiations -- the Chair expressed cautious optimism that agreement could be reached on modalities at the September meeting. He warned that lack of progress on this issue could negatively affect other negotiating areas, notably the decision on whether to launch negotiations on the Singapore issues (investment, competition policy, trade facilitation and transparency in government procurement).

The Chair went on to outline the negotiating process that would follow the brief recess (the WTO resumes official meetings on 11 August). Also at the meeting, delegates heard progress reports from the various negotiating bodies and discussed a number of agenda items relating to, inter alia, trade in textiles and clothing, and a submission by Kenya, Uganda and Tanzania on the impact of declining commodity prices on developing countries. The General Council adjourned without finishing discussions on the draft ministerial text, and will resume on 25-26 August.

Draft ministerial text sets out broad framework, little detail

The first version of a ministerial text for Cancun was released to Members on 18 July (see http://www.ictsd.org/ministerial/cancun/docs/draft_cancun_minist_text.pdf). The 4-page text was circulated by the General Council Chair on his own responsibility, in close cooperation with WTO Director-General Supachai Panitchpakdi. It outlines areas for action and covers all the areas included in the Doha work programme under 23 headings. No specific details or modalities, such as timeframes and formulas for reducing tariffs, are

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included in the draft, but would be annexed to it at a later stage when Members reach agreement on these. Chair Perez del Castillo said that the skeletal version of the operational text, which represents the current state of play, would be fleshed out in "a variety of forums, with the greatest possible transparency and inclusiveness".

Members met informally prior to the General Council to provide their initial responses to the text. Reportedly, several developing country delegations noted with disappointment that while the text seemed to foresee concrete 'decisions' on issues of importance to developed countries, it only asked Members to 'strengthen their efforts' on issues of importance to developing countries, such as outstanding implementation issues.

The US and the EU signalled that the Cancun Ministerial might not make detailed decisions such as on specific numbers for tariff reduction formulas, but rather agree on broader frameworks. According to US Deputy Trade Representative Peter Allgeier, the modalities agreed at Cancun could include a range of numbers, or "some type of description of what the objectives would be," with details fleshed out later.

Many reports, scant progress in preparations for Cancun

At the General Council session, the Chair of the Trade Negotiations Committee (TNC) delivered a progress report (TN/C/3, searchable at <http://docsonline.wto.org>) outlining developments in the bodies overseen by the TNC. These are in charge of negotiations on agriculture, services, non-agricultural market access, rules, dispute settlement, trade and environment, and trade and development. He noted that the work in the bodies had intensified in 2003, saying, "progress was made in all areas, although at different speeds and on differing aspects of the work". In his report, he highlighted missed deadlines for a number of key issues, such as agriculture and market access. He noted that work had been going on in an informal Heads of Delegation (HOD) format since 8 May, as well as in smaller groups -- with the outcome reported at periodic HOD meetings. In conclusion, he said that in the short time left before Cancun, delegates should "direct all possible negotiating energy to unblocking the main strategic issues". In his oral presentation to the Council, he said that the TNC was not engaged in real negotiation yet, although he had seen "some recent signs of beginnings of real engagement".

Members also heard progress reports on, inter alia, the Singapore issues and on special and differential

treatment (S&D) for developing countries, reported on elsewhere in this issue of BRIDGES Weekly.

The General Council elected the officers for the fifth Ministerial. Mexican Trade Minister Luis Ernesto Derbez will serve as Chair, with Ministers Brienkhorst (Netherlands), Chowdhury (India), and Boutros- Ghali (Egypt) serving as Vice-Chairs.

Members failed to agree on requests by four international intergovernmental organisations to attend as observers. This item is a longstanding contentious item, and no progress was made at the General Council.

Developing countries support submission on commodities crises

At the meeting, Kenya, Uganda and Tanzania introduced a proposal relating to the crisis situation created by the long-term trend towards decline in prices of primary commodities to the trade and development of export-dependent developing countries (WT/GC/W/508). The countries proposed a text for the ministerial declaration at Cancun, outlining a work programme among a number of WTO committees to find a solution in cooperation with other relevant international bodies. A large number of developing countries expressed their strong support for the proposal. Australia, the US, Canada and the EU all acknowledged the problems faced by commodities exporters, but questioned whether the WTO was the right forum to address them. The proposal will continue to be discussed among Members.

Other agenda items

Among other agenda items covered by the General Council were, inter alia, two developing country submissions concerning trade in textiles and clothing. The first (WT/GC/W/503) recommended that developed country Members applying quota restrictions under the Agreement on Textiles and Clothing take steps to ensure that developing countries' quota access in 2004 was not reduced. The US and EU said the proposal was not covered under the current Agreement, and thus could not be followed. The General Council Chair said he would consult with Members of this issue to seek a solution.

The second submission on textiles (WT/GC/W/502) proposed a two-year dispensation for developing countries from anti-dumping proceedings by developed country Members in this area. The dispensation would apply from the beginning of 2005, when quota restrictions will be phased out and textiles trade reintegrated under regular WTO rules. The group of

countries proposed that the Council recommend that ministers take a decision on the dispensation at Cancun "with a view to allowing trade in textiles and clothing to adjust to normal trading conditions". The US, EU and Japan did not support the suggestion. The US noted that the majority of anti-dumping investigations are now undertaken by developing countries, and questioned why only developed countries were targeted in the proposed moratorium. The General Council was unable to take a decision on the matter.

The way forward: daily HOD meetings

On the way forward, Chair Perez del Castillo said that following the two-week break, Members would resume talks on 11 August, meeting every morning in Heads of Delegation (HOD) format. These meetings would focus on key issues, starting with agriculture on the first day and non- agricultural market access on the second, allowing Members to make their way through the items included in the draft ministerial text. Members would then meet in smaller groups during the afternoon. Chair Perez del Castillo said he would issue a revised draft text on 22 August, which would be discussed in a resumed 25-26 August General Council meeting.

Meanwhile, approximately 25 Members are meeting in a "mini-ministerial" organised by the Canadian government in Montreal from 28-30 July, hoping to pave the way for negotiations in Geneva.

ICTSD reporting; "WTO General Council 'Cautiously Optimistic' About Deal on Ag Modalities at Cancun Talks," WTO REPORTER, 28 July 2003. of real engagement". Members considered this agenda item in conjunction with the draft ministerial text.

CIVIL SOCIETY GROUPS CRITICISE NEGOTIATING PROCESS, MEMBERS MORE POSITIVE

In their reactions to the draft WTO Ministerial text released on 18 July (see related story, this issue), civil society groups criticised the "chair-driven" drafting process, which they say flouts rules of procedure guaranteeing an inclusive and consensus-based process. For their part, most Members cautiously welcomed the current process while also highlighting areas of particular concern where they would like to see further work carried out.

In a 22 July letter and memorandum sent to the WTO Director-General and trade ministers and ambassadors of WTO Members, ten civil society groups urged the WTO to reform its 'undemocratic' decision-making

processes as well as address the lack of participation by developing countries. Targeting informal practices in the lead-up to ministerial meetings in particular, the groups urged the WTO to implement the reforms by the fifth WTO Ministerial in Cancun, warning that the outcomes would otherwise lose legitimacy with the public and among Members. The non-governmental organisations (NGOs) also cautioned against the practice of holding smaller, exclusive "mini-ministerials" to pave the way for decisions at the formal meetings.

Shefali Sharma of the Institute for Agriculture and Trade Policy questioned the practice of Chairs drafting texts -- including the text of a draft ministerial declaration to be transmitted to Cancun -- on their own responsibility "given the fact that the WTO is a rules-based Member-driven organisation". Aileen Kwa of the NGO Focus on the Global South expressed concern over that fact that Heads of Delegation (HOD) meetings currently taking place were informal, with no formal records. As a model for a new decision-making system, Martin Khor of the Third World Network suggested the UN, where decisions are reached through a more transparent and democratic decision-making process, including on sensitive political issues.

A WTO spokesperson responded by noting that, "all Members had an equal voice and could block any decision by refusing to approve it".

At the GC, Members expressed diverging views. Morocco, speaking for the African Group, said it welcomed the "transparent and inclusive" ongoing negotiations, though it stressed the centrality of development to the current round. India welcomed the draft ministerial text and the transparent procedure for moving ahead in negotiations, noting that the transmission of documents "should be a Member-driven and Member-owned process". Nigeria said it was encouraged by the transparency of the process so far, while the EU said a mix of open and closed meetings made the process workable. China said the draft text reflects the current reality in negotiations, and suggested including a section on the assessment and evaluation of past mistakes. The US called for more focus on a post-Cancun work programme in the text. Brazil noted that decision-making time was drawing closer and said success or failure would depend on how development aspects were addressed.

ICTSD reporting; "NGOs launch campaign for democracy at WTO," SUNS, 22 July 2003; "NGOs say WTO shuts out poor nations, needs reform," REUTERS, 23 July 2003.

WTO MEMBERS REMAIN DIVIDED OVER SINGAPORE ISSUES

The WTO working groups on the so-called 'Singapore issues' of investment, transparency in government procurement, competition policy and trade facilitation submitted their respective reports to the WTO General Council (GC) on 24-25 July. The reports contained procedural information on the working groups' activities (sources and materials used, meetings held and cooperation with other intergovernmental organisations) as well as a substantive discussion on elements. While outlining various Members' views on the way forward, the reports did not contain any conclusions or recommendations with regard to whether negotiations should be launched at the WTO's fifth Ministerial meeting in Cancun in September. The process toward Cancun was also discussed at the GC.

Divergences persist in informal consultations process

During an informal consultation process on the Singapore issues in the lead-up to the GC, existing differences between Members persisted. Four "Friends of the Chair" -- namely, the Chairs of the working groups on investment (Ambassador Luiz Felipe de Seixas of Brazil), competition policy (Frederic Jenny of France), transparency in government procurement (Ambassador Ronald Saborio Soto of Costa Rica) and trade facilitation (Ambassador Milan Hovorka of the Czech Republic) -- convened the informal consultations. These "Friends" had been appointed by GC Chair Carlos Perez del Castillo of Uruguay at an informal Heads of Delegation (HOD) meeting in early June to assist in consulting Members on the Singapore issues. According to trade sources, consultations on competition, trade facilitation and transparency in government procurement involved smaller initial meetings with both proponents and opponents of negotiations, followed by larger meetings with additional Members. Meetings gathering opponents, proponents and 'neutral' or 'undecided' Members were convened separately on investment.

During these informal meetings, there was no agreement on modalities -- setting out the framework for negotiations -- that could trigger negotiations on the Singapore issues at Cancun. Perceptions among Members differed, with demandeurs for negotiations, notably the EU, claiming that modalities only needed to be procedural in nature. The EU also insisted that the Singapore issues were part of the single undertaking, i.e. the full package of negotiations agreed at Doha. On the other hand, most developing countries felt that modalities must involve substantive issues, including definitions and the nature of obligations involved. This

view was reflected in a submission by twelve developing countries (see BRIDGES Weekly, <http://www.ictsd.org/weekly/03-07-17/wtoinbrief.htm#1>) stressing that the Doha mandate referred to a clarification process that had not been completed owing to a wide divergence of views. Members have further been unable to decide whether to address the four issues separately or as a package.

Draft ministerial text sets out options on Singapore issues

The recently released draft text of a Cancun ministerial declaration (see http://www.ictsd.org/issarea/development/resources/16-07-03_S&D-text.pdf) "takes note of the work done" by each of the working groups as well as "the work on the issue of modalities carried out at the level of the General Council..." It further provides, in square brackets, two options: "we adopt by explicit consensus the decision on modalities of negotiations set out in document..."; or simply "we decide that," assuming no negotiations would be launched. The modalities document mentioned in the bracketed text would be drawn up later.

GC discussions reveal divergences

In discussions on the reports, as they were delivered to the GC, some Members said they felt that the reflection on progress in the reports was "subjective". The Philippines said that the sections on discussion of potential modalities did not necessarily reflect the views and needs of all Members.

GC Chair Perez del Castillo stressed that the future fate of the Singapore issues depended on progress in other areas, such as agriculture and S&D. "I'll be very honest, I think the fate of the Singapore issues are very much linked to the package that we will be able to bring to Cancun," he said. "If it is a decent package, I think the Singapore issues will have much better prospects than in the absence of a package, in which case I would say they have no prospect whatsoever". He also said he would circulate a first draft of negotiating modalities after 18 August, to gauge reactions and responses from Members and explore whether a deal could be possible.

Members will meet in daily HOD meeting after a two-week recess, covering all key negotiation areas, including the Singapore issues.

GC reports on the Singapore issues

The report of the Working Group on Trade and Investment (WT/WGTI/7) outlines technical assistance activities, and describes the main views expressed by Members on scope and definition, transparency, development provisions, non-discrimination and modalities for pre-establishment commitments, balance-of-payments safeguards, investors' and home governments' obligations, and the relationship between a multilateral framework on investment and the General Agreement on Trade and Services (GATS). The report also highlights written submissions and discussions of a more general nature, noting divergences over whether or not negotiations should be launched.

The report of the Working Group on Trade and Competition Policy (WT/ WGTCP/7, searchable at <http://docsonline.wto.org>), seeks to capture some of the key views expressed in discussions in the Working Group on a possible multilateral framework on competition policy. Discussions included consideration of pros and cons of a multilateral framework on competition policy; the potential scope and application of core principles; implications for national industrial and other policies; the harm caused by international cartels; the nature and scope of possible modalities for cooperation; and alternative approaches to cooperation on competition policy. The report also includes views expressed on the nature and scope of possible compliance mechanisms, including alternative approaches to the WTO dispute settlement understanding (DSU).

The Trade Facilitation section contained in the Update to the 2002 Report of the Council for Trade in Goods (G/L/637) outlines views expressed by Members in this area, noting broad agreement among Members on the importance of trade facilitation. The report highlights many Members' reservations and calls for further clarification and concerns about the feasibility of Members adopting measures in this area due to their varying levels of development. Highlighting the importance of technical assistance, including in infrastructure, many Members had called for a flexible approach, and potential commitments featuring broad objectives, non-binding guidelines and special and differential (S&D) treatment for developing countries.

The report of the Working Group on Transparency in Government Procurement (WT/WGTGP/7) provides an overview of substantive work undertaken, highlighting discussions on transparency-related provisions in existing international instruments on government procurement and national procedures and practices and on the nature of a potential multilateral agreement. The report reveals a divergence of views among

Members, especially as regards whether the pre-conditions for negotiations, including consensus on modalities, has been achieved.

ICTSD reporting; "Same Differences Among Countries Maintained In Informal Consultations On Singapore Issues, But Will These Be Reflected In Draft Cancun Declaration?," TWN, 16 July 2003; "WTO General Council 'Cautiously Optimistic' About Deal on Ag Modalities at Cancun Talks," WTO REPORTER, 28 July 2003.

OTHER NEWS

COTTON & SPECIAL PRODUCTS CROP UP IN WTO AGRICULTURE GROUP

At an 18 July formal special (negotiating) session of the WTO Committee on Agriculture (CoA), Cairns Group member the Philippines -- on behalf of a coalition of 16 developing countries -- presented a Statement and Declaration emphasising that agreement on agricultural modalities was not possible if the concept of special products and a new special safeguard mechanism were not included as integral parts of the market access package.

Also at the meeting, Benin -- a signatory of a proposal on cotton put forward by a group of four West and Central African (WCA) countries (see BRIDGES Trade BioRes, 2 June 2003, <http://www.ictsd.org/biores/03-06-02/story1.htm>) -- presented further details on the proposed financial compensation to be paid to least developed countries (LDCs) until cotton subsidies were phased out worldwide.

In related developments, the eagerly awaited Draft Cancun Ministerial text circulated to Members on 18 July contains a passage under which Members could agree to adopt agriculture modalities at Cancun, as well as to agree on a new deadline for submitting initial agricultural offers (see related story, this issue).

Meanwhile, the two key players in the agriculture talks - the EU and the US -- are reportedly engaging in constructive talks aimed at overcoming the significant differences in their positions. While Members are generally pleased about this much-needed dialogue between Washington and Brussels, some are worried that the two countries might confront Ministers in Cancun with a bilateral "fait accompli" deal. The EU has made it clear that it would only use the new leeway to

negotiate gained through reform of its Common Agriculture Policy (see BRIDGES Weekly, 3 July 2003, <http://www.ictsd.org/weekly/03-07-03/story1.htm>) if the US agreed to reform its export credit and food aid regimes.

Group forwards ideas on special products, safeguard mechanism

At the formal plenary session, the Philippines -- on behalf of an alliance of 16 supporters of the concept of special products and a new special safeguard measure for developing countries -- presented a Statement and Declaration to the CoA session (not yet derestricted). While both elements are currently included in the draft agriculture modalities proposed by CoA special session Chair Stuart Harbinson (see BRIDGES Weekly, 12 January 2003, <http://www.ictsd.org/weekly/03-02-13/story1.htm>), Latin American Cairns Group members and many developed countries remain sceptical about this approach.

A designation of 'special products' would allow developing countries to make very modest cuts on certain identified products, while a special safeguard mechanism for developing countries would allow them to react to import surges or swiftly falling prices on certain products.

In the joint statement, the 16-country alliance argued that WTO agriculture rules would unfairly favour richer countries, allowing them to distort international trade with billions of dollars in farm subsidies, while shutting developing country producers out of competition and putting Southern domestic markets under "increasing distress". While tariffs remained the only recourse open to developing countries to defend and protect their farmers, they were at risk of losing even this instrument in the process of "unbridled trade liberalisation," the group said.

The alliance therefore declared that "no agreement in the modalities of the agriculture negotiations can ever be viable without these two elements [i.e. special products and a special safeguard mechanism] together as a package in the market access pillar". The group further reiterated that every developing country needed to be allowed to determine and declare its special products independently and that it could only be the number of these that was negotiable. On the safeguard measure, the countries emphasised that the new mechanism would need to be an improvement over the existing special agricultural safeguard (SSG), and that it -- as part of special and differential treatment (S&D) -- should only be open to developing countries.

The alliance includes Cuba, the Dominican Republic, Honduras, India, Indonesia, Kenya, Mauritius, Nigeria, Pakistan, Panama, Peru, Philippines, Turkey, Uganda, Venezuela, and Zimbabwe.

Progress on WCA cotton

Also on 18 July, Benin presented studies showing that export losses caused by global cotton subsidisation would total about USD 250 million in poor countries, rising to USD 1 billion if losses incurred by people living indirectly from cotton production were factored in. Benin therefore proposed that the countries providing cotton subsidies would share the bill for compensation in accordance with their share of support. Benin, together with three other West and Central African LDCs -- Burkina Faso, Chad and Mali -- had earlier tabled a proposal (TN/AG/GEN/4) blaming subsidies in large cotton producing countries for declines in world cotton prices and displacing the highly competitive, non-subsidised cotton production in West / Central Africa (see BRIDGES Weekly, 4 June 2003, <http://www.ictsd.org/weekly/03-06-04/story3.htm>).

According to data presented in the African submission, some USD 6 billion are being provided each year in support to the international cotton sector, with about USD 3.7 billion paid by the US, USD 1.2 billion by China and USD 700 million by the EU. The group of African countries therefore called for an "early harvest" decision to be made in Cancún to phase out all cotton subsidies and domestic supports by 2006, with compensation paid to LDCs during the transition period.

During the CoA meeting, many African countries, as well as Pakistan and Norway, made supportive comments on Benin's intervention. New Zealand cautioned that those countries reducing cotton support should not be allowed to reallocate the saved money to other products. Australia further suggested that the approach proposed by the WCA countries could also be used for sugar and processed products derived from coffee, tea and cocoa. However, Australia added that it could accept the proposal for cotton alone if an expansion to the other products overloaded the debate. The EU, however, said it was not in favour of measures that only applied to selected products. Notably, the US did not speak, although it had previously argued that multilateral commitments were needed and that an ambitious US farm reform proposal would be enough to address cotton subsidies.

This was the last scheduled CoA negotiating session before the Ministerial Conference, to be held from 10-14 September in Cancun, Mexico. The next CoA special session is scheduled for 6-9 October. Nevertheless, in the lead-up to Cancun agriculture

negotiations will continue at the General Council and informally.

Further resources:

"Poverty Reduction: Sectoral Initiative in Favour of Cotton," Joint Proposal by Benin, Burkina Faso, Chad and Mali, downloadable at: <http://www.ictsd.org/issarea/ag/resources/index.htm>.

ICTSD reporting; "Ministerial: EU officials says 'substantive talks' underway with US on Cancun preparations," WTO REPORTER, 23 July 2003.

EARLY HARVEST ON S&D MAY HAVE TO WAIT UNTIL CANCUN

On 17 July, General Council Chair Ambassador Pérez del Castillo (Uruguay) circulated an updated list of proposals aimed at strengthening special and differential treatment (S&D) provisions for developing countries. This updated list (available at http://www.ictsd.org/issarea/development/resources/16-07-03_S&D-text.pdf) deals with the first category of proposals offered by the General Council Chair (i.e. those proposals targeted for possible agreement at or before the 10-14 September Cancun Ministerial Conference) in an attempt to overcome the long-standing impasse on the S&D review (see BRIDGES Weekly, 17 July 2002, <http://www.ictsd.org/weekly/03-07-17/story4.htm>). While Chair Pérez del Castillo had hoped to offer a package of proposals for adoption at the 24 July General Council session, a lack of consensus led him to postpone this move in hopes of offering a "better" package either before or at the Cancun Ministerial.

Latest language -- Category I

This latest list, put together with the help of a 'Friends of the Chair' group comprising Brazil, Kenya, Bangladesh, the US, EU and Norway, offers revised language on the majority of the 24 proposals in Category I that as of early July had yet to be agreed upon, including one new proposal from Paraguay related to waivers. It essentially divides these remaining proposals into six subcategories. The first (A) includes those proposals on which Members have essentially already 'agreed to' in principle (although a number of developing country delegates have expressed reservations on them being agreed outright). The second (B) is further sub-divided into i) proposals on which there is an agreement in principle; ii) proposals on which there appears to be an agreement, but where minor adjustments are required; iii) proposals on which an agreement seems close, but further work needs to be done; and iv) proposals that

the Friends of the Chair consider should be withdrawn. On this latter sub-category, one Africa Group delegate insisted that the title used was misleading, as the proposals here had merely been "set aside for now, and were certainly still on the table". The final subcategory (C) includes those proposals "considered in the regular process of consultations [...]".

Curiously, the latest text appears to be missing a proposal regarding flexibilities for least-developed countries (No. 38 in the 5 May text, see <http://www.ictsd.org/issarea/development/resources/Latest-SDT-proposals.pdf>). Attempts to confirm whether this was indeed a decision made by consensus or simply a clerical error could not as yet be confirmed.

Process

As mentioned above, initially the aim was to put forward a package of 'Category I' proposals for 'early harvest' (i.e. early agreement) to be adopted at the 24 July General Council session. Towards that end, the diverse sub-group 'B' of proposals were taken up for redrafting by the Friends of the Chair. These were then revisited, along with the others still under consideration, in the morning of the 21 July Heads of Delegations (HOD) meeting, and again at a Friends of the Chair session on 23 July. Pervasive differences of opinion, however, could not be bridged.

Despite being part of the Friends group, Kenya reportedly raised the concern that some of the proposed texts did not properly reflect the discussions that had been held in the Friends meetings. Another participant reported a fairly consistent "four against two", with Brazil often siding with the developed countries. This positioning, the source continued, was also the case on the latest cross-cutting stumbling block to arise -- the insistence that no automatic flexibilities, exceptions, and/or assistance to developing countries should be granted.

Kenya was also reported to have commented that many of the proposals failed to fulfil the objectives of the original submissions. To that effect, one developing country delegate said that "[we] would almost be better off forgetting about the 'agreed' proposals in group A", as they offered very little in terms of meaningful economic benefit. Another trade source concurred, adding that the net effect could be "very negative" if taking into account the potential costs that developing countries may have to pay in Cancun for the adoption of these S&D proposals (vis-à-vis trade-offs elsewhere in the work programme).

Thus with the cavernous gap seeming too large to overcome, at least for now, the move to offer an early

harvest was postponed to late-August (as part of the resumption of the 24 July GC session, see related story, this issue), or the Cancun Ministerial itself. Noting the constant and considerable difficulties Members have faced in this review to strengthen S&D provisions, one trade source following the discussions "wished [Chair Pérez del Castillo] luck in getting a package together before Cancun."

Category II

Of the other 38 proposals sent to relevant WTO subsidiary bodies -- which are to report back to the GC just prior to Cancun, with possible additions to the early harvest -- the Chairs of the relevant bodies made mostly oral reports to the 24 July General Council meeting (see related story, this issue). One observer summed up the progress as "nothing concrete". Four formal reports (out of a possible nine) were submitted (available at <http://docsonline.wto.org>) -- Agriculture (G/AG/17 & TN/AG/11), Trade-Related Investment Measures (TRIMs) (G/L/638), and Rules (TN/RL/7) -- none of which indicated any substantial progress.

Category III

There has also been little progress made on the twelve proposals that are to be taken up by the General Council Chair before Cancun. As far as one developing country delegate was aware, "not a single discussion on category III proposals had taken place so far."

Where to now...

General Council Chair Pérez del Castillo will continue his consultations towards finding an acceptable initial package of proposals to strengthen WTO provisions on S&D after the WTO's two-week break (ending August 11). Any such package would be offered for adoption at the resumed General Council meeting in late-August (see related story, this issue), or at the Ministerial in Cancun.

ICTSD reporting; "Cancun 2nd Draft on 22 Aug, Clash on process issues at WTO HOD meeting," TWN, 24 July 2003.

SMALL STATES CAST FOR FISHERIES SUBSIDIES EXCEPTIONS IN WTO RULES TALKS

The WTO Negotiating Group on Rules met from 21-22 July, where it considered, inter alia, a submission by small island and coastal states on fisheries subsidies and two proposals on anti-dumping (AD), one jointly

submitted by the EU and Canada and one by New Zealand. The fisheries proposal -- the first of its kind in the negotiations from a cohesive group of developing countries on this issues -- advocates for exceptions from fisheries disciplines relevant to small fishery-dependent states. The anti-dumping papers focus on cost saving measures in anti-dumping investigations and further transparency in the WTO Agreement on Anti-dumping.

S&D perspective on fisheries subsidies

Eight "small vulnerable coastal states", including Antigua and Barbuda, Belize, Fiji Islands, Guyana, the Maldives, Papua New Guinea, Solomon Islands, St Kitts and Nevis, submitted a new proposal on fisheries subsidies to the Negotiating Group (TN/RL/W/136, searchable at <http://docsonline.wto.org>). The proposal followed earlier submissions by the US, EU and Chile, as well as a background paper by a group of "Friends of Fish" that includes the US, Argentina, Chile, Iceland, New Zealand, Norway and Peru (see BRIDGES Weekly, 25 June 2003, <http://www.ictsd.org/weekly/03-06-25/story4.htm>). The proposal aims to address the sustainable development concerns of small vulnerable states -- noting the relatively high dependence of their populations on fisheries -- and to operationalise proposals on special and differential treatment (S&D) for developing countries in this area. It outlines three categories of fisheries activities relevant to the small coastal states: revenue generation from access fees for distant water fleets; domestic and foreign fishers operating for export in the waters of the small coastal states; and artisan fishery operations for both domestic and export markets.

On access fees, the proposal notes that in coastal states with a substantial surplus of fish, access fees generate important revenue and are often accompanied by development assistance. The submission therefore proposes that access fees and development assistance be explicitly excluded from the definition of a subsidy. On fishing operations for export, the proposal expresses concern over the potential impact of any new disciplines on activities "geared toward domestic processing and subsequent export," as the coastal states have developed this sector to use their own marine resources for development purposes -- often in strategic partnership with distant fishing water nations. In this process, they have offered incentives, and they stress that incentives applied by small vulnerable coastal states for the development and domestication of their fisheries should be excluded from the definition of subsidy. The same holds true for measures undertaken by governments of small vulnerable coastal states to assist their artisanal fisheries sectors. The proposal considers these exclusions appropriate S&D in the

framework of the current negotiations on fisheries subsidies disciplines.

At the meeting, New Zealand, Australia, the EU, Barbados and Japan supported the inclusion of a development dimension in the talks. The US and Mauritius expressed their interest in working along the lines of the proposal. Australia, on the other hand, felt more appropriate ways of dealing with S&D existed than through the focus on subsidy definitions.

EU, Japan propose AD cost saving measures

The EU and Japan submitted a joint proposal on cost saving in anti-dumping and countervailing duty investigations and measures (TN/RL/W/138), identifying "disproportionate information requirements by investigating authorities, inadequate procedural rules, unclear substantive rules and substantive rules granting too much discretion to investigating authorities" as cost drivers. Responding to these problems, they suggest measures such as: standardisation of procedures and documents, including standard questionnaires and standard rules for on-spot verifications; new procedural rules with a direct cost saving effect, including shorter investigation times and mandatory deadlines for reviews; and more operational substantive rules for the core areas of the anti-dumping agreement (ADA). In response, Korea and Chinese Taipei welcomed the idea of a standardisation of procedures, and Norway stressed that disproportionate information and other requirements indeed "were a source of major abuse and trade harassment".

Japan, but not the EU, is part of a group of "Friends of Antidumping Negotiations" that want to change WTO rules to prevent abuse of AD measures and burdensome or unnecessary investigations. The US, on the other hand, wishes to maintain maximum flexibility in the use of trade remedies and focuses on closing loopholes in the existing ADA.

New Zealand stresses transparency in the AD Agreement

Also at the meeting, New Zealand stressed the role of transparency in the anti-dumping agreement (TN/RL/W/137), noting the need for a "multi-faceted approach that looks at underlying systems, attitudes to transparency, capacity difficulties, and does not necessarily focus simply on the development of new prescriptive rules which may be binding". The proposal suggests the development of a guide to best practice options for implementing transparency provisions in the ADA, potentially in a new "transparency working group" under the Negotiating Group on Rules, or by the Secretariat or external consultants.

A number of delegates said they agreed on the importance of transparency. Canada and the EU supported the idea of a best practice guide. Barbados, however, stressed the importance of allowing Members "a certain level of flexibility" in this regard. Canada supported the idea of a transparency working group, while Australia, Costa Rica and Brazil wanted the matter to be addressed in the Negotiating Group. Chile drew delegates attention to the fact that a transparent system still could remain unfair, and said that improving transparency thus should only complement other substantive improvements to the ADA.

This meeting was the final scheduled session of the Negotiating Group prior to the WTO fifth Ministerial in Cancun in September, where ministers are to take stock of progress in the negotiations and provide any necessary guidance.

ICTSD reporting.

EU BLOCKS SUGAR PANEL AT DSB MEETING

At a meeting of the WTO's Dispute Settlement Body (DSB) on 21 July, the EU blocked a request by Australia, Brazil and Thailand for the establishment of a panel to rule on complaints against its sugar regime (see BRIDGES Weekly, 17 July 2003, <http://www.ictsd.org/weekly/03-07-17/story5.htm>). The challenge focuses on export subsidies provided by the EC to its sugar industry in excess of its reduction commitments made under the WTO.

A delegate from one of the complainant countries stressed that the dispute did not challenge the EU's special arrangement for imports of raw sugar from African, Caribbean and Pacific (ACP) countries. Rather, the real issue was the removal of distortions protecting and promoting EU producers, and practices inconsistent with the EC's reduction commitments, as the EU was subsidising exports of sugar equivalent to the quantity of sugar it imported from ACP countries, without including these subsidies in its reduction commitments. According to the delegate, removing these distortive measures could help other sugar exporters compete in world markets and increase market access to the EU, including for other developing country producers that are outside the EU's preferential import quotas. A second request, expected at the next DSB meeting in August, will automatically lead to the establishment of a panel.

Also at the meeting, Australia blocked a request from the Philippines for a panel on Australian quarantine

measures restricting the import of fresh fruits and vegetables from that the Philippines.

The meeting decided to establish a panel at the request of Antigua and Barbuda to rule on allegedly unfair restrictions by the US on internet gambling.

A panel was also established, at the request of the EU, to rule on preferential loans and refund guarantees by Korea to clients of shipbuilders as well as corporate restructuring subsidies and tax- concessions to the companies themselves. Korea argued that the restructuring measures were part of an IMF-backed financial reform programme that was not company- or sector-specific. Korea contends that the strong market position of Korean ship-builders is driven by efficiency, lower production costs and devaluation of the Korean currency following the financial crisis in the late 1990s.

To the surprise of some observers, the US did not request a panel on its challenge against an EU moratorium of genetically modified organisms at the DSB meeting (see BRIDGES Weekly, 14 May 2003, <http://www.ictsd.org/weekly/03-05-14/story1.htm>). The next opportunity will be at the next DSB meeting scheduled for 29 August.

Links to additional information

Oxfam report on EU sugar subsidies:
<http://www.oxfam.org.uk/policy/papers/27sugar/27sugar.pdf>.

ICTSD reporting.

Some developing countries, mainly from Latin America and Asia, favoured joint recommendations or principles with the possibility of developing a legally binding treaty. These countries also called for language stating that WIPO's work should not preclude outcomes of other negotiations. The African Group, however, opposed the latter proposal and insisted on a mandate to negotiate a legally binding treaty within the next two years. The US strongly resisted any reference to a legally binding instrument. In the end, the Committee ran out of time and discussions had to be postponed until September. Describing the meeting as "confusing and messy," one trade source noted that members appeared willing to come to an agreement and would likely have done so had they been given the time, and had the WIPO Secretariat put more pressure on them. Another source speculated that countries were unwilling to agree on a weak mandate simply for the sake of consensus, opting instead to leave the decision to the Assemblies where they might have a stronger negotiating position.

ICTSD reporting.

EU BIOTECH REGULATIONS SET TO ENTER INTO FORCE

After being adopted by the European Parliament on 2 July (see BRIDGES Trade BioRes, 11 July 2003, <http://www.ictsd.org/biores/03-07-11/story1.htm>), the European regulations on traceability and labelling of genetically modified food and feed received the final nod from the European Council of Ministers on 22 July. The regulations were adopted with all the amendments proposed by the Parliament, including language to allow EU member states to impose "appropriate measures" to avoid the unintended presence of GMOs in other products ("co-existence"). Luxembourg, the UK and Denmark voted against the regulations. The legislation will enter into force 20 days after publication in the Official Journal of the EU. Operators have to comply with the new provisions on labelling within six months of the date of publication. While the European Commission has repeatedly said that the de facto moratorium on the approval of new GMOs would be lifted once the regulations entered into force, it remains unclear whether the US and others would drop their WTO challenge even if approvals resumed.

In related developments, the European Commission on 23 July released Guidelines for the development of national strategies and best practices to ensure the co-existence of GM crops with conventional and organic farming. The guidelines are available at <http://www.euractiv.com/ndbtext/biotech/gmcoexistenc e-gl.doc>.

IN BRIEF

WIPO IPR/TK COMMITTEE CLOSES WITHOUT AGREEMENT ON MANDATE

The WIPO (World Intellectual Property Organization) Intergovernmental Committee on Intellectual Property and Genetic Resources, Traditional Knowledge and Folklore closed its 7-15 July meeting -- the last session under the current mandate -- without agreement on the future mandate of the Committee. The matter will now be discussed at the WIPO Assemblies on 22 September - 1 October. Developing countries were generally in favour of a mandate to develop an international regime for the protection of genetic resources, traditional knowledge and folklore, although countries differed on the legal nature of such a regime.

"European legislative framework for GMOs is now in place," EU PRESS RELEASE, 22 July 2003; GMOs: Commission publishes recommendations to ensure co-existence of GM and non-GM crop," EU PRESS RELEASE, 23 July 2003.

US-AUSTRALIA FTA TALKS ENTER MARKET OFFER PHASE

On 23 July, approximately 100 US and Australian trade negotiators met for a week in Hawaii to exchange their market access offers for the proposed free trade agreement (FTA) between their two countries. Australia's chief trade negotiator, Stephen Deady, called for a firm commitment to the timetable for a deal between the countries on agriculture. He said a free trade deal would yield USD 2.5 billion per year to Australia if the US agreed to further open its agricultural sectors -- especially its beef, dairy and sugar industries -- to Australian imports. However, some Australian civil society groups expressed concern about the potential impact of the FTA, both in the farming sector and with regard to investor rights giving corporations the right to sue governments over regulations. "If an Australia-US Free Trade Agreement is to include provisions similar to those of the North American Free Trade Agreement (NAFTA), the almost inevitable outcome will be a reduction in the capacity of all levels of Australian government to regulate," said the convenor of the Australian Fair Trade and Investment Network (AFTINET), Pat Ranauld. The free trade deal is scheduled to be completed by the end of the year.

In related news, the US House of Representatives approved the FTAs the US has recently concluded with Singapore and Chile on 24 July, and the US Senate may vote on them as soon as next week.

"Australia: Opposition Mounts to Free Trade Deal with US," ONEWORLD, 23 July 2003; "US-Australia free trade negotiations enter crucial phase," ABC RADIO AUSTRALIA NEWS, 18 July 2003.

FTAA MEET TAKES STOCK OF PROGRESS, SEEKS TO FORGE COMMON VIEW

The Free Trade Area of the Americas (FTAA) Trade Negotiations Committee (TNC) convened in El Salvador from 7-11 July to discuss visions for the proposed FTAA and the status of the FTAA process. The goal of the meeting was to forge a common view of what the FTAA should ultimately look like. According to a senior US trade official, the TNC meeting provided an opportunity to address the challenges before a

November meeting of hemispheric trade ministers in Miami. He said market access discussions -- negotiations that set the schedule for tariff reductions -- have progressed well, while negotiations in the areas of services, investment and government procurement have slowed due to a lack of engagement on the part of Brazil and Argentina. "Those negotiations continue but, it would be obviously a lot better if Brazil and Argentina were playing a more active role there," the trade official said. Brazil has proposed liberalising hemispheric trade by dividing negotiations into regional, hemispheric and global talks. However, the official said US negotiators had rejected the proposal, warning that such an approach could "balkanise" the FTAA. Trade officials also discussed a Hemispheric Cooperation Program aimed at strengthening the ability of the region's smaller and less developed economies to participate in FTAA talks and to benefit from hemispheric trade.

"Hemispheric Trade Officials Seek to Forge Common View on FTAA", WASHINGTON FILES, 17 July 2003; "US Official: Some Countries Moving Slowly In FTAA Talks", DOW JONES BUSINESS NEWS, 17 July 2003.

US TARIFFS ON VIETNAMESE CATFISH THREATEN TRADE RELATIONS

A decision of the US International Trade Commissions (ITC) to allow new duties of 37 to 64 percent to be imposed on Vietnamese catfish imports is threatening to block one of the few products in which the impoverished nation enjoys a comparative advantage. Examining a claim by US catfish producers, The ITC determined on 23 July that Vietnamese catfish farmers were selling frozen fish fillets at unfairly low prices, threatening American producers. This decision clears the way for the US Department of Commerce to impose anti-dumping tariffs from mid-August on Vietnamese tra and basa catfish shipped to the US. The dispute between the two countries is expected tarnish their trade relations, raising concerns in Vietnam that the ruling could set a negative precedent for future trade, including products of even greater economic importance to the country, such as shrimp. Vietnam, which is not yet a WTO Member, will not be able to challenge the duties through WTO dispute settlement procedures.

"The great catfish war," NYT, 21 July 2003; "Vietnam loses tariff, fears America will target shrimp market next," AP, 25 July 2003.

NEW UN TASK FORCE ON GENDER AND TRADE

A new UN inter-agency task force on gender and trade held its first meeting from 17-18 July in Geneva, Switzerland. Created in February 2003 by the Inter-Agency Network on Women and Gender Equality, the task force aims to sensitise policy makers to gender and trade issues, and to promote gender perspectives in national and international policies, global economic processes and trade agreements. It is headed by UNCTAD, and also includes the FAO, ILO, the Office of the High Commissioner for Human Rights, UNDP, UNEP, the UN Industrial Development Organisation (UNIDO), UNIFEM, UN regional commissions, the World Bank and the WTO. According to UNCTAD officials, the gender issues related to trade have taken on increasing importance among policy makers. The role women play in the economy has become a significant variable -- they are a source of inexpensive, low-skilled labour in export sectors such as clothing, electronics assembly and non-traditional agricultural exports. UNCTAD officials also mentioned current difficulties women face: labour market liberalisation and "flexibilisation" lead to job insecurity and reliance on part-time jobs. This situation mainly threatens women, and tends to reinforce the gender division of labour. The task force challenged participants to empower women and to make trade supportive of gender equality. Several activities will be undertaken under the auspices of the task force, including socioeconomic analysis of the linkages between trade and gender, capacity-building, and publication of studies.

"U.N. Gender And Trade Task Force Begins Work," UNCTAD RELEASE, 22 July 2003.

DELEGATES PREPARE FOR POPs CONVENTION ENTRY INTO FORCE

The Intergovernmental Negotiating Committee of the Stockholm Convention on Persistent Organic Pollutants (POPs) met for the last time -- assuming the Convention enters into force in 2005 -- in Geneva from 14- 18 July. The seventh meeting of the negotiating committee (INC-7) was attended by 400 delegates, and focussed on continuing international action on POPs and preparing for the first Conference of the Parties (COP), which will take place once the POPs Convention enters into force. The Convention is set to eliminate 12 toxic chemicals at first stage, and further chemicals can later be added. During the meeting, participants agreed on a standardised format for countries requesting specific exemptions from the treaty's ban on harmful POPs. Delegates further adopted interim guidelines for national implementation

plans for the treaty. However, the meeting failed to agree on the composition of a Review Committee overseeing changes to the list of banned chemicals. The debate focussed on keeping the size of the Review Committee manageable while ensuring geographic representation. Delegates also debated the status of observers in the Review Committee. The INC-7 meeting deferred a decision on the permanent home of the Convention Secretariat. Switzerland, Italy and Germany have submitted their candidacy. Delegates also briefly discussed cooperation with the WTO, with Canada introducing a draft decision requesting the Convention Secretariat to seek observer status in the WTO Committee on Trade and Environment. Argentina, Ecuador, Venezuela and Egypt however objected to the proposal as premature, and no action was taken. Since the Stockholm Convention's adoption on 22 May 2001, 151 countries have signed the treaty, and 33 have ratified it. The Convention is expected to enter into force sometime in 2005, 90 days after receipt of the 50th instrument of ratification.

"Nations Endorse Standardized Format For Seeking Exemptions to POPs Ban," BNA, 23 July 2003; "Summary of the Seventh Meeting of the Intergovernmental Negotiating Committee on Persistent Organic Pollutants," IISD's Earth Negotiations Bulletin, 21 July 2003; "Swiss want to host fight against 'dirty dozen'," SWISSINFO, 14 July 2003; "Stockholm Convention on POPs," UNEP, June 2001.

WTO IN BRIEF

NEW DEADLINE SET FOR DSU NEGOTIATIONS

WTO Members have agreed on an end-May 2004 deadline for reforming the Dispute Settlement Understanding (DSU). The special session of the Dispute Settlement Body (DSB) missed its deadline on 31 May this year for completing the reform (see BRIDGES Weekly, 4 June 2003, <http://www.ictsd.org/weekly/03-06-04/story2.htm>), and has been meeting informally since then. The new deadline was agreed at an informal meeting on 10 July, and formally adopted at the General Council at its 24-25 July meeting (see related story, this issue). Members had disagreed on the scope of negotiations. While a number of Members wanted to base negotiations solely on a text circulated by Chair Péter Balás (Hungary) in late May, the US and EU preferred to see some of their proposals included or better reflected in the text. Members ended up agreeing on

the latter option, leaving the text open to additional proposals.

ICTSD reporting; "WTO Members Set to Agree on May 2004 Deadline for Dispute Reform Negotiations," WTO REPORTER, 18 July 2003.

CAMBODIA'S TOUGH WTO MEMBERSHIP NEGOTIATIONS COMPLETED

The WTO working party handling Cambodia's membership negotiation on 22 July adopted its accession package, which contains Cambodia's commitments under various WTO agreements, and its promises on market access for goods and services. The US, India and Panama were the last Members to sign the bilateral agreements with Cambodia, following agreements with the EU, Japan and others (see BRIDGES Weekly, 15 July 2003, <http://www.ictsd.org/weekly/03-07-17/wtoinbrief.htm>).

The final decision approving Cambodia's membership will be made at the fifth WTO Ministerial Conference in Cancún on 10-14 September, and Cambodia will become a Member 30 days after ratifying the agreement. According to Working Party Chair Meloni and Cham Prasidh, Cambodian Minister of Commerce, the WTO membership will provide Cambodia the opportunity to fully integrate into the world economy. However, the Cambodian Minister stressed that the accession process had been difficult, and some observers commented that the package of concessions and commitments went far beyond what was commensurate with the level of development of an LDC like Cambodia. Indeed, the terms of accession accepted by Cambodia go beyond what applies to existing WTO LDC Members (See BRIDGES Monthly, June 2003, <http://www.ictsd.org/monthly/bridges/BRIDGES7-5.pdf>).

For example, Cambodia has committed to applying the Agreement on Trade-related Aspects of Intellectual Property Rights no later than 1 January 2007, while existing LDC WTO Members were granted a 10-year transition period for their introduction. In addition, Cambodia will bind its agricultural export subsidies at zero, and will not maintain or apply any export subsidies for agricultural products. After the approval of the final package, the Malaysian delegation expressed "deep regret" over the "onerous demands made by Members to acceding countries like Cambodia".

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: 28 July - 20 August

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>.

28 July, Santiago, Chile: SEMINAR ON EU-CHILE TRADE AGREEMENT. RIDES and Planistat-Luxembourg are organising a seminar to discuss the impacts and the opportunities of the EU - Chile Trade Agreement for sustainable development in the light of the results of the Sustainability Impact Assessment of the agreements carried out by the EU. For further information visit: <http://www.rides.cl/news.html#news1>.

28 July, Geneva, Switzerland: UNCTAD TRADE AND DEVELOPMENT BOARD. The main substantive items on the agenda for the 32nd executive session of the Board will relate to activities undertaken by UNCTAD in favour of Africa and preparations for UNCTAD XI. For further information contact the UNCTAD Secretariat, tel: +41 (0)22 917 49 77; fax: +41(0)22 917 0056; e-mail: correspondence@unctad.org.

28-30 July, Montreal, Canada: MINI-MINISTERIAL. This meeting, bringing together trade ministers from 25 WTO Members, will focus on paving the way for a deal at the WTO fifth Ministerial meeting in Cancun in September.

29-31 July, Geneva, Switzerland: UNCTAD EXPERT MEETING ON MARKET ACCESS ISSUES IN MODE 4 AND EFFECTIVE IMPLEMENTATION OF ARTICLE IV

ON INCREASING PARTICIPATION OF DEVELOPING COUNTRIES. The Expert Meeting will provide an opportunity for actors from public and private sectors, including trade negotiators, to explore different facets of mode 4 (Movement of Natural Persons to Supply Services) in an open debate at the international level in order to bring about a convergence of views on a set of options necessary to ensure further progress in GATS negotiations on mode 4 and to facilitate trade through this mode. The Meeting will examine the incidence and implications of international trade through the temporary movement of natural persons and its development impact and policy concerns, including what policies have to be pursued in liberalising market access. For further information contact the UNCTAD Secretariat, tel: +41 (0)22 917 49 77; fax: +41(0)22 917 0056; e-mail: correspondence@unctad.org.

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.

12&14 August, Geneva, Switzerland: WTO COMMITTEE ON BUDGET, FINANCE AND ADMINISTRATION.

13-15 August, Geneva, Switzerland: WTO NEGOTIATING GROUP ON MARKET ACCESS.

Other forthcoming events

4-5 November, London, England: DELIVERING CLIMATE TECHNOLOGY: PROGRAMMES, POLICIES AND POLITICS. This two-day international conference is being organised by the Royal Institute of International Affairs in association with the Carbon Trust. This year's Chatham House climate conference will address questions related to delivery of climate technology. It will provide an international forum for debate during a time when climate policy moves from general commitments to specific implementation. For further information and registration contact the RIIA Conference Unit, tel: +44 (0) 20 7957 5754; email: conferences@riia.org.

26-29 April 2004, Vancouver, Canada: IAIA'04: IMPACT ASSESSMENT FOR INDUSTRIAL DEVELOPMENT - WHOSE BUSINESS IS IT? This

24th Annual Meeting of the International Association for Impact Assessment (IAIA) will focus on the role of the private sector in impact assessments, including implications for improving the professional practice and processes of impact assessment. The IAIA'04 conference event offers an opportunity for experts, decision makers, industry, and professionals of different visions and expertise to explore this issue. For submission instructions or more information on IAIA'04 visit <http://www.iaia.org> or contact Bridget John, tel: +1.701.297.7908; email: bridget@iaia.org.

RESOURCES

BEHIND THE SCENES AT THE WTO: THE REAL WORLD OF INTERNATIONAL TRADE NEGOTIATIONS. By Fatoumata Jawara and Aileen Kwa (Zed Books, August 2003). This book on the politics of the WTO seeks to take the lid off how the WTO really works, and what really happened before, at, and after the Fourth WTO Ministerial Conference in Doha in 2001, on the basis of interviews with 33 Geneva-based delegates to the WTO and 10 Secretariat staff members. It reveals the systematic subversion of an ostensibly democratic system to ensure that the "agreements" that are reached are those the major powers - primarily the US and the European Union - want, irrespective of the views of interests of most developing countries, who form the great majority of the membership. For on-line ordering information visit: <http://www.zedbooks.demon.co.uk>.

WTO ANNUAL REPORT 2003. The annual report of the WTO focuses on the first full year of negotiations under the Doha Development Agenda. The report is comprised of four chapters that provide general information on the organisation, developments in the international trading environment, the WTO activities, and on the organisation, Secretariat and budget. The report in pdf format can be downloaded at: http://www.wto.org/english/res_e/booksp_e/anrep_e/anrep03_e.pdf.

THE TRIPS REVIEW AT A TURNING POINT? By Genetic Resources Action International (GRAIN), July 2003. The paper comments on two proposals aimed at adjusting the TRIPS life patenting regime. One comes from discussions at the WTO about disclosure of origin. The other comes from the Africa Group at WTO about traditional knowledge. In both cases, developing countries are on politically dangerous ground. The paper argues that, while there is broad consensus about the need to limit the incidence of biopiracy by introducing more checks and balances in IPR systems, there is also a very real risk that even limited reforms in this direction will serve to legitimise, expand and strengthen intellectual property rights on life. Local

communities who depend on biodiversity and traditional knowledge for their livelihood would be in a worse position than they are at present. The paper can be accessed at: <http://www.grain.org/publications/trips-july-2003-en.cfm>.

INVESTING IN DESTRUCTION: THE IMPACT OF A WTO INVESTMENT AGREEMENT ON EXTRACTIVE INDUSTRIES IN DEVELOPING COUNTRIES. By Jimmy Langman (Oxfam America, June 2003). With a view to the upcoming WTO Ministerial in Cancun -- where WTO Members will decide whether to launch negotiations on a multilateral agreement on investment -- the paper examines the impact a WTO investment agreement would have on extractive industries. According to the authors, an agreement of this kind could severely restrict regulation of extractive industries, resulting in potentially devastating consequences for poor people in developing countries. The paper can be accessed at: http://www.oxfamamerica.org/pdfs/bp1_destruction.pdf.

CAN LABOUR STANDARDS IMPROVE UNDER GLOBALISATION? By Kimberly Ann Elliott and Richard Freeman (Institute of International Economics, June 2003). Moving beyond the debate on the relative merits and risks of a social clause in trade agreements, the authors consider practical approaches for improving labour standards in a more integrated global economy. The book examines both what is being done in these areas, with a focus on the WTO and ILO, and what more needs to be done to ensure that steady and tangible progress toward universal respect for core labour standards is made. While concluding that the ILO should have primary responsibility for labour standards, the book suggests that the WTO should consider how to address egregious and wilful violations of core labour standards if they are trade related. For further information visit: http://www.iie.com/publications/bookstore/publication.cfm?Pub_ID=338.

"Strengthening linkages between international environment and trade regimes: some current literature and lessons learned". By Michael Moore in Policy Research Initiative Horizons 6 (2, 2003). This article is a summary of a paper presented at the Environment and Trade Symposium held in Ottawa on 20 February, 2003. It presents, in summary form, a review of current literature that discusses international linkages between environment and trade regimes.

ENERGY AND ENVIRONMENTAL SERVICES: NEGOTIATING OBJECTIVES AND DEVELOPMENT PRIORITIES. By the UN Conference on Trade and Development (UNCTAD), 2003. This publication analyses the negotiating positions of WTO Member

countries on energy and environmental services within the ongoing GATS negotiations. The book seeks to provide readers with a better understanding of what is at stake in the negotiations by highlighting the business trends, the major market players and the national strategies in these two service sectors, which have a huge economic value and immediate links with economic growth and investment, country competitiveness and, ultimately, sustainable development. For further information see: <http://www.unctad.org/Templates/webflyer.asp?docid=3341&intItemID=2068&lang=1>.

"The current round of agricultural trade negotiations: should we bother about domestic support?" By Allan N. Rae and Anna Strutt in the ESTEY CENTRE JOURNAL OF INTERNATIONAL LAW AND TRADE POLICY, (Volume 4, Nr 2. 2003). This paper analyses the impact that reductions in domestic support to farmers could have on agricultural trade. The authors conclude that substantial trade expansion and welfare gains can be achieved even when domestic support is excluded from the multilateral agreement. The paper states that improved market access makes a far greater contribution to welfare gains than do reforms to domestic policies. The paper is available at: <http://128.233.156.252/estey/>.

MULTILATERAL PUNISHMENT: THE PHILIPPINES IN THE WTO, 1995-2003. By Walden Bello (Focus on the Global South, June 2003). In this paper, the author asserts that the membership of the Philippines in the World Trade Organisation (WTO) and its implementation of trade agreements under the multilateral trading system has been an unmitigated disaster. The report traces the Philippine experience under the WTO starting with the Senate ratification debates in 1995 and the subsequent implementation of government policies and programs that opened up the local economy to global competition. The paper is available at: <http://www.focusweb.org/pdf/multilateral-punishment.pdf>.

BEYOND KYOTO: ADVANCING THE INTERNATIONAL EFFORT AGAINST CLIMATE CHANGE. By the Pew Centre of Global Climate Change, July 2003. The six "think pieces," by former negotiators and other climate experts from developed and developing countries, examine core challenges in mobilising an effective international response to climate change, including a paper on trade and climate -- potential conflicts and synergies. Working drafts of the papers are now available for review and comment (through September 1, 2003). The papers can be downloaded, and comments provided, at <http://www.pewclimate.org>.

POVERTY REDUCTION STRATEGIES IN LDCS: REPEATING PAST MISTAKES? By the UN Conference on Trade and Development (UNCTAD), 2003. The report provides an international comparative analysis of poverty in the LDCs. The report suggests that the full potential of the poverty reduction strategy paper (PRSP) approach to poverty reduction is not being utilised sufficiently and that the Highly Indebted Poor Countries (HIPC) initiative is half-hearted. It also argues that persistent poverty should not be dealt with by targeting the bottom 20 percent of the population of LDCs, but instead by raising the living standards of the majority. For further information contact Charles Gore, tel: +41 22 907 5944; fax: +41 22 907 0043; email: charles.gore@unctad.org; Internet: www.unctad.org.

CANADIAN DEVELOPMENT REPORT 2003: 'FROM DOHA TO CANCUN: DEVELOPMENT AND THE WTO'. By the North-South Institute (2003). The sixth edition of the Canadian Development Report (CDR) looks at multilateral trade arrangements from both the perspectives of the North and the South. It highlights relevant development issues such as those regarding market access and the WTO Intellectual Property Agreement (TRIPS) raised at the November 2001 WTO meeting in Doha, Qatar. The CDR 2003 features two essays that encourage readers to reflect on both sides of the coin. In addition, it includes up-to-date statistics and analysis related to social and economic indicators of developing countries along with statistics regarding the Canadian government's trade-related involvement with developing countries. For further information visit: <http://www.nsi-ins.ca/ensi/publications/cdr/2003/index.html>

CROSSROADS AT CANCUN: WHAT DIRECTIONS FOR DEVELOPMENT? By the Canadian Council for International Cooperation (CCIC), May 2003. According to this report, World's poor are on track to lose again at the World Trade Organisation's September 2003 Ministerial meeting in Cancun. The authors argue that Canada's official negotiating position is in direct opposition to the needs of poor countries, and that wealthy countries need to make a quick U-turn if the poor are to see any progress on development issues at Cancun. The report highlights five areas where a shift in Canada's trade position is needed in order to contribute to poverty eradication: no new issues for negotiations; agricultural trade rules; TRIPS and access to essential medicines and food security; public services in GATS; and democratising the WTO. A Cancun Briefing Kit is also available with a news release, key messages, an executive summary and five case studies. The report can be viewed at: http://www.ccic.ca/devpol/cancun/crossroads_at_cancun.htm.

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