



INTERNATIONAL CENTRE FOR
TRADE AND SUSTAINABLE
DEVELOPMENT

Bridges

Weekly Trade News Digest

15 October 2003

Volume 7 Number 34

LEAD STORIES

TRADE TALKS: CHAIR CASTILLO SETS OUT PROCESS FORWARD	1
G-20 MEETS IN BUENOS AIRES, CALLS FOR RESUMPTION OF TRADE TALKS	2
GATS: DISCUSSIONS CONTINUE WITHOUT A FINISH LINE ON THE HORIZON	3

OTHER NEWS

ASEAN MEMBERS AGREE TO DEEPEN INTEGRATION	3
CANADA TO AMEND PATENT ACT, ALLOW GENERIC MEDICINE EXPORTS	4

IN BRIEF

EU MOVES TO CONTROL ILLEGAL LOGGING	5
INDIA AND CHINA TO STRENGTHEN TRADE TIES	6
REPORT HIGHLIGHTS SUSTAINABLE COFFEE MARKET GROWTH	6
SUPERMARKETS - A NEW THREAT TO SMALL AFRICAN FARMERS	6
TRANSPARENCY INTERNATIONAL RELEASES CORRUPTION REPORT	7
CIVIL SOCIETY PROVIDES INPUT ON UNCTAD REPORT	7

WTO IN BRIEF

RUSSIAN IN TOUGH WTO ACCESSION TALKS WITH THE EU	7
SUB-COMMITTEE ON LDCS MOVES AHEAD WITH WORK PROGRAMME	8

EVENTS & RESOURCES

EVENTS	8
RESOURCES	11

LEAD STORIES

TRADE TALKS: CHAIR CASTILLO SETS OUT PROCESS FORWARD

WTO Members convened in a Heads of Delegation (HOD) meeting on Tuesday, 14 October, to consider the way forward after talks collapsed at the ministerial meeting in Cancun, Mexico, in September. Although the meeting was the first to be held at the level of heads of delegation, Director-General Supachai Panitchpakdi and the Chair of the General Council, Carlos Perez del Castillo, had already been holding informal talks to sound out Members on a way forward. In a green room meeting the week before, chaired by Supachai, Members had discussed the status of various possible draft texts that negotiations might proceed on the basis of, as well as the status of the so called Singapore issues of investment, competition, transparency in government procurement and trade facilitation.

Meanwhile, GC Chair del Castillo travelled to Washington, D.C, for several days last week to meet with US Trade Representative Robert Zoellick. He returned saying that he felt "relatively optimistic" about the prospects for restarting negotiations, but was aware of the fact that the US did not intend to function as a driving force behind them. The US has previously been explicit in explaining that it will move ahead with "will do" countries on a bilateral basis, leaving others behind. The EU has similarly indicated that it is in a listening mode, and will focus on examining its own trade policies rather than seek to generate more momentum into the Doha Round. While a group of 20 developing countries has stated its commitment to getting the talks back on track, the group has not come forth with any concrete proposals or positions (see related story, this issue).

Talks to focus on agriculture, NAMA, cotton and Singapore issues

At the HOD meeting, Supachai urged delegates to get the talks back on track, stressing that "time is not on our side. It will call for an effort from all sides and I appeal to everyone to contribute". All formal special negotiating sessions will continue to be suspended. Instead, Chair

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del Castillo will hold consultation on four key groups of issues -- agriculture, non-agricultural market access (NAMA), cotton and the Singapore issues. The first issue up for discussion will be agriculture, followed by similar discussions on the other three issues, with a second round of discussions aimed at "deepening the substantive negotiations". Thus, according to Chair del Castillo, the talks would be both "horizontal" and "integrated," with the four areas proceeding as a package. The consultations themselves will take a variety of forms, including both smaller and larger groups of countries. Chair del Castillo said he would ensure a transparent process.

At the HOD meeting, only a few Members took the floor. Mauritius, for the African Group, stressed the group's commitment to the negotiations, and its hope for a speedy resumption of talks. His thoughts were echoed by Benin, Morocco and Botswana, speaking for the group of African, Caribbean and Pacific countries, as well as by Bolivia.

Delegates will have to find a way forward by a 15 December senior officials-level session of the General Council, which is to take "necessary action" for Members to be able to conclude the round. The first post-Cancun General Council session is scheduled to meet from 21-22 October.

ICTSD reporting; "Del Castillo 'Optimistic' After Meetings In U.S. That WTO Talks Can Be Relaunched," WTO REPORTER, 10 October 2003; "WTO chief says time running to revive trade talks," REUTERS, 14 October 2003; "WTO Negotiators Look For A Way Forward After Cancun Mtg," AP, 14 October 2003.

G-20 MEETS IN BUENOS AIRES, CALLS FOR RESUMPTION OF TRADE TALKS

Members of the so called G-20 group of countries met on 10 October in Buenos Aires, Argentina, to discuss the group's post-Cancun agenda. While Argentina's foreign ministry had invited all 22 current and former members of the informal alliance of developing country WTO Members, only twelve countries -- including Argentina, Bolivia, Brazil, Chile, China, Cuba, Egypt, India, Mexico, Paraguay, South Africa and Venezuela -- signed the final political statement of the Group. In the document the alliance urges all WTO Members to "resume the task in Geneva in a constructive spirit on all of the issues of the Doha programme," while focusing "on those issues that are priorities for improving and elevating the standard of living in developing and less advanced countries". Moreover, the Group confirmed its commitment to continue the

agricultural reform process and to "achieve the total integration" of agriculture in WTO disciplines. In this context, the Brazilian Ambassador to the WTO, Luiz Felipe Seixas Correa, declared that the grouping was ready to resume negotiations on agriculture "at any time" in Geneva. In doing so, the Group was ready to use the agricultural framework text tabled at Cancun by Ministerial Conference Chair Luis Ernesto Derbez, which, however, was never discussed in detail. Also the EC and US had declared earlier at a 9 October informal WTO consultation that they would be prepared to use both the Derbez text as well as the one prepared by General Council Chair Carlos Perez Del Castillo as a basis for further discussion.

In Cancun, the G-20 had taken a very tough stance against the EU and US, insisting that the two would have to lower their farm support and protection much more than they had offered in their joint 13 August draft text on agriculture. According to observers of the negotiations, the Group's new, rather conciliatory tone pitched since it met in Argentina could be seen as a sign that the alliance is responding to the mounting pressure from the US and EC and the gradual diminution of the Group's membership. Since the 10 October Buenos Aires meeting, another three ex-G-21 members -- Costa Rica, Ecuador and Guatemala -- have reportedly left the grouping. Colombia and Peru had resigned from the alliance a week earlier (BRIDGES Weekly, 8 October 2003, <http://www.ictsd.org/weekly/03-10-08/story1.htm>), while El Salvador had left the Group already during the Cancun Ministerial. All of the six Latin American countries are in the process of negotiating free trade agreements with the US -- especially through the Central American Free Trade Agreement (CAFTA) initiative -- or are expected to do so in the future.

"Developing nations: Three more Latin American Countries defect from G- 21 Alliance on farm trade," WTO REPORTER, 15 October 2003; "Developing countries pledge to work for resumption of Doha trade talks," FT, 13 October 2003; "Central American nations accused of leaving G-22 under pressure," EFE, 11 October 2003; "Developing country trade group ready for new talks," REUTERS, 10 October 2003; "Developing nations Group affirms commitment to WTO process," DOW JONES, 10 October 2003; "Trade agreements: EU, Allies put brakes on push to re-start Doha round talks," WTO REPORTER, 10 October 2003.

GATS: DISCUSSIONS CONTINUE WITHOUT A FINISH LINE ON THE HORIZON

Two special (negotiating) sessions of the WTO Council for Trade in Services (CTS) were held on 6 October and 9 October, prior to a Heads of Delegation (HOD) meeting called by General Council Chair Carlos Perez del Castillo on the general process forward after the collapse of trade talks at a ministerial meeting in Cancun in September. Since Cancun, all negotiating sessions apart from those of the CTS have been suspended. According to a trade diplomat, the current CTS meetings "lacked luster," and basically covered routine items -- the 9 October meeting mainly focussed on a report by the OECD on the Assessment of Trade in Services. The major concern delegates expressed was related to a lack of clarity as to how negotiations should proceed. The HOD meeting reconfirmed that the regular CTS would meet as planned in December. No decision was taken on potential future negotiating sessions in the services area, as the HOD focussed on the most contentious issues in the trade round, such as agriculture.

Developments in the request-offer phase

In the services negotiations, Members are currently engaged in a request-offer phase for further market opening. While the original deadline for Members' submissions of initial offers in the services area was set for 31 March 2003, few countries submitted their offers within that timeframe. The offers received were mainly from developed countries, and a few other offers trickled in after the deadline (see Bridges WEEKLY, 2 April 2003, <http://www.ictsd.org/weekly/03-04-02/story2.htm>).

India, however, recently announced it was preparing to submit its initial offer. The Indian Commerce Ministry had finalised its internal consultations on an initial offers list, which was currently being vetted by India's WTO office and is expected to be submitted soon. According to sources, India is submitting offers in most areas except accountancy, legal services, post and courier services, retail and wholesale trading and franchising activities. Areas where offers are being made include communication, environment, health, education, recreation, culture, sports, business and tourism. One observer felt that this move by India might be seen as strategic, aimed to fend off suggestions that India, with the Group of 20 developing countries, stalled the Doha Round by refusing to move in Cancun. Submitting the services offer could, in that case, indicate that India is committed to moving ahead in the overall negotiations.

The next meeting of the CTS is scheduled for 1-4 December.

ICTSD reporting; "India Readies Services List For WTO Talks," FINANCIAL EXPRESS, 12 October 2003.

OTHER NEWS

ASEAN MEMBERS AGREE TO DEEPEN INTEGRATION

The ten members of the Association of Southeast Asian Nations (ASEAN) signed an ambitious accord on 7 October to establish an economic community similar to that of the EU. The agreement, called the "Bali Concord II," was signed during the ninth ASEAN Ministerial Summit held from 7-8 October in Bali, Indonesia. It aims to create a community in Southeast Asia based on three pillars: economic cooperation, political and security cooperation and socio-cultural cooperation. The ultimate goal of the agreement is to create a competitive region with a free flow of investment, goods, services, and skilled labour combined with a freer flow of capital, stable and equitable economic development, and reduced poverty and socio-economic disparities by the year 2020.

This push for further economic integration comes in the wake of the failed WTO ministerial meeting in Cancun, Mexico in September, when a number of countries are looking to strengthen their trading positions through bilateral and regional deals. The ASEAN nations identified 11 sectors for integration in their action plan for the ASEAN Economic Community: textiles, apparel, agro-based products, wood-based products, automotive, rubber-based products, fisheries, electronics, health-care, air travel and tourism. They agreed to establish a plan for the removal of trade barriers by 2005 and to develop implementation guidelines by the end of 2004. Noting that not all ASEAN countries would be able to meet the recommended deadlines, they agreed that implementation should be flexible, allowing countries that are ready to proceed to do so.

Some observers pointed to the diversity of ASEAN members as a challenge to their plan to merge into a single economic community. In terms of governance, the ASEAN countries vary from democracies to a military dictatorship.

The ministers of the ASEAN countries -- Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, Philippines, Singapore, Thailand and Vietnam -- also met with representatives from China, India, Japan and South Korea to establish or continue negotiations on deepening trade ties.

Deepening ties with key regional partners

At the Bali summit, China joined a non-aggression pact among ASEAN members, the 1976 Treaty of Amity and Cooperation (TAC), aimed at promoting regional stability. The Chinese and SEAN delegations also endorsed a three-year programme under the ASEAN-China Free Trade Area (ACFTA) negotiations. Under the programme, China would provide initial tariff reductions to ASEAN countries on a range of agricultural and manufactured goods. ASEAN Secretary-General Ong Keng Yong said the programme "allows ASEAN products to be exported to China at a very concessionary rate so that ASEAN countries can actually get benefits of a free trade arrangement even before the agreement is finalised". ASEAN reciprocated by giving China tariff concessions under a tariff-harmonised system for agricultural products. The actual implementation of the ACFTA would begin on 1 January 2005 with the goal of a joint free trade area between China and the ASEAN by 2010. This would create a market of 1.7 billion consumers with a combined GDP of US\$2 trillion, the biggest free trade zone to date in terms of population.

Indian Prime Minister Atal Bihari Vajpayee also signed the TAC and an agreement to negotiate a free trade agreement by 2016 with all ASEAN countries (see BRIDGES Weekly, Vol. 7, No. 33, <http://www.ictsd.org/weekly/03-10-08/inbrief.htm#1>). As an early harvest scheme, the parties agreed to eliminate tariffs on at least 105 items in three years. Less developed ASEAN countries, namely Cambodia, Laos, Myanmar and Vietnam, would be given extra time to prepare, with India starting to reduce duties unilaterally. The Philippines was also granted more time to prepare its industries to compete with India before liberalisation is prepared to occur.

Japan signed a Common Economic Partnership agreement with the ASEAN members, with the objectives of strengthening economic integration, enhancing competitiveness, and progressing trade liberalisation in goods and services. The agreement also focussed on the creation of a transparent and liberal investment regime. Japan has been Southeast Asia's largest trading partner and investor, with trade equalling US\$99.2 billion in 2001, or 14.4 per cent of ASEAN's total trade. However, in contrast to China

increasing trade with ASEAN, Japan-ASEAN trade has dropped from its peak of US\$121.2 billion in 1995.

South Korea and ASEAN agreed to form a group of experts to analyse the possibilities of a free trade agreement. South Korean President Roh Moo-hyun said his administration would regularise a South Korea-ASEAN economic ministers meeting and senior economic officials meeting starting next year, following 15 years of formal ASEAN-Korea relations. He added that "if we join forces, Korea and ASEAN members, and by extension all of East Asia, will become the engine of growth for the world economy, and the 21st century will be the age of East Asia". Korea is the fifth largest trading partner of ASEAN, with trade reaching \$35.2 billion last year. Five percent of the total foreign direct investment in the ASEAN region comes from South Korea.

ICTSD reporting; "ASEAN signs security, trade pacts with China, Japan, India," VIET NAM NEWS, 9 October 2003; "ASEAN and China launch first stage of free trade plan," AGENCE FRANCE PRESSE, 6 October 2003; "Noodle Soup," THE ECONOMIST, 8 October 2003; "ASEAN leaders agree trade plan," BBC NEWS, 7 October 2003; "Atal seals ASEAN free trade deal," THE TELEGRAPH, 8 October 2003; "ASEAN forges ties with China, India, Japan," THE STRAITS TIMES, 8 October 2003; "ASEAN, China kick-start FTA by trimming tariffs," THE STRAITS TIMES, 7 October 2003; "S.E. Asian leaders sign landmark accord," ASSOCIATED PRESS, 7 October 2003; Historic accord signed to create ASEAN Community, THE BUSINESS TIMES, 8 October 2003.

CANADA TO AMEND PATENT ACT, ALLOW GENERIC MEDICINE EXPORTS

The Canadian government announced in late September that it would amend patent laws to allow generic pharmaceutical companies to produce and export patent-protected drugs to countries unable to manufacture their own (see BRIDGES Weekly, 1 October 2003, <http://www.ictsd.org/weekly/03-10-01/inbrief.htm#2>). This initiative spurred a strong response, with Canadian NGOs, international organisations such as UNICEF, and health activists outside Canada in both developed and developing countries welcoming it. In contrast, the International Federation of Pharmaceutical Manufacturers Association criticised the initiative, saying it was premature and unhelpful. Canada's Research-Based Pharmaceutical Companies, the association representing Canada's patented pharmaceutical industry, however said that it would "continue to work

with the federal government to frame any legislative proposal to assist in humanitarian relief".

The Canadian government's announcement followed a 30 August decision of the WTO General Council on a mechanism for relaxing the restrictions in the TRIPS Agreement (Article 31) on using compulsory licensing to produce generic medicines in one country for export to another (see BRIDGES Weekly, 4 September 2003, <http://www.ictsd.org/weekly/03-09-04/wtoinbrief.htm#1>). The Canadian initiative responded to calls from Canadian civil society organisations, a request from the country's generic drug industry, and the urging of Stephen Lewis, UN special envoy on HIV/AIDS in Africa.

Since the announcement, Canadian civil society organisations have called on the government to ensure that its legislation will fully implement the flexibility reflected in the August 30 WTO decision, and therefore will not be limited to exporting generic drugs for only certain diseases and only to countries facing health emergencies. They note that statements by government ministers have only referred to "pandemics" such as HIV/AIDS, tuberculosis and malaria, and to helping countries facing "emergencies". In its only public statement, the brand-name pharmaceutical industry association has stated that the August 30 WTO decision "relates to the provision of generic medicines to treat HIV/AIDS and other life-threatening diseases such as tuberculosis and malaria".

Health advocates have pointed out that the August 30 decision does not contain any such restrictions, despite efforts of the US, some other developed WTO Members, and the brand-name pharmaceutical industry to introduce them during the almost two years of negotiations it took to reach the agreement since the Doha Declaration on the TRIPS Agreement and Public Health (14 November 2001). The Doha Declaration promised to come up with a solution to the TRIPS barrier to using compulsory licensing to produce generic medicines for export.

Representatives of the brand-name and generic pharmaceutical industry in Canada met with government representatives at least once (7 October), and civil society organisations met with the government once (8 October), to discuss the details of Canada's amendment. The details of the amendment had not been made public by the time of publication.

Canadian civil society organisations continue to request that the government make a public commitment to an amendment that is no more restrictive than the terms of the August 30 decision of the General Council.

For more information on activities by Canadian civil society organizations regarding proposed amendments to Canada's Patent Act, visit <http://www.aidslaw.ca>.

Médecins Sans Frontières Canada & Canadian HIV/AIDS Legal Network, MEDIA RELEASES, 26 September 2003 and 1 October 2003; UNICEF PRESS RELEASE, 29 September 2003; Treatment Action Campaign (South Africa), MEDIA RELEASE, 1 October 2003; Canada's Research-based Pharmaceutical Companies, MEDIA RELEASE, 1 October 2003; "Big drug companies embrace AIDS plan", GLOBE AND MAIL, 2 October 2003; Open letter by Canadian civil society organisations to Government of Canada, 14 October 2003.

IN BRIEF

EU MOVES TO CONTROL ILLEGAL LOGGING

Meeting on 13 October, EU farm ministers instructed the European Commission to draft legislation to allow only certified legal timber imports to enter the region. This was an initiative to clean up the estimated €1.2 billion in illegally sourced timber imports that cross EU borders. Outlining the problem, an EU official said that "in some forest-rich countries, the corruption fuelled by profits from illegal logging has grown to such an extent that it is undermining the rule of law, principles of democratic governance and respect for human rights". Under the plan, countries or regional bloc are expected to sign up to a "Forest Law Enforcement, Governance and Trade" (FLEGT) agreement, initially launched in May 2003, and the EU will only accept the legally certified imported timber. Implementation measures include improved governance initiatives and voluntary partnerships with wood-producing countries, in conjunction with international collaboration to combat the trade in illegally harvested timber. Addressing this issue of illegal logging is an EU's priority in follow-up to the 2002 World Summit on Sustainable Development and included in its new natural resource strategy.

ICTSD reporting; "EU Aims to Stem Illegal Rainforest Timber Trade," REUTERS, 14 October 2003; "EU Plan on Illegal Logging: now it's time to legislate!" WWF RELEASE, 14 October 2003.

INDIA AND CHINA TO STRENGTHEN TRADE TIES

The heads of India and China met on 12 October to discuss ways to strengthen their trade ties. Before leaving the ASEAN summit in Bali, Indonesia (see related story, this issue), Indian Prime Minister Vajpayee and Chinese Premier Wen Jiabao agreed to set up a joint study group on economic cooperation to identify areas of interest in trade in goods and services, investment and joint production ventures. Vajpayee said meeting with Wen Jiabao represented "substantive forward movement in our bilateral relations". It followed a meeting between the two in June this year, considered a turning point, bridging past differences on how to allocate areas in their shared border. India and China still have territorial disagreements over areas of Aksai Chin in Kashmir and Arunachal Pradesh, India's far eastern state. However, both leaders have agreed to appoint special representatives to resolve the issue. India's exports to China this year have been growing by more than 100 percent, above the 96 per cent growth seen last year. Both countries are targeting US\$ 10 billion in trade figures by 2004.

"India and China propose negotiations on free trade pact," CANADA.COM, 13 October 2003; "India, China to move fast on free trade," THE TIMES OF INDIA, 13 October 2003.

REPORT HIGHLIGHTS SUSTAINABLE COFFEE MARKET GROWTH

A study released on 9 October highlights the production of, and the growing market for sustainable coffee -- ie organic, eco-friendly, and fair trade coffee -- in Europe and Japan. It follows an earlier study focussing on the North American market. The share of sustainable coffees is small, but growing. According to the report, "The State of Sustainable Coffee: A Study of Twelve Major Markets," the average sales growth of sustainable coffee has been five times larger than for conventional coffee over the last years. In Europe sales ranged from a low of 0.3 percent of the market to 3.4 percent. The 2002 market share in Japan was 1.2 percent. However, nearly a million small farming households were benefiting from the price premiums paid for sustainable coffee, and this at a time marked by a "coffee crises". Real prices of the commodity have reached their lowest point in 100 years, with devastating effects on small coffee growers.

The report calls for stricter guidelines and policies on sustainable coffee. It notes that while sustainable coffee is no panacea to address the coffee crisis, these

products can make a difference. According to Panos Varangis of the World Bank's Agriculture and Rural Development Department, "coffee is arguably one of the world's most important cash crops and is vital to the livelihood of more than 25 million small coffee farmers. Sustainable coffees can provide such benefits as improved natural resource management; fewer agrochemicals used in production, which decreases costs and health risks; and increased use of rural labour, which provides more jobs for those in desperate need".

The 200-page study, published by the World Bank, the International Institute for Sustainable Development, the International Coffee Organisation, and the UN Conference on Trade and Development (UNCTAD), is currently available at <http://lnweb18.worldbank.org/ESSD/sdvext.nsf/43ByDocName/SustainableDevelopment>

"The State Of Sustainable Coffee - Ground-breaking study takes in-depth look at trends in coffee market," WORLD BANK RELEASE, 9 October 2003.

SUPERMARKETS - A NEW THREAT TO SMALL AFRICAN FARMERS

According to a new study from the UN Food and Agriculture Organisation (FAO), small farmers in Africa risk being marginalised as supermarkets spread. New supermarkets are being established at a rapid rate across urban areas and rural centres in Eastern and Southern Africa, and the traditional supply and distribution systems for food, in which small farmers play an important part, are being disrupted. Millions of small farmers need to adapt to survive. In the words of Kostas Stamoulis of the FAO, "if we don't help small farmers tap into the supply game and become players in this new market they will be left on the sidelines". In terms of benefits, the spread of supermarkets could provide a stable market for farmers' produce, as well as create transport and distribution jobs. In order to enjoy these benefits, however, the small farmers need assistance and resources to, for example, set up cooperatives and associations to meet the volume of supply requested by the supermarkets, and learn to negotiate with large companies. Further, credit schemes could be set into place to allow small farmers to buy technology they need in order to meet new food quality and safety standards. In South Africa, 55 percent of food is sold in supermarkets, and in Kenya 200 supermarkets and 10 hypermarkets account for the same amount of sales as 90,000 small shops. The trend is unlikely to be reversed; hence the need for small farmers to adapt.

"Rise of supermarkets across Africa threatens small farmers," FAO Release, 8 October 2003.

TRANSPARENCY INTERNATIONAL RELEASES CORRUPTION REPORT

The 2003 Corruption Perceptions Index (CPI) by Transparency International (TI), a non-governmental organisation devoted to fighting corruption worldwide, was launched on 7 October. According to report, corruption is a problem in both rich and poor countries, with countries such as Myanmar, Tajikistan, Georgia, Cameroon, Azerbaijan, Angola, Kenya, and Indonesia hitting the bottom of the list. Speaking at the event, Chair Peter Eigen warned that if corruption in government procurement was not contained, poverty would grow. According to Eigen, it was in less-developed countries' interests to introduce transparency measures in public procurement "because the waste of their own scarce resources is at stake". He favoured launching WTO negotiations on a multilateral framework agreement on Transparency in Government Procurement, and said it was time to close the rift between rich and developing countries at the WTO Ministerial in Cancun. He felt that the unwillingness of many countries to enter into negotiations on transparency in government procurement had marked a "missed opportunity to establish transparency standards". Meanwhile in Bogota, TI's Vice-Chair Inés Ospina Robledo added that international support, especially for transparency in public contracting, was essential.

First launched in 1995, the CPI reflects perceptions of resident and non-resident business people, academics and risk analysts on corruption and draws on 17 surveys from 13 independent institutions.

To view the 2003 CPI, visit
<http://www.transparency.org/cpi/index.html#cpi>.

"Nine Out of Ten Developing countries urgently need practical support to fight corruption, highlights new index", TI PRESS RELEASE; "WTO must address corruption in procurement", TIQ, September 2003.

CIVIL SOCIETY PROVIDES INPUT ON UNCTAD REPORT

UNCTAD's Division on Investment, Technology and Enterprise Development held an informal meeting on 14 October focussing on the preparation of the 2004 issue of its flagship publication, the World Investment Report. The 2004 World Investment Report will analyse the links between investment and trade in services. Civil

society actors were invited to identify issues and concerns important to their constituencies with regard to investment and trade in services, and to provide their views and input on the report. A total of nine civil society organisations attended the informal session. Among the issues raised, the chief concern focussed on the need to preserve "policy spaces" and governments' right to regulate. Participants stressed the distinction between vital public services such as provision of water and healthcare, and other services, such as corporate and financial.

ICTSD reporting.

WTO IN BRIEF

RUSSIAN IN TOUGH WTO ACCESSION TALKS WITH THE EU

Russian Economy Minister German Gref met with EU Trade Commissioner Pascal Lamy in Brussels on 7 October to discuss the Russian WTO accession deal. The Russian accession process has been drawn out (see BRIDGES Weekly, 28 May 2003, <http://www.ictsd.org/weekly/03-05-28/wtoinbrief.htm>), and the latest discussions in Brussels ended in deadlock. The parties disagreed in particular about Russia's dual pricing system for energy. The EU is demanding that Russia apply the same prices domestically as on the international market, as the low domestic prices constitute a de facto subsidy. Commenting on the issue at a summit between Germany and Russia in the wake of the Brussels meeting, Russian President Vladimir Putin said he felt the European demands were too burdensome and that "the Russian economy is a derivative of the Soviet economy, which, unfortunately, developed as expenditure-oriented. We cannot instantly switch to world energy prices, otherwise we would cause the entire Russian economy to collapse". An EU spokesperson however stressed that "we are not asking the Russians to make unreasonable concessions or to force obligations on the Russians other than those in the WTO". The EU is also requesting that Russia allow foreign companies access to its gas pipelines, which Russia is very reluctant to do. Russia is the largest economy still outside the WTO, and the expected time of its accession keeps being pushed into the future. EU Trade Commissioner Lamy travelled to Moscow on 15 October to continue the talks.

"Russia-WTO talks: new round begins," RUSSIA JOURNAL, 7 October 2003; "Minister says negotiations

on Russia's WTO membership in deadlock," XINHUANET, 9 October 2003; "WTO needs Russia more than Russia needs WTO," RUSSIA JOURNAL, 10 October 2003. "Russia's accession to WTO hampered by EU bureaucrats - Putin," INTERFAX, 9 October 2003.

SUB-COMMITTEE ON LDCS MOVES AHEAD WITH WORK PROGRAMME

On 2 October, the thirty-fourth session of the WTO Sub-Committee on Least Developed Countries (LDCs) met to discuss, inter alia, the continuation of work on market access for goods originating from LDCs, as well as LDC accession (i.e. joining the WTO). Proceeding on the basis of paragraph seven of the February 2002 work programme for the body (WT/COMTD/LDC/11, available at <http://docsonline.wto.org>), Members considered a report prepared by the Secretariat as part of its mandated annual review of market access for products originating from LDCs (WT/COMTD/LDC/W/31, available at link above). Of note, this latest document includes information on the utilisation of preferences and preference margins, as well as the export profile of LDCs and their major export markets. The report concludes with a table outlining the measures taken by Members to improve market access for LDCs.

On accession, the representatives of the first two LDCs to join the WTO since its inception, Cambodia and Nepal, noted in their statements the positive impact of the 10 December 2002 Decision on LDC Accession (WT/L/508, available at link above). The decision -- which is meant to address mounting concerns by LDCs of the pressure placed on them to accept obligations greater than those of current LDC Members -- lay out guidelines for accession relating to market access, WTO rules, technical assistance, and capacity building (see BRIDGES Monthly, Vol.7 No. 5, <http://www.ictsd.org/monthly/bridges/BRIDGES7-5.pdf>). Finally, a background document on the current status of other LDCs in the accession process was circulated (JOB(03)/191, restricted).

The last LDC Sub-Committee meeting for 2003 will take place on 8 December 2003.

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: 15 - 22 October

13-16 October, Yaoundé, Cameroon: AFRICA FOREST LAW ENFORCEMENT AND GOVERNANCE PROCESS (AFLEG). This ministerial conference will allow African governments, consumer and donor governments, NGOs and the private sector to intensify support for forest governance and law enforcement in Africa and address issues relating to illegal logging, illegal trade, and wildlife poaching in Africa. The World Bank facilitates the AFLEG process. For further information, contact: World Bank, e-mail: afleg@worldbank.org; Internet: <http://www.worldbank.org/forestry/afleg> and <http://lnweb18.worldbank.org/ESSD/ardext.nsf/14ByDocName/ForestGovernanceProgramAfricaMinisterialProcessOctober13-162003MinisterialConference>.

13-17 October, Lisbon, Portugal: CONSUMERS INTERNATIONAL WORLD CONGRESS 2003. This event, organised every three years by Consumers International, will focus on the theme 'The future of consumer protection: representation, regulation and empowerment in a world economy'. It will consist of a series of plenary sessions, workshops, training sessions, and fringe meetings on the changes in the global economy and their implications for consumer rights. For more information on this event visit: http://www.consumersinternational.org/News_Events/world.asp?cat=24&ionid=135.

15-16 October, Toronto, Canada: FREE TRADE AND DEEP INTEGRATION IN NORTH AMERICA: REVITALISING DEMOCRACY, UPHOLDING THE PUBLIC GOOD. The Centre for Research on Latin American and the Caribbean (CERLAC) at York University and the Canadian Centre for Policy Alternatives (CCPA) are organising a conference to explore recent trends in continental integration, with a particular focus on Canada-US relations. The conference will enable Canadian researchers to express their opinions on free trade and deeper integration in North America. An alternative perspective will also be proposed to emphasise the role of Canada in North America as well as in the world. For further

information, please contact Yasmine Shamsie, email: yasmine@yorku.ca; Internet: <http://www.yorku.ca/cerlac/deep-integration.html>.

15-17 October, Geneva, Switzerland: CIVIL SOCIETY MEETING IN PREPERATION FOR UNCTAD XI. The civil society meeting, organised by UNCTAD, will follow up on the discussions and outcome of the Strategic Group Meeting, which was held in September 2002 and will provide an opportunity to discuss and exchange views among civil society representatives and UNCTAD secretariat with regard to pertinent organisational and substantive preparations of the civil society dimension for UNCTAD XI. For further information contact Amel Haffouz of the UNCTAD secretariat, tel: +41 22 907 5048; fax: +41 22 907 0122; e-mail: amel.haffouz@unctad.org.

16 October, Basel, Switzerland: FOOD SECURITY AND BIODIVERSITY SYMPOSIUM. Hosted by the Swiss Agency for Development and Cooperation, the Syngenta Foundation for Sustainable Agriculture and the International Plant Genetics Resources Institute. The event will examine practical approaches and varied perspectives on what constitutes reasonable sharing under the International Treaty on Plant Genetic Resources. For further information visit: http://www.benefitsharing.org/index_en.asp?br=ns.

16 October, Brussels, Belgium: GREEN FACTS - CONVEYING SCIENCE INTO POLICY: SCIENCE COMMUNICATION AND ENVIRONMENTAL DECISION-MAKING. Organised by GreenFacts Foundation. The morning session will have three simultaneous stakeholder workshops on issues of science communication and environmental decision-making. The results will be presented in the afternoon to a public conference with speakers from UNEP, the EU, Industry and Environmental NGOs. The conference will be followed by a networking cocktail to officially launch the GreenFacts website <http://www.greenfacts.org> and allow the press to meet science communicators. For further information, contact: David Zaruk; tel: +32 (0)2.211.34.25; email: david@greenfacts.org; Internet: <http://www.greenfactsfoundation.org/conference/>.

20 October, Paris, France: FIFTH INFORMAL CONSULTATION BETWEEN THE OECD TRADE COMMITTEE AND CIVIL SOCIETY ORGANISATIONS (CSOs). Organised by the OECD. The topic for this year's consultation will be "Assessment of the 5th WTO Ministerial Meeting in Cancún and the way forward for the DDA". The discussion will be broken down into two areas of focus with a morning session on how work will resume in Geneva after Cancún. The afternoon session will discuss the relationship between open

multilateralism and regionalism. For further information contact: OECD, tel: +33 1 45 24 82 00; http://www.oecd.org/document/14/0,2340,en_2649_34201_16037710_1_1_1_1,00.html.

20-21 October, Tokyo, Japan: 2003 UNEP FI GLOBAL ROUNDTABLE: SUSTAINING VALUE - A MEETING ON FINANCE AND SUSTAINABILITY. The United Nations Environment Programme (UNEP) is hosting a meeting on the emergence of new governance frameworks and their potential contributions to sustainable finance, especially in the areas of good governance, reporting, and accountability. For further information, please contact: Trevor Bowden; tel: +44-20-7249-2154; e-mail: trevor.bowden@unep.ch; Internet: <http://www.unepfi.net/tokyo>.

20-21 October, London, UK: UNEP'S 3RD WORKSHOP ON THE ENVIRONMENT. This workshop is hosted by the Export Credits Guarantee Department (ECGD). The objectives include: discussing ways to overcome the challenges of reducing risk through environmental screening; strengthening contacts and cooperation between financiers on the environmental aspects of their work; and initiating processes to further analyse issues raised during the workshop. For further information please contact Martina Otto, tel: +33 1 44 37 7615; email: martina.otto@unep.fr.

20-21 October, Bangkok, Thailand: 11TH APEC LEADERS' MEETING. The failure of trade negotiations at the WTO summit in Cancun is at the top of the agenda for this summit of the Asia-Pacific Economic Cooperation. APEC aims to facilitate economic growth, cooperation, trade and investment in the Asia-Pacific region. Its members include the US, Chile, Peru, and Russia as well as most Asian countries. For further information visit: <http://www.apecsec.org.sg>.

22-23 October, Washington DC: FOREST INVESTMENT FORUM. Organised by the World Bank (IBRD), International Finance Corporation (IFC), World Business Council for Sustainable Development (WBCSD), and World Wide Fund for Nature (WWF), with support from Forest Trends and PROFOR. The Forum will bring together senior executives from forest product companies and financial institutions around the world. The main objective of the Forum is to explore how the sponsoring organizations could help to create enabling environments for private sector investment by companies and financial institutions committed to socially, environmentally and economically sustainable management of forest resources in sustainable forestry and forest industry projects. Regrettably, due to the high level of interest in the Forum, participation is limited to invitation only. For further information, contact: The World Bank, tel: +1 (202) 473-1000; fax:

+1 (202) 477- 6391; Internet:
<http://lnweb18.worldbank.org/ESSD/ardext.nsf/14ByDocName/Events>.

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.

16 October, Geneva, Switzerland: WTO COMMITTEE ON TRADE AND DEVELOPMENT.

16-17 October, Geneva, Switzerland: WTO DISPUTE SETTLEMENT BODY - SPECIAL SESSION.

17 October, Geneva, Switzerland: WTO TRADE POLICY REVIEW BODY - BULGARIA.

17 October, Geneva, Switzerland: WTO COMMITTEE ON TRADE AND DEVELOPMENT - DEDICATED SESSION.

20 October, Geneva, Switzerland: WTO COMMITTEE ON SAFEGUARDS.

20 October, Geneva, Switzerland: WTO COMMITTEE ON MARKET ACCESS.

21-22 October, Geneva, Switzerland: WTO COMMITTEE ON ANTI-DUMPING PRACTICES - WORKING GROUP ON IMPLEMENTATION.

21-22 October, Geneva, Switzerland: WTO GENERAL COUNCIL.

21-22 October, Geneva, Switzerland: WTO WORKSHOP ON TECHNICAL BARRIERS TO TRADE.

22 October, Geneva, Switzerland: WTO TEXTILES MONITORING BODY.

Other Forthcoming Events

28 October, Amsterdam, the Netherlands: THE FUTURE OF FOOD & BIOTECH. Organised by the Club of Amsterdam. Thanks to new technology the food industry promises to provide healthy, safe food, reliably,

cheaply and in large quantities. But aren't safety and a guarantee of quality the very least that modern society can expect? Is the future of food a future of global markets and economies of scale or is there room for local produce, seasonality and variation? Questions like these will be addressed at this conference. For further information, contact: Club of Amsterdam, email: info@clubofamsterdam.com; Internet: <http://www.clubofamsterdam.com>.

17-20 November, Wilton Park, West Sussex, UK: CLIMATE CHANGE: WHAT NEEDS TO BE DONE IN NORTH AND SOUTH? Organised by the Norwegian Ministry for Foreign Affairs and LEAD International. This conference will discuss the next step in the Kyoto process, mitigation targets needed for the coming commitment period, whether the US and major greenhouse gas emitters among transition and developing nations can be drawn in, what role there is for alternative energy and nuclear power, and what external actors and national governments can do to help entire societies soften the impacts through adaptation strategies. Speakers include Sir John Houghton; Michael Meacher, former UK Minister for the Environment; officials and Members Parliament from Europe and developing countries. For further information contact: David Grace, e- mail: davidgrace@insideeurope.fsnet.co.uk; tel: +international 44 146 067368; Internet: <http://www.wiltonpark.org.uk/web/conferences/wrapper.asp?confref=WP730>.

17 November - 12 December, E-mail conference: MARKER-ASSISTED SELECTION. Organised by the FAO Electronic Forum on Biotechnology in Food and Agriculture. The theme of this conference is marker-assisted selection for crops, forest trees, livestock and fish in developing countries. This will be the 10th conference hosted by the Forum since it was launched in March 2000. For further information, e-mail: mailserv@mailserv.fao.org (to join the Forum and register for the conference, leave the subject blank and entering the following text on two lines: subscribe BIOTECH-L subscribe biotech-room2); Internet: <http://www.fao.org/biotech/forum.asp>.

26-27 November, New Delhi, India: NATIONAL SYMPOSIUM ON GM TECHNOLOGY: The Relevance of GM Technology to Indian Agriculture and Food Security. Organised by the Gene Campaign. The Agriculture Minister of India, Sri Rajnath Singh will inaugurate the symposium and Dr M S Swaminathan will deliver the Inaugural Address. Dr VL Chopra, President of the National Academy of Agricultural Sciences, will deliver the Keynote Speech. A range of national and international experts will deliver talks on various aspects of GM technology and its application. Panel discussions will be held involving a variety of

stakeholders. For further information, visit <http://www.genecampaign.org>.

RESOURCES

A NEW BEGINNING FOR WTO AFTER CANCUN. By Mark Ritchie and Kristin Dawkins (Foreign Policy in Focus, October 2003). According to the authors, the WTO meeting in Cancun was one of the most successful international meetings in years because it redefined how trade can benefit the poor and how the developing world can be real players in these negotiations. In their opinion, if policymakers and global trade negotiators were paying attention, Cancun could lead to trade talks that actually bring about fair trade, and the benefits to both the developing and the developed world that have long been promised. For further information see: <http://www.fpif.org/commentary/2003/0310fairtrade.html>.

POLICY THAT WORKS FOR FOREST AND PEOPLE: REAL PROSPECTS FOR GOVERNANCE AND LIVELIHOODS. By James Mayers and Stephen Bass (Earthscan/IIED, 2004). According to the authors, forestry can be a real force for better livelihoods and good governance. But a pattern of forest problems common to many countries including loss of natural forests, inequitable access, lack of information and resources prevent real progress. Policy is at the root of most of the problems. This book is a study of policy processes that affect forests. It provides a thorough analysis of the issues, options and factors that determine different outcomes. For further information visit <http://www.earthprint.com/go.htm?to=9276IIED>.

THE PRACTICE OF STRATEGIC ENVIRONMENTAL ASSESSMENT. By Riki Thérivel and Maria Rosário Partidário (Earthscan, 2003). The practical application of strategic environmental assessment (SEA) is becoming increasingly common. A growing number of SEAs are being undertaken around the world, and several countries have issued guidance on how these should be carried out. However, few countries as yet have formal SEA regulations, and few completed SEAs have demonstrated all the elements of current best practice. The Practice of Strategic Environmental Assessment aims to provide a unique analysis of SEAs which have been undertaken, drawing on a variety of methods and circumstances to illustrate how best practice can be achieved, and providing inspiration for those considering studying, commission or carrying out an SEA. For further information see <http://www.earthscan.co.uk/asp/bookdetails.asp?key=4018>.

"Halving global poverty," by Timothy Besley and Robin Burgess in JOURNAL OF ECONOMIC PERSPECTIVES 17 (3, 2003) pp. 3-22. The Millennium Development Goals -- global targets that the world's leaders set at the Millennium Summit in September 2000 -- are an ambitious agenda for reducing poverty. As a central plank, these goals include halving the proportion of people living below a dollar a day from around 30 percent of the developing world's population in 1990 to 15 percent by 2015 -- a reduction in the absolute number of poor of around one billion. This paper examines what economic research can tell us about how to fulfil these goals.

"The great transition" by Keneth Lieberthal and Geoffrey Lieberthal in HARVARD BUSINESS REVIEW 81 (10, 2003) pp.70-81. With China now in the World Trade Organisation, opportunities for multinational corporations are multiplying and evolving fast - and so are the accompanying underlying perils. Multinational corporations' operations in China are entering a new phase, in which old strategies will no longer work. This transition makes understanding how to fit China into a competitive strategy more dynamic, complex, and consequential. Unravelling the complexities of trade in China can mean the difference between major opportunity and major disappointment.

THREADBARE EXCUSES: THE TEXTILE INDUSTRY'S CAMPAIGN TO PRESERVE IMPORT RESTRAINTS. By Dan Ikenson (Cato Institute Center for Trade Policy Studies, October 2003). On January 1, 2005, the textile and apparel quota regime, administered under the World Trade Organisation's Agreement on Textiles and Clothing, is meant to terminate. After decades of protectionist exceptions, textile trade finally will be subject to the same rules that govern international trade in other manufactured products. Getting to this point has been difficult. The United States is widely perceived to have obstructed implementation of an agreement that was intended to achieve incremental liberalisation in four stages over 10 years. To this day, most products that were to be liberated from quotas remain under quantitative restrictions. There can be little doubt that US failure in this regard contributed to the breakdown of the September WTO talks in Cancun, Mexico, where developing countries were outspoken about the failure of rich-country policies to live up to their rhetorical promise. To access the study visit <http://www.freetrade.org/pubs/pas/tpa-025es.html>.

INEQUALITY IN LATIN AMERICA AND THE CARIBBEAN: BREAKING WITH HISTORY? World Bank (October 2003). An annual research study on Latin America and Caribbean, this book explores why the region suffers from persistent inequality, identifies how it hampers development, and suggests ways to

achieve greater equity in the distribution of wealth, incomes and opportunities. To break with the long history of inequality in Latin America and the Caribbean, societies need to undertake deep reforms of political, social and economic institutions, improve access by the poor to vital services and assets - especially education - deliver income transfers to poor families, and adopt specific policies to help indigenous people and Afro-descendants. For further information see:

<http://wbln0018.worldbank.org/LAC/LAC.nsf/ECADocByUnid/4112F1114F594B4B85256DB3005DB262?Opendocument>.

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BRIDGES Weekly Trade News Digest© is published by the International Centre for Trade and Sustainable Development (ICTSD), <http://www.ictsd.org/>. Electronic distribution is carried out by the Institute for Agriculture and Trade Policy (IATP).

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BRIDGES Weekly Trade News Digest is made possible in 2001 - 2003 through the generous support of the Government of the United Kingdom (DFID). Additional support is provided by ICTSD's core donors: the Governments of Finland, Denmark, the Netherlands and Sweden; Christian Aid (UK), MISEREOR, NOVIB (NL), Oxfam (UK) and the Swiss Coalition of Development Organisations (Switzerland). The **Weekly** also benefits from support for the **BRIDGES** series of publications including: the Rockefeller Foundation, the John D. and Catherine T. MacArthur Foundation and Swiss Development Cooperation. ISSN 1563-003X