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LEAD STORIES

WTO: INFORMAL TALKS KEEP GENEVA-BASED DELEGATES BUSY

During the past week, WTO General Council (GC) Chair Carlos Perez del Castillo kept negotiators busy with a tight schedule of meetings in various small group formats, focussing mainly on industrial market access, the Singapore issues (investment, competition, transparency in government procurement and trade facilitation) and cotton. Reportedly, the talks led to scant progress at a substantive level. Chair Perez del Castillo is expected to hold talks with key Members on the way forward in the near future.

Chair Perez del Castillo is currently completing a second round of informal consultations on four key issues -- agriculture, industrial market access, cotton and the Singapore issues -- with the aim of finding convergence on the way forward after trade talks failed in Cancun, Mexico this year (see BRIDGES Weekly, 19 November 2003, <http://www.ictsd.org/weekly/03-11-19/story1.htm>).

No progress on NAMA

Chair Perez del Castillo met with around 30 delegates to discuss non- agricultural, or industrial market access (NAMA) on 27 November. The talks, which followed both discussions in smaller groups and a first set of talks in October (see BRIDGES Weekly, 30 October 2003; <http://www.ictsd.org/weekly/03-10-30/story2.htm>), reportedly saw a widening rather than breaching of positions. Members continued to disagree on which approach to take to tariff reduction, and on whether or not to go ahead with a proposal to eliminate tariffs in selected sectors. According to sources, the talks saw mainly North-South rifts, and many developing countries felt they were not ready to move in NAMA until there was progress in agriculture talks.

On the formula for tariff cuts, the US and EC wanted to proceed with a the same non-linear formula for both developed and developing countries. A number of developing countries strongly opposed. On the sectoral

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approach, or the elimination of tariffs in selected sectors, the US and Japan suggested tariff elimination should be mandatory for all, including least developed countries (LDCs). This was opposed by a number of developing countries, including a representative of the African Union, which felt participation should be voluntary and supplementary. Venezuela, India and Indonesia said the sectoral approach should be dropped altogether.

Frustration around the cotton issue

In discussing the initiative to eliminate cotton subsidies put forth by four West African countries some months before Cancun, Members made no progress in informal talks. Some delegates voiced their frustration, as they felt all views were already known, and the issue may be sliding backward rather than progressing. Most delegates agreed that there is little chance for movement, and supported the view expressed by Chair Perez del Castillo at a heads of delegation meeting on 18 November that the issue should be integrated into the agriculture talks (see BRIDGES Weekly, 19 November 2003, <http://www.ictsd.org/weekly/03-11-19/story1.htm>). The demandeurs, however, fear the issue will drop off the agenda of active talks if it does not proceed on a separate track. The ACP Council of Ministers, meeting at the end of November, also supported keeping cotton on a separate track (see related story, this issue). The cotton initiative is currently on the agenda for the 15 December GC meeting.

Members are actively engaging in talks on the Singapore issues, with some convergence emerging around trade facilitation (see related story, this issue). On agriculture, no new developments were reported over the last week (see BRIDGES Weekly, 26 November 2003, <http://www.ictsd.org/weekly/03-11-26/story1.htm>).

HOD meeting coming up

Chair Perez del Castillo is scheduled to hold a stock-taking session at the heads of delegation (HODs) on Tuesday, 9 December. The meeting would serve as a "dress rehearsal" for 15 December session of the General Council expected to agree on "necessary action" for Members to be able to conclude the round. After the second round of talks on the four key issues wrap up, Chair Perez del Castillo is expected to hold talks with key Members on what the "necessary action" could be. As no significant decisions are expected from the 15 December meeting, delegates are now considering a plan B, which could involve sending the various issues under discussion back to formal negotiating groups.

The 9 December HOD meeting is expected to run for a full day, allowing Members to express their opinions on the current state of negotiations, while the 15 December meeting would merely adopt a statement without debate. Few governments are currently planning to send high-level officials to Geneva for the GC meeting.

G-20 meeting on 12 December

Prior to the 15 December meeting, the G-20 group of developing countries is meeting in Brasilia, Brazil on 12 December. WTO Director General Supachai Panitchpakdi and EC Trade Commissioner Pascal Lamy will also attend. The G-20, which lost a number of small Latin American members after the Cancun ministerial meeting (see BRIDGES Weekly, 10 October 2003, <http://www.ictsd.org/weekly/03-10-15/story2.htm>), was recently joined by Zimbabwe, Kenya, Barbados and Jamaica. The 15 December GC meeting is expected to wrap up the work at the WTO for 2003. In 2004, GC Chair Perez del Castillo will spend much of the first two months on the selection process for new chairs for the various WTO working groups, after which negotiations may resume again, pending the outcome of the December GC meeting.

ICTSD reporting; "Polarisation Of Views At WTO Consultations On Non- Agricultural Market Access," TWN INFO SERVICE ON WTO ISSUES, 2 December 2003.

SINGAPORE ISSUES: CONVERGENCE EMERGING ON TRADE FACILITATION

At an informal consultation on the so called Singapore issues (investment, competition, government procurement and trade facilitation) on Wednesday 3 December, most developing countries reportedly indicated a willingness to discuss trade facilitation. However, they still differed on whether the clarification of modalities should continue in a working group, or whether negotiations could go ahead directly. Most Members expressed 'wariness' regarding the idea to negotiate plurilateral agreements on the Singapore issues -- something one trade expert attributed to reduced possibilities for countries to negotiate trade-offs across issues.

Movement in other negotiating areas important

According to a trade source, many developing countries, notably least developed countries (LDCs), African, Caribbean and Pacific (ACP) countries and Africa Group members supported further discussions of modalities for trade facilitation within a working group. Once the modalities had been sufficiently clarified

within the working group, they would agree to negotiate. The LDC group further conditioned any agreement on developments in other areas.

Certain developed countries, including Canada, the US and Switzerland, reportedly declared themselves 'demandeurs' for talks on trade facilitation.

A number of Latin American developing countries indicated that they could consider negotiations on trade facilitation as well as transparency in government procurement. However, they said they required greater clarity on technical aspects, and needed to see movement in other negotiating areas, especially agriculture. Chile, supported by a few other Members, was in favour of deferring any decision on negotiating investment and competition policy. India reiterated its position that the Singapore issues were not part of the single undertaking. According to a developed country trade source, Brazil surprised other Members by stating that the Singapore issues were very much part of the Doha Agenda and that the 'demandeurs' would have to pay to keep them there. The EC reportedly responded by saying that the EC was not a 'demandeur,' and was willing to contemplate the possibility of one or more of the Singapore issues being negotiated outside the single undertaking.

Investment, competition policy likely to drop off 'radar screen'

Investment and competition policy appear set to disappear from the radar screen for the moment. Chair Perez del Castillo reportedly does not intend to include these issues in further informal consultations this year.

A European diplomat said that the EC strategy paper on the post-Cancun process (see related story, this issue) showed that the EC was willing to show flexibility in three areas, namely, including the Singapore issues. He pointed out, however, that the EC was the only Member showing some flexibility, and that others needed to come on board and engage 'constructively'. He added that it "takes all 148 Members to tango at the WTO".

Chair Carlos Perez del Castillo reportedly feels enthusiastic about examining further the possibility of a general agreement on trade facilitation and, perhaps, on transparency in government procurement. A further informal meeting is expected to take place Thursday afternoon, 4 December. However, according to one developing country trade source, this meeting was likely to reveal that differences still persist on how to approach trade facilitation. The source stated that the Chair favoured presenting the modalities contained in an annex to the 13 September "Derbez text" at the

meeting. However, many developing countries are not yet ready to proceed based on this text.

WTO Deputy-Director General Rufus Yerxa has been assigned by Chair Perez del Castillo to conduct discussions on the Singapore issues. A meeting of the 'core-group' of developing countries on the Singapore issues is also set to take place shortly.

ICTSD reporting.

OTHER NEWS

EC OUTLINES APPROACH FOR GETTING ROUND BACK ON TRACK

On 2 December, EU trade ministers and the European Parliament met to discuss and approve a new European Commission strategy paper for the trade negotiations entitled "Reviving the DDA Negotiations -- the EU Perspective" (see http://trade-info.cec.eu.int/doclib/docs/2003/november/tradoc_114259.pdf). The paper was released by the Commission on 26 November (see BRIDGES Weekly, 26 November 2003, <http://www.ictsd.org/weekly/03-11-26/inbrief.htm>). The European Commission's D-G Trade negotiates on trade issues on behalf of the EU member states.

The Commission paper begins by outlining the current state of play in negotiations, following the collapse in Cancun and ways to relaunch talks as the EU comes out of its "reflection period" (see BRIDGES Weekly, 30 October 2003, <http://www.ictsd.org/weekly/03-10-30/story3.htm>). In the paper, the Commission re-states a commitment to the multilateral trade approach and the Doha round of trade talks, while stressing the need for all WTO Members to adjust their negotiating positions in order to arrive at compromises. The Commission outlines areas in which Europe could show new flexibility, such as the Singapore issues, environment and geographic indications (GIs), as well as areas in which Europe would like to see flexibility from its trading partners, including agriculture and the cotton initiative. The Commission calls for a continued high level of ambition in services and industrial market access. It also suggests that the negotiations should lead to results that "genuinely support the integration of developing countries as opposed to measures that perpetuate the development gap".

Lamy, Fischler outline EC approach

At a press conference, EC Trade Commissioner Pascal Lamy said "we have to restart the process and we are showing that we are ready to pay the price for the process to restart. That does not guarantee at all that the process will restart, but if the others do what we do - adjust their positions, give signals that they can change their positions a bit -- then the round will get back on track".

EC Agriculture Commissioner Franz Fischler stressed that "the EU is absolutely prepared to shoulder a bigger burden to make agriculture markets more open. But without properly addressing the complexities of farm support, without tackling protectionism and trade barriers not only in industrialised countries but also among developing countries, without giving the poorest countries special treatment, we will not get a fair WTO deal." He said all developed countries should grant least developed countries (LDCs) duty free market access, and all countries, both developed and developing, should reduce tariffs for poorer developing countries to increase their ability to trade their way out of poverty. On agriculture, Fischler said the EC's reforms of last summer had to be recognised, and the debate had to move beyond unhelpful rhetoric. He stressed the importance of the G-20 alliance adopting a give-and-take approach.

Civil society criticism of EC strategy paper

After its release, the Greens in the European Parliament and a number of civil society groups criticised the strategy paper for failing to substantially renew the EC position, especially on the Singapore issues. Caroline Lucas, a UK member of the European Parliament, said that after the collapse in Cancun, "we all expected the Commission to have a serious strategic re-think. What we have instead is tactical repositioning whereby some -- or maybe even all -- of the contentious Singapore issues will be taken off the immediate multilateral negotiating agenda but not removed from the WTO's table". She felt this ignored the opposition of developing countries in Cancun, and might provoke a new deadlock in talks. Peter Hardstaff of the World Development Movement commented that "the Commission's response to the emphatic rejection of its policy by the developing world in Cancun has not been to ask whether it has the wrong policy but to come up with another strategy for getting what it wants".

EU foreign ministers are expected to approve the strategy paper at a meeting from 8-9 December, just prior to a WTO General Council meeting on 15 December.

ICTSD reporting; "EU Members Moving to Support EC Stance On Reviving Doha Talks; NGOs Not Impressed," WTO REPORTER, 4 December 2003; "Greens/EFA decry lack of proper consultation on WTO talks," GREENS RELEASE, 3 December 2003; "Stand-off between US and EU will not harm global trade talks, says Lamy," FINANCIAL TIMES, 28 November 2003; "EU trade ministers told: Time to learn the lesson of Cancun," WDM, FOE, CEO RELEASE, 28 November 2003.

DSB UPDATE: US LOSES ON STEEL, WINS ON APPLES

US preparing to withdraw steel tariffs?

According to US officials, the Bush administration is likely to repeal 20-month-old tariffs on imported steel this week in order to avoid massive retaliation by its trading partners. The final report by a dispute settlement panel that had ruled against US steel tariffs will be adopted on 10 December, after which countries can impose retaliatory measures on US products (see BRIDGES Weekly, 13 November 2003, <http://www.ictsd.org/weekly/03-11-13/story3.htm>). The EC has threatened to impose retaliatory economic sanctions on US\$ 2.2 billion worth of US exports. These sanctions would include products from electorally sensitive areas, such as Florida's citrus fruits. Japan, Norway and China have identified similar retaliatory measures.

If Bush reverses the tariffs, this will impact steel-producing states including Pennsylvania, West Virginia and Ohio. A source involved in the negotiations concluded, however, that the tariffs "would cause more economic disruption and pain for the broader economy than repealing them would for the steel industry". Lifting them would, in effect, benefit small and medium-sized Mid-western manufacturers. Steel executives believe that the repeal would lead to "painful" consolidation and the layoff of 25 000 to 30 000 workers as low-priced foreign steel will again flood the American market.

In March 2002, Bush decided to impose tariffs of eight to 30 percent on most steel imports from Europe, Asia and South America for three years to help defend the country's struggling steel industry against cheap imports. US Trade Representative Robert Zoellick announced last month that the tariffs were meant to provide "breathing space" of "a temporary nature to try to give steel companies and steelworkers a chance to get back on their feet". This breathing time is likely to be over soon.

WTO favours the US in ruling against Japan

On the 26 November, the WTO Appellate Body, or appeal panel, ruled in favour of the US that the restrictions Japan placed on the import of US apples to protect its plants from disease were unjustified and inconsistent with certain provisions of the WTO Agreement on Sanitary and Phytosanitary Measures. The case was an appeal of a 15 July ruling, in which Japan argued that it needed to prevent the introduction of fire blight (a bacterial infection that is native to North America) to its apple trees. Although Japan argued that WTO rules permit countries to act to protect humans, animals and plants from disease, the US responded that the restrictions were unnecessary and were preventing their apple growers from selling their crops to Japan. The WTO ruled out all six of Japan's legal claims, stating that the import restrictions on US apples were "without sufficient scientific evidence". The report did not support the claim that mature apples transmit the fire blight disease, and found it extremely unlikely that mature apples with no sign of infection could harbour the bacteria.

Fire blight affects apples, pears and roses, causing infected trees to die after producing shrivelled crops and showing burn-like symptoms. It is carried between trees by insects, birds, wind and rain. Japan had imposed a series of stringent measures to ensure that imports would not carry the bacteria. For apples to be exported to Japan from the US, farms must have a 500-meter buffer zone around disease-free orchards, inspection of orchards at least three times during the growing season and follow regulations on harvesting, packaging and treatment.

US farmers export more than US\$ 390 billion worth of apples annually to other countries. On the ruling, US Trade Representative Robert Zoellick said "this is very important for gaining meaningful access to Japan's market". Although Northwest Fruit Exporters, an American non-profit group that manages export programmes from certain states, praised the ruling, Manager Jim Archer said he was unsure if the decision would boost US apple exports to Japan. He said he expected small volumes "for those growers who are interested in trying that market again. But it would be premature to make predictions because we don't know how this ruling will be implemented". New Zealand, a third party in the dispute, and kept out of Japanese markets for the same reason, believed its growers might see a US\$ 50 million boost following the decision. The WTO will adopt the report within 30 days, and the Japanese Ministry of Agriculture, Forestry and Fisheries will inform the WTO early next year of its decision to accept the ruling and open technical talks with the US, reviewing current measures.

"WTO decision thrills growers," THE NEW ZEALAND HERALD, 28 November 2003; "WTO Upholds Ruling Japan Apple Import Regulations Illegal," AP, 26 November 2003; "Japan to review apple quarantine practice after WTO ruling," KYODO NEWS, 27 November 2003; "Apple growers reject WTO ruling," THE AGE, 27 November 2003; "Trade group praises WTO ruling on apple exports to Japan," AP, 27 November 2003; Tariff repeal may cost 30 000 jobs: big steel, THE NEW YORK POST, 2 December 2003; U.S. seen removing steel tariffs this week, REUTERS, 1 December 2003; President To Drop Tariffs On Steel, WASHINGTON POST, 1 December 2003; US advisers urge Bush to drop steel tariffs, CHINA DAILY, 2 December 2003.

ACP COUNCIL OF MINISTERS MEETING DISCUSSES POST-CANCUN WORLD

The ACP (African, Caribbean and Pacific) Council of Ministers met from the 27-28 November in Brussels for its 78th session. Delegates to the meeting discussed, inter alia, post-Cancun positions on WTO issues, the review of the EU-ACP Cotonou Agreement, and agriculture.

Links to the WTO process

At the meeting, ministers affirmed the relevance and validity of the ACP Declaration at the fifth WTO Ministerial Conference (see http://www.ictsd.org/ministerial/cancun/docs/acp_decl.htm). They reiterated the need for WTO Members to recognise the needs and interests of developing countries, and encouraged the continuation of the G-90 or "Tripartite Alliance" (between ACP, least developed and African Union countries) pursued in Cancun. The ministers also called on the WTO General Council to renew negotiations on issues such as special and differential treatment (S&D) for developing countries, implementation issues, the special situation of LDCs, the work programme for small economies, and the rules governing regional trade agreements. The group stressed that cotton should be treated separate from other issues under negotiation, and should be included as a General Council agenda item. They added that the consideration of the Singapore issues should take into account the need for "explicit consensus," accompanied by progress on development issues in the Doha round of trade negotiations. The meeting also requested the WTO to grant the ACP Group of States and the ACP Inter-governmental and Regional Organisations permanent observer status.

Review of the Cotonou Agreement

The ACP Council requested a review of the ACP-EC Partnership Agreement - - also known as the Cotonou agreement -- on issues such as the creation of a Peace Facility for Africa and the use of the resources of the European Development Fund (EDF), which is the main financial and technical instrument of the partnership. The Committee of Ambassadors was mandated to finalise the ACP-EU Agreement on Information Society for Development, taking into account the outcome of the December 2003 World Summit on the Information Society. The last joint ACP-EU meeting was held at the beginning of October this year (see BRIDGES Weekly, 8 October 2003, <http://www.ictsd.org/weekly/03-10-08/story5.htm>).

Key commodities figure in talks

Ministers discussed agriculture and specifically the ACP's cooperation with the EU on bananas, sugar, cotton and rice. The Council decided to form a ministerial follow-up committee, with the intention of strengthening the cotton trade sector. The ACP countries also asked for consultations regarding the imminent EU enlargement, on issues such as the impact on bananas. To enhance the competitiveness of the Caribbean rice industry, the Council of Ministers requested a speedy implementation of the existing rice industry support programme, hoping that the EC would consider measures to relieve any negative impacts that changes to the Common Market Organisation for rice (involving market support through an intervention price and export refunds together with variable duty protection against imports from other countries) would have on ACP rice exporters. For sugar, the Council asked EU member states to adopt measures in defence of the sugar regime.

ACP group was established through the Georgetown Agreement, initially signed on 6 June 1975. The group comprises 78 states in Africa, the Caribbean and Pacific, including a majority of the LDCs in the world.

The next ACP Council of Ministers meeting is set to take place in Babarone, Botswana from the 3-5 May 2004.

To view the Cotonou Agreement between the ACP and EC, visit [http://europa.eu.int/smartapi/cgi/sga_doc?smartapi!cele xapi!prod!celexnumdoc&numdoc=22000a1215\(01\)&lg=en](http://europa.eu.int/smartapi/cgi/sga_doc?smartapi!cele xapi!prod!celexnumdoc&numdoc=22000a1215(01)&lg=en).

ICTSD reporting.

CTD CONSIDERS DEVELOPMENT ASPECTS OF SERVICES NEGOTIATIONS

The WTO Committee on Trade and Development (CTD) held its final meeting for 2003 from 27-28 November. At the meeting, the Secretariat presented delegates with a bibliography on the declining terms of trade for primary commodities, and its implications for trade and development of countries exporting primary commodities (WT/COMTD/W/121, available at <http://docsonline.wto.org>). Members said they would discuss the document at their next meeting, taking the time to study it in the meantime.

Members heard a presentation by Hamid Mamdouh, the Director of the Trade in Services division. He outlined the state of negotiations, focussing on development aspects, as part of the review set out under Article 51 of the Doha Declaration the mandate from paragraph 51 of the Doha Declaration (under which the CTD is to identify and debate the developmental aspects of the negotiations, so as to help have sustainable development appropriately reflected). Mamdouh outlined issues of importance to developing countries, such as modalities that had been adopted for least developed countries (LDCs), and progress on Mode 4 (movement of natural persons). In the ensuing discussion, Members highlighted issues of importance to them. India stressed the need for progress on Mode 4, and Djibouti stressed the role of technical assistance in the services area. Australia said it would like to see more offers from developing countries in the services negotiations.

Members then adopted the annual report for 2003 and the technical assistance and training plan for 2004. However, an annex on regional seminars in the plan remains to be completed. Morocco stressed the need to include the trade policy course for the francophone region in 2004, as it had not taken place this year. Members agreed that the Secretariat would continue consultations on broader issues relating to technical assistance, such as evaluation, monitoring, partnerships, funding, needs assessment etc.

Also at the meeting, Iceland presented an initiative (WT/COMTD/N/17) under which it will grant duty-free and quota-free market access for LDCs.

The next meeting of the CTS is scheduled for 26 February 2004.

ICTSD reporting.

IN BRIEF

**PUTIN AIDE PUTS KYOTO PROTOCOL
INTO QUESTION**

Andrei Illarionov, Russian President Putin's advisor on economic issues, said on 2 December that Russia cannot ratify the Kyoto Protocol "in its current format". The statement, made at a Russian-EU business forum in Moscow, came just as negotiators from around the world were in their first days of a two-week climate meeting in Milano, Italy. Illarionov highlighted, in particular, the fact that the Protocol may hamper future opportunities for economic growth, and following the line taken by the US, questioned why Russia should make any commitments if large developing countries remain exempt. While many at the Milan meeting were shocked by Illarionov's statement, it followed the line taken by Putin at a late September meeting, at which he said Russia would "closely examine" the consequences before ratifying the Kyoto Protocol (see BRIDGES Weekly, 1 October 2003, <http://www.ictsd.org/weekly/03-10-01/story2.htm>).

Commentators were quick to point out that Illarionov's statement was by no means an official repudiation, and Russia may well go ahead and ratify next year after its parliamentary and presidential elections are out of the way.

After the US pulled out of the Kyoto Protocol in 2001, Russia's ratification will either make or break the Protocol, as the Protocol cannot enter into force without countries representing 55 percent of 1990 greenhouse gas emissions signing on.

The ninth Conference of the Parties (COP-9) to the UN Framework Convention on Climate Change is currently going on in Milan, Italy. For daily reporting on the conference, see IISD's Earth Negotiations Bulletin at <http://www.iisd.ca/climate/cop9/>.

ICTSD reporting; "Russia deals blow to Kyoto," REUTERS, 2 December 2003; "Brussels plays down Putin aide's 'no' to Kyoto," AFP, 2 December 2003; "Is Kyoto kaput?," THE RUSSIA JOURNAL, 30 September 2003.

**WHO, UNAIDS UNVEIL NEW AIDS
STRATEGY**

On World's AIDS Day on 1 December, the World Health Organisation (WHO) and UNAIDS released their '3 by 5' initiative, which aims to provide antiretroviral treatment to three million people (out of an estimated six million in need of treatment) living with AIDS in

developing countries and countries in transition by the end of 2005. As part of the strategy, the organisations will work towards a more effective supply of medicines and diagnostics, including through "fixed dose combinations" of medicine. According to Médecins Sans Frontières (MSF), such twice-a-day pills are currently only produced by generic companies. MSF called on governments to "make use of the safeguards in their patent laws to overcome patent barriers to accessing these simple and affordable medicines". They described the WHO's USD 400 target price for treatment by 2004 as lacking ambition, noting that the WHO should encourage the recent trend in falling prices. The prices for generics are expected to fall further with the implementation of the '3 by 5' initiative "due to the creation of massive economies of scale in raw materials and in manufacturing processes", the NGO Health GAP noted. The organisation warned, however, that this economic dynamic was threatened by the US' current bi-lateral and regional trade negotiations, and accused the US of "pushing many of the hemisphere's poorest countries into adopting monopoly protections that will give 'big pharma' the exclusive rights to sell at any price".

For further information on the '3 by 5' initiative, see <http://www.who.int/entity/3by5/en>.

"World Health Organization and UNAIDS unveil plan to get 3 million AIDS patients on treatment by 2005," PRESS RELEASE, 1 December 2003; "More ambition needed to bring prices down," MSF, 1 December 2003; "Bush AIDS Plan an Unfunded Mandate," HEALTH GAP, 28 November 2003.

PIC TREATY SET TO ENTER INTO FORCE

On 26 November, Armenia became the 50th country to ratify the Rotterdam Convention on the Prior Informed Consent (PIC) Procedure for Certain Hazardous Chemicals and Pesticides in International Trade, triggering the treaty's entry into force in February 2004. Klaus Töpfer, UNEP's Executive Director, commented that "thanks to the Rotterdam Convention, we now have an effective system in place for avoiding many of the deadly mistakes made in past decades when people were less aware of the dangers of toxic chemicals". Jacques Diouf, the Director-General from the UN FAO, added that "inappropriate pesticides and their misuse still threaten health and environment in developing countries... the Rotterdam Convention provides countries with a major tool to reduce the risks associated with pesticide use". The PIC procedure is aimed at making information about hazardous chemicals readily available in order to facilitate informed decisions by Parties on the import of chemicals and associated risks.

The PIC intergovernmental negotiating committee (INC) recently met in Geneva to prepare for the treaty's entry into force (see BRIDGES Trade BioRes, 28 November 2003, <http://www.ictsd.org/biores/03-11-28/story1.htm>). The first meeting of the PIC Conference of the Parties is expected to take place in November 2004.

"Informed Consent Treaty For Hazardous Chemicals To Become Law," ENS, 28 November 2003; "Treaty on hazardous chemicals and pesticides trade to become law," UNEP RELEASE, 27 November 2003.

discussion had proceeded as far as Members were able to take it.

The Goods Council approved its annual report to the General Council, and is scheduled to meet again on 26 January 2004.

ICTSD reporting.

WTO IN BRIEF

GOODS COUNCIL REVIEWS CHINA'S IMPLEMENTATION OF WTO REQUIREMENTS

The WTO Council for Trade in Goods met on 26 November to conduct its second review of China under the transitional review mechanism. The EC, Japan and US had previously expressed concerns over transparency issues in China, and during the meeting, China stressed it was meeting its obligations in this regard and said public comment had been integrated into the processes for amending laws and regulations. China also outlined its conformity with GATT rules in specific areas, such as certain export restrictions and limited VAT rebates. China also used the meeting to urge the US to follow recommendations by the Textiles Monitoring Body for granting China improved market access for textiles, stressing that the Chinese textiles sector plays a key role in the creation of jobs and poverty alleviation. The US defended its approach on textiles, which phases in Chinese products more slowly than the Chinese would like. The US and China have recently been clashing over trade issues, especially in the textiles sector, where the US recently slapped tariffs on some products from China (see BRIDGES Weekly, 26 November 2003, <http://www.ictsd.org/weekly/03-11-26/inbrief.htm#2>).

Also at the meeting, the Chair, Ambassador Hovorka of Czech Republic, said he had held informal consultations on the review of the Trade Related Investment Measures (TRIMs) Agreement -- which began in 2000 -- without reaching concrete results. Some countries, including Brazil, India, Pakistan and Colombia said they wanted to see more background work carried out by the relevant international organisations, while the EC said it saw no need for changes to the TRIMs Agreement, and the US felt the

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: 4-10 December

1-4 December, Berlin, Germany: MEETING ON THE SUSTAINABLE USE AND CONSERVATION OF BIOLOGICAL DIVERSITY: A CHALLENGE FOR SOCIETY. This meeting is organised by the German Federal Ministry of Education and Research. For more information contact the Ministry at tel: +49-228-81- 99-611; fax: +49-228-81-99-640; e-mail: meltem.cosar@dir.de; Internet: <http://www.biodiversity-symposium.de>.

1-5 December, Queensland, New Zealand: DEEP SEA 2003. Founding sponsors include the Ministry of Fisheries, New Zealand, Food And Agriculture Organisation of the United Nations, Department of Agriculture, Fisheries and Forestry Australia and Fisheries Research and Development Corporation. This is an international conference where experts will discuss and debate the issues and future needs for science, conservation, and governance and management of the continental slope and deep seas. It will provide a forum for expert discussion on the objectives, constraints and influences on the conservation and management of the continental slope and deep-sea area. For further information, fax: (+64 3) 441-8127; email: deepsea@qdm.co.nz; Internet: <http://www.deepsea.govt.nz/index.aspx>.

1-12 December, Milan, Italy: NINTH CONFERENCE OF THE PARTIES TO THE UNITED NATIONS FRAMEWORK CONVENTION ON CLIMATE CHANGE (COP-9). The conference will continue deliberations from SB-18. For further information, contact: UNFCCC

Secretariat, tel: (49 228) 815-1000, fax: 815-1999,
email: secretariat@unfccc.int, Internet:
<http://www.unfccc.int/>.

2-5 December 2003, Niamey, Niger: SUSTAINABLE DRYLAND AGRICULTURE SYSTEMS CONFERENCE. Partially supported by the Finnish Ministry of Foreign Affairs, the central theme of the conference is "Interactions between Estuaries, Coasts and Human Environment". The symposium will feature presentations and papers on agro-ecological production systems in areas where farmers strive to meet their family needs from small parcels of land in low rainfall regions. For more information contact: Arnie Schlissel, IPALAC; fax: +972-647-2984; e-mail: ipalac@bgumail.bgu.ac.il.

3-10 December 2003, Geneva, Switzerland: 24TH SESSION OF THE ECOSOC SUB-COMMITTEE OF EXPERTS ON THE TRANSPORT OF DANGEROUS GOODS. This meeting will discuss the transport of gases, explosives, and other dangerous goods. For more information, contact: UNECE Transport Division; tel: +41-22-917-2401; fax: +41-22-917-0039/89; e-mail: dominique.leger@unece.org; Internet: <http://www.unece.org/trans/danger/danger.htm>.

5-6 December 2003, London, England: WORLDFAIR - CHRISTMAS WITH A CONSCIENCE IN LONDON. Stalls are run by ethical traders, charities and co-operatives, offering shoppers a chance to buy their Christmas presents while helping communities around the world. There will also be live music and dance performances. This event is organized by Oxfam, War on Want, and World Development Movement. For more information, contact: Alex Burrow; Tel: +43 20 7354 4231 / +43 7957 861 379; Email: alex@millipedia.co.uk; Internet: <http://www.worldfair.org.uk>.

8-9 December, Geneva, Switzerland: SUSTAINABILITY IN THE COFFEE SECTOR: EXPLORING OPPORTUNITIES FOR INTERNATIONAL COOPERATION, PART II: ASSESSMENT AND IMPLEMENTATION. Organised by UNCTAD and IISD. The meeting will focus on assessing concrete opportunities for multi-stakeholder collaboration towards the implementation of sustainability in the coffee sector at the multi-lateral level. The primary objective of this meeting is to adopt a preliminary strategy for pursuing further work on sustainability in the coffee sector at the global level. For more information, contact: Jason Potts, IISD, tel: (1 514) 814-1967; fax: 527-0612; Internet: <http://www.iisd.org/trade/commodities/>.

8-12 December 2003, Montreal, Canada: AD HOC OPEN ENDED INTER SESSIONAL WORKING GROUP ON ARTICLE 8 (J) AND RELATED

PROVISIONS OF THE CONVENTION ON BIOLOGICAL DIVERSITY. Organised by UNEP. Items on the agenda include a presentation of a composite report on the status and trends regarding the knowledge, and the innovations and practices of indigenous and local communities, relevant to the conservation and sustainable use of biodiversity. For further information contact: the secretariat, tel: +1- 514-288-2220; fax: +1-514- 288-6588; e-mail: secretariat@biodiv.org; Internet: <http://www.biodiv.org/doc/meetings/tk/wg8j-03/official/wg8j-03-01-en.doc>.

9 December 2003, Geneva, Switzerland: GLOBAL GOVERNANCE OF ICT: PUBLIC INTEREST CONSIDERATIONS. This workshop is presented by Computer Professionals for Social Responsibility on the occasion of the World Summit on the Information Society. It will bring together experts from civil society and other sectors to carefully consider both the current global policy architecture and realistic, balanced alternatives. For more information, see <http://www.cpsr.org/conferences/WSIS/WSIS120903.html>.

9-12 December, Havana, Cuba: INTERNATIONAL CONVENTION FOR SCIENCE, TECHNOLOGY AND SUSTAINABILITY. Organised by the Cuban Ministry of Science, Technology and Environment with the support of UNESCO, this meeting will consider policies and strategies that allow a better interface between science and technology and sustainable development. Other issues related to S&T and their interface with society to be discussed include: ethics and bioethics, interactive museums, science communication, science education, technology transfer, and innovation. For more information e-mail: lilliam@ceniai.inf.cu. 10-12 December, Geneva, Switzerland: WORLD SUMMIT ON INFORMATION SOCIETY (WSIS) FIRST PHASE. The focus of this conference, entitled Digital Divide, Global Development & Information Society, is on critical issues and considerations in the context of information technological revolution, global transformation, and marginalisation. Inter and intra regional disparities will be examined in terms of information infrastructure and dissemination, knowledge generation and management. The second phase will take place in Tunis, Tunisia in 2005. For more information visit <http://www.itu.int/osis/>.

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.

4 December, Geneva, Switzerland: WTO TRADE POLICY REVIEW BODY - CHILE.

4 December, Geneva, Switzerland: WTO COMMITTEE ON BUDGET, FINANCE AND ADMINISTRATION.

4 December, Geneva, Switzerland: WTO COMMITTEE ON SPECIFIC COMMITMENTS.

4 December, Geneva, Switzerland: WTO WORKING PARTY ON THE ACCESSION OF THE REPUBLIC OF LEBANON.

5 December, Geneva, Switzerland: WTO COUNCIL FOR TRADE IN SERVICES.

8 December, Geneva, Switzerland: WTO SUB-COMMITTEE ON LEAST-DEVELOPED COUNTRIES.

10-12 December, Geneva, Switzerland: WTO TEXTILES MONITORING BODY.

10 December, Geneva, Switzerland: WTO DISPUTE SETTLEMENT BODY.

10-11 December, Geneva, Switzerland: WTO WORKING PARTY ON THE ACCESSION OF VIET NAM.

Other Forthcoming Events

16-21 January 2004, Mumbai, India: WORLD SOCIAL FORUM. Organised by the India General Council (IGC), India Working Committee (IWC), India Organising Committee (IOC) and Mumbai Organising Committee (MOC). People's movements across the world are working to demonstrate that the path to sustainable development and social and economic justice does not lie in neo-liberal globalisation but in alternative models for people-centred and self-reliant progress. WSF India offers a platform to discuss issues of concern to civil society aimed at building a society centred on the human person. For further information contact the WSF Secretariat, tel: +91-22-2421-6249; fax: +91-22-2421-6382; e-mail: wfindia@vsnl.net; Internet: <http://www.wfindia.org/anotherworld.php>.

15-16 January 2004, Geneva, Switzerland: SUSTAINABLE DEVELOPMENT IN THE UNECE REGION. The First Regional Implementation Forum On Sustainable Development is being organised by the UN Economic Commission for Europe (UNECE). The Forum aims at providing substantial inputs to the

Review Year of the UNECE and contribute to the twelfth session of the Commission on Sustainable Development (CSD-12) scheduled for 16-30 April 2004. For further information contact the UNECE Secretariat, tel: +41 22 917-4444; fax: 917-0107; e-mail: subashini.narasimhan@unece.org; Internet: http://www.unece.org/env/wgso/Sustainable%20Development/sd_forum.jan2004.htm.

1-3 March 2004, Geneva, Switzerland: THEMATIC WORKSHOP ON SYNERGIES FOR CAPACITY BUILDING UNDER INTERNATIONAL AGREEMENTS ADDRESSING CHEMICALS AND WASTE MANAGEMENT. Organised by UNITAR in collaboration with several other international organisations. UNITAR has initiated a series of thematic workshops aimed at building the capacity of countries in chemicals and waste management. For further information contact: UNITAR, tel: +41-22 917-1234; fax: 917-8047; e-mail: cwm@unitar.org; Internet: <http://www.unitar.org>.

2-5 March 2004, Concepción, Chile: GLOBAL BIOTECHNOLOGY FORUM. Organised by UNIDO and the Chilean Government. This event will bring together representatives from the scientific, public, private and social sectors as well as high-level decision makers to review opportunities and challenges in biotechnology for the developing world. For further information contact: tel: +56 41 204-649; fax: 214-288; e-mail: gbf2004@udec.cl; Internet: <http://www.gbf2004.cl>.

20-21 April 2004, Amsterdam, Netherlands: CARBON MARKET INSIGHTS 2004. The annual Point Carbon conference on the world's carbon markets. The meeting aims to provide concise viewpoints on recent carbon market developments and likely future directions. In view of the fact that by 31 March 2004, all countries covered by the EU Emissions Trading Scheme will have to submit their National Allocation Plans, Carbon Market Insights 2004 provides an opportunity to be updated on the developments in the carbon markets and explore the consequences for industry and business. In-depth sessions on the status and prospects for the CDM will be provided on day two. For more information contact Marte Nordseth or Ian Roche, tel: +47-907-71-668/ +47-975-39-036; e-mail: conference@pointcarbon.com; Internet: <http://www.pointcarbon.com/category.php?categoryID=192>.

RESOURCES

CLIMATE PROTECTION STRATEGIES FOR THE 21ST CENTURY: KYOTO AND BEYOND. By the German Advisory Council on Global Change (December 2003). In their report, the Council's scientists underscore that dangerous climate change

can now only be prevented if climate protection targets are set at substantially higher levels than those agreed internationally until now. In particular, anthropogenic carbon dioxide emissions must be cut globally by 45-60 percent by the year 2050 relative to 1990. This means that industrialised countries have to reduce their greenhouse gas emissions by at least 20 percent by 2020. Industrialised countries have committed to reducing emissions by five percent by 2012 relative to 1990. For further information see http://www.wbgu.de/wbgu_sn2003_presse_engl.html.

EU EMISSIONS TRADING: CHALLENGES AND IMPLICATIONS OF NATIONAL IMPLEMENTATION.

By Fiona Mullins and Jacqueline Karas (Royal Institute of International Affairs, November 2003). The EU greenhouse gas emissions trading Directive is central to the EU's strategy to meet its climate change commitments under the Kyoto Protocol. However, governments are struggling to implement the Directive in the tight time frame allowed and, in particular, to come up with national allocation plans for distributing allowances. This report -- like the country studies and expert workshop that underpin it -- is designed to inform the ongoing policy process by identifying key issues that need to be resolved and their implications. A key finding is that there are number of key issues on which enhanced coordination between countries could reduce competitiveness concerns, improve market liquidity and enhance the environmental effectiveness of the scheme. To access the document see <http://www.riia.org/pdf/research/sdp/EUETSworkshopreport.pdf>.

THE HIGH PRICE OF 'FREE' TRADE: NAFTA'S FAILURE HAS COST THE UNITED STATES JOBS ACROSS THE NATION. By Robert E. Scott (Economic Policy Institute, 17 November 2003). NAFTA is a free trade and investment agreement that provide investors with a unique set of guarantees designed to stimulate foreign direct investment and the movement of factories within the hemisphere, especially from the United States to Canada and Mexico. No protections were contained in the core of the agreement to maintain labour or environmental standards. This briefing paper argues that, as a result, NAFTA tilted the economic playing field in favour of investors, and against workers and the environment, resulting in a hemispheric "race to the bottom" in wages and environmental quality. To access the report see http://www.epinet.org/content.cfm/briefingpapers_bp147.

SUSTAINABLE INDUSTRIAL DEVELOPMENT? THE PERFORMANCE OF MEXICO'S FDI-LED INTEGRATION STRATEGY. By Kevin P. Gallagher and Lyuba Zarsky (Global Development and Environment Institute at Tufts University, November

2003) This report has found that Mexico's upsurge in foreign direct investment (FDI) over the last decade has not led to sustainable industrial development. The report's authors note that many of the "hoped-for spillovers, industrial restructuring, and environmental improvements did not materialise." Instead, large investments in Mexico's manufacturing sector have relied "heavily on cheap labour and imports for productive inputs", while remaining "largely disconnected from the domestic Mexican economy". To access the report visit <http://www.ase.tufts.edu/gdae/Pubs/rp/MEXICOFDIREPORT11-03.pdf>.

GREENING THE FTAA? This is a Conference Report from an event at McGill University in Montreal, Canada, 17-18 March 2003. Beyond summarising the debates that took place in each panel, the Report critically examines the various recommendations articulated by speakers and participants. Consensus was not the objective of the conference, and the report reflects the varying levels of disagreement that characterised the discussions. To access the report see http://www.law.mcgill.ca/elmftaaconference/eng/documents/report_en.pdf or http://www.law.mcgill.ca/elmftaaconference/fr/document/s/report_fr.pdf.

FOUR ARGUMENTS AGAINST A PLURILATERAL INVESTMENT AGREEMENT IN THE WTO. By Duncan Green and Claire Melamed (CAFOD, November 2003). The authors outline four arguments against a plurilateral investment agreement, as suggested by the EC: the EC proposal would poison attempts to restart negotiations in Geneva; developing countries would likely to come under serious pressure to sign up to a 'voluntary' plurilateral agreement, and to sign up on unfavourable terms; many of the pre-Cancún arguments against a multilateral investment agreement at the WTO are equally relevant to a plurilateral agreement; and a plurilateral agreement would become the focus of major international opposition. To access the report, visit <http://www.cafod.org.uk/policy/pia200311.shtml>.

THE WORLD TRADING SYSTEM AFTER CANCÚN OR HOW THE RHETORIC OF THE DEVELOPMENT ROUND REBOUNDED ON THE INDUSTRIALISED COUNTRIES. By Klaus Liebig (German Development Institute, 2003). Development scholars largely agree on what would constitute a development round. In contrast to their own rhetoric, however, trade policy makers in industrialised countries do not feel obliged by this consensus. The author argues that they therefore bear the main responsibility for the failure of Cancún. The conference's failure does not mean a success for developing countries since they failed to achieve their trade-policy goals. What remains is the hope that the

shock of Cancún will lead to a greater willingness to compromise, above all on the part of the industrialised countries, but also on the part of NICs and anchor countries, with a view to giving the WTO a more development-friendly shape. To access the briefing paper visit http://www.die-gdi.de/die_homepage.nsf/91dea6712d99617ac12569cb00547f10/115b5cd24053547cc1256dde0028dab0?OpenDocument.

JOBS AND INCOMES IN A GLOBALISING WORLD. (International Labour Organisation, June 2003). Globalisation has been neither flawless nor universally beneficial. In so far as the process is policy-driven, the flaws and the failings can in principle be corrected. However, the deficiencies are not self-evident, and impressions can be wrong. This book seeks to identify some of these deficiencies through an empirical assessment of the nature and effects of globalisation. The author argues that the current globalisation is not just about growth of cross-border trade and capital flows; it is about a change in the international division of labour. For further information see <http://www.ilo.org/public/english/region/eurpro/london/news/jobs.htm>.

E-COMMERCE AND DEVELOPMENT REPORT 2003. (UNCTAD, 2003). This report identifies some of the implications that the growth of the digital economy may have for developing countries. It aims to provide practitioners and policy makers with a better understanding of the options available to them in leading sectors of developing-country economies. It is also meant to contribute to the debates at the World Summit on the Information Society and efforts to create a truly inclusive information society that serves and empowers all people. Above all, if it helps developing countries to adopt and take advantage of new digital technologies, this report will have served its purpose. For further information see http://r0.unctad.org/ecommerce/ecommerce_en/edr03_en.htm.

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