



INTERNATIONAL CENTRE FOR
TRADE AND SUSTAINABLE
DEVELOPMENT

Bridges

Weekly Trade News Digest

8 April 2004

Volume 8 Number 13

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LEAD STORIES

WTO DEVELOPMENT COMMITTEE LOOKING TO RE-INVIGORATE TALKS ON S&D

On 1 April, the special (negotiating) session of the WTO Committee on Trade and Development (CTD) -- mandated to review all special and differential treatment (S&D) provisions for developing countries -- met for the first time after the Cancun ministerial conference in September 2003. Hoping to avoid the pitfall of Members wading into well-entrenched positions, which has hindered progress in 2002 and 2003, the body's new Chair, Faizel Ismail (South African), focused discussions primarily on process issues, including the way forward and structure of the body's future work. Recognising the importance of reviving the talks, Members agreed to the Chair's request to begin informal consultations aimed at identifying areas of convergence and the best way to proceed with the S&D work programme. In a related matter, a group of developing and least developed countries circulated a submission on 5 April calling for, inter alia, "a clear road map with specific benchmarks to fulfil the mandate on the outstanding implementation issues and S&D issues in a time bound manner" (see related article, this issue).

Context-setting

After eighteen months of protracted discussions and three missed deadlines to review all S&D provisions "with a view to strengthening them and making them more precise, effective and operational", Members forwarded 24 possible recommendations (out of 88 proposals submitted; searchable under document symbol TN/CTD at <http://docsonline.wto.org>) for ministers to consider for an 'early harvest' in Cancun (see BRIDGES Weekly, 3 September 2003, <http://www.ictsd.org/weekly/03-09-04/story3.htm>). While a large number of developing country delegations and observers characterised the proposals as being of 'dubious economic value', discussions in Cancun saw three additional recommendations tacked onto the

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package. The unsuccessful end of the ministerial put all 27 recommendations on hold, however.

Moving the debate forward

While reiterating the basic premise that all 88 agreement-specific proposals shall remain on the table, Chair Ismail noted that the current debate, which he characterised as being "polarised" and giving rise to "divergent perspectives" both in substance and process, had been unproductive. He called on Members to be flexible and creative in deciding, *inter alia*, what to do with the outstanding recommendations, how to move the debate to a more productive level, and how to meet the expectations of the Doha mandate. The meeting closed with Members giving Chair Ismail permission to proceed with informal consultations aimed at finding a way forward, addressing the key concerns of all Members -- including dealing with both agreement-specific proposals and broader cross-cutting issues (e.g. principle and objectives of S&D, differentiation, monitoring mechanism, etc.). He would, upon finding sufficient basis, reconvene a formal session before the summer break.

Reactions

Members from developed and developing countries seemed to largely welcome the initiative, with comments such as "good kick start" and "innovative approach" circulating. The US and Canada, for their part, reportedly reiterated their hope of harvesting the 27 recommendations, and proceeding with broader and deeper discussions. Another major developed country source indicated his delegation's willingness to work with the procedure, as well as work towards an outcome possibly involving adjustments in the rules. Most developed country Members also indicated that they saw S&D as part of a broader package, along with agriculture and non-agricultural market access, to be delivered by the end of the summer.

While African Members and the group of least-developed countries (LDCs) generally supported the Chair's efforts, they reiterated their belief that the 88 agreement-specific proposals should be addressed as a matter of priority, before moving the talks to broader cross-cutting issues. In addition, some felt the categorisation of proposals previously employed (three baskets: those ripe or near ripe for agreement; those which another body was dealing with already; those most divergent) should no longer be applied. Calling into question the value of adopting any of the 27 recommendations, one African delegate said they "were no different to the provisions Members were trying to strengthen," and thus did little to deliver on the Doha mandate. One acute concern raised was the apparent disregard for the sequence of the Doha 'bargain'. The

mandates on S&D and other outstanding 'implementation issues' (resulting from perceived imbalances in the Uruguay Round Agreements) were two of the first major deliverables in the work programme agreed on by ministers in Doha in 2001 -- and arguably some of the most important systemic issues vis-à-vis development. As echoed in a recent submission (TN/C/W/16, searchable at <http://docsonline.wto.org>), most developing country Members feel neither felt there has been no "progress towards a successful resolution [...] in the period after Doha".

Noting the impasse resulting when Members tried to converge on the existing 88 proposals, one trade source posited that looking at alternative ways to meaningfully address the underlying problems represented in the 88 proposals might be an effective way to proceed.

The crux of the debate

The degree of polarisation in the S&D debate has been vast. Most developed countries are concerned with issues of eligibility (including 'graduating' countries out of a flexibility once no longer required), ensuring compliance and integration as a means of promoting development, and maintaining a narrow scope of activity for the WTO. A large number of developing countries, on the other hand, feel that S&D must be provided on a non-discriminatory basis, that sufficient flexibility in the rules must be maintained in order to deviate from certain disciplines in the name of development, and that the ambit of the WTO must include tackling broader development issues (such as supply-side constraints and infrastructure issues).

In line with these perspectives, most developed countries have held that the broader principles and objectives of S&D must be discussed first and that before any meaningful strengthening of S&D occurs, there must be a mechanism to differentiate among developing countries (i.e. Brazil and Honduras should not always receive the same flexibilities). Developing countries, while diverging somewhat on the issue of differentiating among themselves, have argued nonetheless that the mandate is quite specific in its instructions to review all S&D provisions and that this must be done before moving to any broader discussions.

The next meeting of the CTD special session is scheduled for 19 July this year.

For a comprehensive background on S&D prior to Cancun, see the Doha Round Briefing Series, Vol. 2 No. 13, http://www.ictsd.org/pubs/dohabriefings/cancun_update_s/V2_13_SD.pdf

ICTSD reporting.

INDUSTRIAL MARKET ACCESS HINGES ON AGRICULTURE OUTCOME

The WTO Negotiating Group on Non-Agricultural Market Access (NAMA) met from 29-31 March, with delegates agreeing to seek to draft a negotiating framework by the end of July this year. The meeting, which failed to make any substantive progress, consisted of formal plenary sessions to start and wrap up the talks on 29 and 31 March respectively as well as of a number of informal open-ended negotiations. Trade sources indicated that progress on key agricultural issues was a precondition for talks on NAMA to move, and until such progress was seen, movement on NAMA would be slow or nonexistent. Any agreement on NAMA would have to reflect the level of ambition agreed in agriculture. The NAMA meeting, which was the first official negotiating session on the topic since the Cancun ministerial, followed a week of agriculture negotiations that had failed to show any concrete forward movement (see BRIDGES Weekly, 31 March 2004).

During the meeting, Stefan Johannesson, Ambassador of Iceland, succeeded Pierre-Louis Girard (Switzerland) as chair of the NAMA group. At the brief final plenary session, he said that in his view, Members had shown they were in "active listening mode," but he had seen "no great movement" nor any "great convergence" in positions.

Gap between ambitious, less ambitious countries remains wide

The informal negotiations focused on the overall objectives of the NAMA negotiations; possible formulas for tariff reduction on industrial goods; the sectoral elimination of tariffs on products of export interest to developing countries; and on the specific concerns of developing countries.

The talks did little to bridge the gap between countries that want to see an ambitious outcome on NAMA, such as the US, the EC, Japan, Canada, Australia, New Zealand, Chile, Costa Rica, Singapore, Hong Kong, Norway, and Switzerland, and those that take a more cautious stance. A number of developing countries coalesced around a principle of "less than full reciprocity in reduction commitments" for developing countries. This group, including Argentina, Brazil, China, Colombia, India, Indonesia, Malaysia, the Philippines and Venezuela, and characterised as a "mini G-20," partially overlapped with the G-20 coalition that had emerged in agriculture talks as a counterweight to the US and EC in the lead-up to

Cancun. On NAMA, the group wanted to make sure that talks moved in parallel with agriculture talks, an area of greater strategic interest to the Members. Developing countries generally maintain much higher tariffs on industrial goods than do developed countries.

Members react to US proposal on "blended formula"

During the informal sessions, Members had the chance to react to a proposal by US Trade Representative Robert Zoellick circulated in a letter in January this year (see

<http://www.ictsd.org/ministerial/cancun/docs/Zoellick-letter.pdf>). The proposal, which was part of a wider attempt on the part of the US to jumpstart the Doha round talks, suggested an overall ambitious formula for cutting industrial tariffs, while allowing developing countries some flexibility under a "blended formula" for tariff cuts. The US previously preferred using the so-called "Swiss formula," under which countries make the steepest cuts to their highest tariffs, across the board. Under the "blended formula," developing countries would be allowed to make smaller tariffs cuts for sensitive products. Both formulas are also under discussion in the agriculture talks. US officials explained the rationale behind the blended formula during the meeting, but the initiative did not prompt much discussion or support.

Another proposal from Zoellick's January letter involved zero-tariff initiatives in sectors where there was "critical mass" to support such an approach. On this proposal, some countries felt that discussing sectoral tariff elimination was premature, and preferred to progress only after the group had agreed on an overall formula for tariff elimination.

The next meetings of the NAMA group are scheduled for 10-12 May and 9-11 June. In July, the group is expected to agree on a framework including concepts and formulas for tariff reductions, allowing future talks to progress to detailed numbers and percentages.

ICTSD reporting; "WTO ends nonfarm trade talks with little progress," KYODO NEWS, 1 April 2004; "WTO Members End Disappointing Talks On Access to Non-Agricultural Markets," WTO REPORTER, 1 April 2004; "'Mini G-20' Emerges to Challenge U.S.-EU

Push for Cuts in Tariffs on Industrial Goods," WTO REPORTER, 29 March 2004.

WTO SERVICES COUNCIL: MEMBERS FIND SERVICES OFFERS DISAPPOINTING

The WTO Council on Trade in Services (CTS) met for a special (negotiating) session on 2 April, marking the end of two weeks of meetings of the bodies under the Services Council. At the meeting, Members generally signalled their disappointment with the results of the ongoing request-offer phase of the services negotiations. While developed countries focused their criticism on the low number of offers, most developing countries stressed that the quality of the offers made was unsatisfactory. Also during 'services week,' Members considered new submissions on special and differential (S&D) for developing countries, and on logistics services.

Reasons for the slow request-offer phase

Currently, only 42 countries have presented offers to liberalise their services sectors. According to trade delegates, the lack of progress on services -- once termed the "engine of the Doha Round" -- is due to the fact that Members link services to progress in the (stalling) agriculture negotiations, to negotiating tactics, to national political considerations, and to a lack of technical capacity. While no country has blocked the services negotiation process so far, key agricultural exporters, such as Brazil, South Africa, the Philippines and Egypt, have not yet presented their initial offers. These countries feel that, even so, services talks are more much advanced than work in other areas, such as market access for goods and agricultural products, where not even negotiating modalities have been agreed despite more than three years of discussions.

In a statement, 18 developing country Members collectively indicated that negotiations "do not show real any real improvement to the existing commitments" made by developed countries under mode 4 (movement of natural persons). For many developing countries and least developed countries, mode four represents one of the few areas providing clear gains from progressive liberalisation in the services field. The group of 18 developing countries also pointed out that the offers on mode 4 were linked to local presence (mode 3), and called for "de-linked" mode 4 offers. According to the submission, the de-linked" approach should be accompanied by the elimination of restriction on duration, pre-employment conditions, economic need tests, quota restrictions on visas, discriminatory tax treatment and recognition of qualifications. The countries pointed out that certain developed countries had not presented any opening in mode 4 in their offers.

The Coalition of Services Industry also recently raised concerns with the lack of critical mass in services negotiations, noting the economic importance of the services sector (see BRIDGES Weekly 24 of March). In OECD countries, services account for 69 percent of their GDP, while agriculture only contributes 2.1 percent.

The way forward

On the way forward, some Members supported setting a specific deadline for the submission of offers. The Chair of the CTS proposed holding so called "confessionals," or meetings with individual delegations to get a clearer understanding of positions and flexibilities. While some Members supported this approach, others felt a deadline could add an unnecessary burden to the process, and "confessionals" would give the Chair too large a role in the talks.

Strengthening S&D in services negotiations

On the services negotiations, the delegation of Colombia, on behalf of a number of developing countries, presented a revised proposal on the implementation of paragraph 15 of the guidelines and procedures for the services negotiations (TN/S/W/19, shortly available at <http://docsonline.wto.org>). Paragraph 15 of the services guidelines focuses on developing country issues such as increased participation, respect of national policies and special and differential (S&D) treatment in Members' schedules.

The submission by Colombia stressed the need for specific benchmarks in this regard to assist in the valuation of commitments in the offer and request process, and called for the possible development of modalities for increased participation of developing countries in services trade. For the development of benchmarks, the proposal identified sectors and modes in which developing countries had shown specific interests (professional services, outsourcing services, tourism, and mode 4). The proposal suggested that developed country offers be analysed on a case-by-case basis, so as to allow for an evaluation of whether they actually addressed developing countries concerns. Finally, the proposal called for the predictability of commitments, meaning clarifications of certain issues, especially under mode 4. While some developed countries expressed reluctance to subjecting themselves to multilateral scrutiny, others took a positive stand with regard to the proposal.

Liberalisation of "logistics" services

Also during the course of the latest round of services talks, a number of Members including Australia, Hong Kong, China, Switzerland, China Tapei, and Nicaragua presented ideas for further liberalising the logistics and related services sector (see http://www.dfat.gov.au/trade/negotiations/services/logistics_services_310304.pdf). Their unofficial paper argued that enhanced liberalisation and provision of logistic services could assist in the further development of supply and distribution chains of goods and other services. According to this group, liberalisation would be a determining factor of competitiveness of an economy at the global level. The proposal contained a list of core freight logistics services including: services auxiliary to transport; container and cargo handling; storage; warehousing; and transport agency services. The proposal also mentioned related services such as courier, retail, commission agents, and rental (aircraft and ships). While many Members' offers already include some of these sub sectors, proposal sought to identify a core group of activities, which would facilitate international trade in goods and the provision of certain services.

The next services week is scheduled to begin on 23 June, with a CTS special sessions on 28 June and 2 July.

ICTSD reporting; "Developing Countries Continue to Criticize Absence of Offers in WTO Services Talks," WTO REPORTER, 1 April 2004; "WTO Members Issue Call For Liberalization of Logistics Services," WTO REPORTER, 2 April 2004.

OTHER NEWS

INFORMAL CONSULTATIONS ON SINGAPORE ISSUES CONTINUING

On Tuesday, 6 April, a 'core group' of developing countries met with WTO Deputy Director General Rufus Yerxa, who is conducting informal discussions on trade facilitation. Trade facilitation is one of the controversial Singapore issues, which also include investment, competition policy and transparency in government procurement.

At a General Council (GC) meeting in February this year, no chairs were elected for the working groups on the Singapore issues. Instead, the GC Chair made a statement confirming that informal exploratory talks on the issues would continue at the GC level with the assistance of the WTO Secretary-General, without

prejudice to the outcome of the talks or the opinion of any Member (see BRIDGES Weekly, 12 February 2004, <http://www.ictsd.org/weekly/04-02-12/story1.htm>).

At the informal consultations on 6 April, the 'core group' countries expressed their willingness to discuss trade facilitation, but only for the purpose of clarification and not in negotiating mode. The group wanted the clarification to extend to substantive modalities for negotiations, but reiterated that negotiations must be based on 'explicit consensus'. The group members expressed their desire to see the remaining Singapore issues dropped altogether from the WTO work programme and called for technical assistance on trade facilitation. Overall, the group reportedly was less than enthusiastic with regard to discussing trade facilitation before seeing movement on more pressing issues, such as agriculture.

According to trade sources, the EC's position was not yet clear on the Singapore issues. The same held true for the Latin American countries, although some had indicated a willingness to look at the Singapore issues within a broader context, depending progress in other negotiating bodies.

Background on the 'core group'

The informal 'core group' represents developing countries from different regions and regional groupings. The group emerged prior to the Cancun ministerial meeting on the basis of a common understanding among its members on the Singapore issues. The group crystallised after a draft text was released right before the Cancun meeting (see BRIDGES Weekly 28 August 2003, <http://www.ictsd.org/weekly/03-08-28/story4.htm>) and consolidated at and in the period following Cancun. The group presently includes Bangladesh (representing LDCs), Botswana, Egypt, Cuba, China, India, Indonesia, Jamaica, Kenya, Nigeria, Philippines, Tanzania, Uganda, Zambia and Zimbabwe and Malaysia (presently coordinating the 'core group'). Mauritius and Trinidad and Tobago have been also been invited to participate as representatives of the African, Caribbean and Pacific (ACP) countries at 'core group' meetings. Venezuela is the only Latin American member of the group. One trade delegate remarked that while all 'core group' members had a common position on how to approach the Singapore issues, positions would be debated and further fleshed out at upcoming meetings of LDC ministers in Dakar, Senegal at the beginning of May, African ministers in Kigali, Rwanda, at the end of May, and a G-90 ministerial meeting (comprising ACP, Africa group and LDCs) in Guyana at a date yet to be set.

The next informal meeting on trade facilitation is scheduled for 16 April.

ICTSD reporting.

ENERGY PRICES HOLDING UP RUSSIA'S WTO BID

The WTO Working Party on the Accession of the Russian Federation met on 2 April, following a week of informal talks on Russia's ten-year bid to join the WTO. Officials involved characterised the talks as intense, and while Members signalled that progress was made, key sticking points remain. Russian Deputy Minister of Economic Development and Trade Maksim Medvedkov said on his return to Moscow that Russia would not be able to join the WTO in 2004 as hoped. According to Medvedkov, a conservative estimate for when Russia would join was "when he retired". "We believed in 2003 that in 2004 we would complete the negotiating process, and in 1996 we thought that we would complete it in 1997 -- neither variants happened," Medvedkov said. He singled out the issue of energy pricing as a main reason for the deadlock.

Dual energy pricing a major sticking point

Before Russia enters the WTO, it has to clinch a bilateral deal with any Members that so request. In these talks, the EC is asking Russia to abolish its low domestic gas and electricity prices, arguing that they amount to a de facto subsidy to industry, providing an unfair advantage over foreign competitors. The price that Russia charges for gas exports to the EC is approximately fourfold as compared to Russian domestic prices. The EC would also like to see the Russian energy market deregulated. Moscow, however, argues that dual energy pricing is not prohibited under WTO agreements, and Medvedkov reiterated that the energy requirements "exceed the WTO parameters to a large extent". Russian President Putin has argued that abundant sources of energy are Russia's comparative advantage, and fears that an abrupt increase in prices would dampen Russia's economic growth and fuel inflation. Observers have commented that a possible solution might be for Russia to maintain its dual pricing, with a commitment to gradually raise domestic prices.

"A look at the map shows that Russia is the leading gas supplier and that the EC is the leading gas consumer and we cannot live without each other," Medvedkov noted, but added that the WTO was not the forum to resolve this "regional" issue, and said he hoped it would be resolved on an informal basis in bilateral talks scheduled for April with Brussels.

The EC and Russia recently came out of talks in Brussels on bilateral trade issues, including Russia's WTO bid and the EC's expansion to include ten new members on 1 May (see BRIDGES Weekly, 31 March

2004); Russian Economic Development and Trade Minister German Gref and EC Trade Commissioner Pascal Lamy will meet again on 22 April. An EU-Russia Summit is scheduled for 21 May.

Tensions with the US on the increase?

At the meeting of the Working Party, the US reportedly took a tough stance on intellectual property (IP) violations in Russia. The US targeted, in particular, pirated goods such as CDs and DVDs, allegedly produced for an export market. Medvedkov, however, said that "the indications we have and the signals from the market show that, in all spheres, including optical disks, the situation is gradually improving," and noted that Russia has committed to getting new IP legislation in place by mid-year.

Members also expressed concern over new Russian sanitary and phytosanitary standards. Russia continued to disagree with demands to further open up its banking and insurance sectors, preferring to limit overall foreign ownership. Russia also took a tough stance on the WTO's plurilateral agreement on trade in civil aircraft, with Medvedkov noting that "we will never sign an agreement under which we reject subsidies and eliminate customs duties for [foreign] aircraft".

The next meeting of the Working Party on Russia's accession -- set to focus on industrial policies and subsidies, licensing practices, exports and customs procedures -- is expected to take place in late June or early July this year.

"Russia Rules Out Joining WTO in 04," MOSCOW TIMES, 6 April 2004; "Russia hopes to settle energy dispute with WTO in May," RBC, 5 April 2004; "Russia will not end negotiations on WTO entry in 2004," INTERFAX, 5 April 2004; "EU, Russian Officials Signal Progress On WTO Accession Deal; U.S. Assails Piracy," WTO REPORTER, 7 April 2004.

FOOD SECURITY AND AGRICULTURAL TRADE IN THE SPOTLIGHT

At the annual UN Human Rights Commission in Geneva, an expert appointed to report on the "right to food" took a tough position on the negative impact of agricultural trade under the WTO on small peasant farmers and their food security. Meanwhile, at a conference in Kampala, Ugandan President Museveni called on developed countries to open up their agricultural markets, allowing Africans to export their way out of poverty and food insecurity. In related news, a treaty to secure the genetic diversity of farm crops received the requisite ratifications to enter into force.

Human rights expert blasts the WTO

Speaking on agricultural trade under the WTO, Jean Ziegler, UN Special Rapporteur on the right to food, reported to the UN Commission on Human Rights on 30 March that "agricultural trade is far from being free, and even further from being fair". He stressed that market forces cannot solve the problem on hunger seeing that 840 million people are undernourished -- although global food production is sufficient to support the global population -- and urged WTO Members to focus on "food sovereignty". He emphasised the dire situation of small peasant farmers, which represent three quarters of the 1.2 billion poorest people in the world, and said that "models of export-oriented agriculture that threaten the livelihoods of millions of peasant farmers should be reviewed," as should the dominant role played by large agribusiness companies. He suggested that, in addition to rejecting liberalisation measures, countries should be able to use protectionist tariffs in sensitive agricultural sectors.

Kampala conference addresses food security in Africa

Meanwhile, a conference organised by the International Food Policy Research Institute and hosted by the Government of Uganda, sought to find technical, institutional and political solutions to change a situation in which 200 million Africans are undernourished. The conference on assuring food and nutrition security in Africa was held in Kampala from 1-3 April. Attended by over 500 participants representing different parts of society, including three heads of state, the meeting produced an outcome document on the way forward towards food security. The document identified priority actions for Africa, including: strengthening governance and public accountability; fostering macroeconomic growth and stability; investing in food processing for value addition; investing in pro-poor health policies and actions to raise labour productivity and nutrition security; investing in raising agricultural productivity; and investing in human capacity.

In his address to the conference, Ugandan President Yoweri Kaguta Museveni stressed access to developed countries markets as the key to ensuring food security. In the words of Museveni, "you cannot talk of sustainable food security without speaking of commercial agriculture which means market access". Several other speakers also addressed the issue of market access for African products and the need to address developed country farm subsidies.

International seed treaty to enter into force

In related news, the International Treaty on Plant Genetic Resources for Food and Agriculture was

ratified by twelve European countries and the European Community on 29 March, and will enter into force in three month's time. The treaty seeks to ensure that the wide genetic variety of food crops, passed down through generations of farmers, is preserved. This genetic variety provides an insurance against possible climatic and other changes, and access to a wide range of food products improves the diets of both the farmers themselves and other consumers. The treaty establishes a system to facilitate access to plant genetic resources, and provides for benefit-sharing if products are commercialised as a result. "The Treaty provides an international legal framework that will be a key element in ensuring food security, now and in the future," said Jose Esquinas-Alcazar, of the FAO. FAO Director-General Jacques Diouf added, "the Treaty is an important contribution to the achievement of the World Food Summit's major objective of halving the number of hungry people by 2015".

To access the report by the UN Special Rapporteur on the right to food, visit [http://www.unhchr.ch/Huridocda/Huridoca.nsf/\(Symbol\)/E.CN.4.2004.10.En?Opendocument](http://www.unhchr.ch/Huridocda/Huridoca.nsf/(Symbol)/E.CN.4.2004.10.En?Opendocument)

For further information and full reporting on the Kampala meeting, see <http://www.ifpri.org/2020africaconference/index.htm>

ICTSD reporting; "Treaty on biodiversity to become law," FAO RELEASE, 31 March 2004; "Summary Report Of The Conference On Assuring Food And Nutrition Security In Africa By 2020," IISD, 5 April 2004; "U.N. Rights Expert Slams WTO's Trade Policies," UNWIRE, 31 March 2004.

CHILE-SOUTH KOREA FTA IN FORCE DESPITE KOREAN AG CONCERNS

On 1 April, a free trade agreement (FTA) between Chile and South Korea came into effect. The treaty is the first Korea has entered into, and its ratification was delayed three times due to farmer protests. Under the new treaty, Korea agreed to abolish tariffs on 87 percent of all industrial items and most agricultural, fishery and forestry products from Chile, including tariff elimination on Chilean copper products, animal feed, wheat, wool and tomatoes. In return, Chile will decrease duties on 42 percent of Korean export products including cellular phones, computers and machinery. The tariffs will be cut in phases so that nearly 97 percent of the countries' products will be duty free by 2014.

According to the Korean Ministry of Commerce, Industry and Energy (MOCIE), South Korea's exports to Chile totalled US\$500.17 million in 2003, while Chile

shipped more than US\$1 billion worth of products to South Korea.

In addition to the elimination of tariff and non-tariff barriers on industrial and agricultural commodities, the Chile-South Korea FTA covers investment, services, government procurement, intellectual property rights and competition policy. According to the chapter on investment, it is "inappropriate" for parties to relax health, safety or environmental measures to encourage investment. If a party does feel that environmental standards have been compromised, then consultations may be requested.

Agriculture a stumbling block

During the course of the FTA negotiations, which began in 1999 and were concluded in October 2003, agriculture emerged as the main stumbling block. Once the FTA was agreed, the treaty was debated for months in the Korean parliament until it was officially ratified. Korean farmers are concerned that cheaper agricultural products from Chile will force them out of business. In the final agreement, rice, as well as apples, pears and grapes in high-demand season, are treated as "exceptions to liberalisation". The agreement also contains provisions for a "seasonal tariff system" imposed on Chilean wines for the next 10 years. Under the system, a 45 percent tariff is placed on wines imported between May and October. Recognising that farmers would suffer disproportionately under the new trade pact, the Korean government launched a ten year-project earlier this year to support rural development and strengthen the competitiveness of farms. In addition, the existing farm support programme in Korea will be used to offset losses resulting from Chilean imports.

A representative of the Korean Farmers League commented that "the ratification of the trade pact was obviously a big blow. But we don't think that the nightmare is over. We also fear the coming impact of rice import negotiations. Since rice accounts for 50 percent of local farmers' total income, the influence of rice imports will be overwhelming". Government officials forecast that Korea eventually will be forced to raise rice import quotas, currently at four percent.

Korea entering the FTA race

Due to the export-driven economy of Korea -- the world's twelfth largest economy -- analysts had been warning that the country would be left as an "international orphan" without FTAs. "Korea has no time to take a wait-and-see stance in the global FTA race as the importance of FTAs becomes larger," said Chung Hae-kwan, of the Ministry of Foreign Affairs and Trade. He added that, "against this backdrop, the pursuit of

FTAs is not a matter of choice for Korea, but rather a necessity for future economic growth". There are currently more than 180 FTAs in effect, covering nearly 43 percent of global trade.

For Chile, which already has FTAs with the EU and the US, this new FTA is seen as a move to consolidate the country's Pacific basin strategy, which accounts for 33 percent of Chile's foreign trade.

For the full text of the agreement see http://www.sice.oas.org/Trade/Chi-SKorea_e/ChiKoreaind_e.asp

"Korea faces global pressure to open farm market," THE KOREA HERALD, 6 April 2004; "Chile-South Korea free trade agreement," MERCOPRESS, 1 APRIL 2004; "Korea-Chile FTA Takes Effect, Nation's First," CHOSUN ILBO, 31 March 2004; "Korea-Chile FTA Affects 224 Agricultural Products," CHOSUN ILBO, 2 April 2004; "Korea, Chile begin tariff elimination," THE KOREA HERALD, 1 April 2004; "Chile Ratifies South Korea Trade Agreement, First With Asia," BLOOMBERG.COM, 22 January 2004; "Korea Finally Gets on FTA Bandwagon," KOREATIMES, 18 February; "FTA With Chile to Boost Korea's Global Image," KOREATIMES, 31 March 2004.

IN BRIEF

TEXTILE EXPORTERS DISCUSS POST-QUOTA ERA

From 5-7 April, over 80 delegates attended a meeting of the International Textile and Clothing Bureau (ITCB), an intergovernmental organisation comprised of developing country exporters of textiles and clothing. At the New Delhi meeting, participants discussed the phase-out of a quota regime for textiles and clothing by 31 December this year. Some expressed concerns over possible new forms of protectionism, such as anti-dumping measures. K M Chandrasekhar, ITCB Chair and India's Permanent Representative to the WTO, stressed that countries should continue to stand together to resist protectionist forces. Textile producers' associations from some countries have already called for the extension of the quotas (see BRIDGES Weekly, 10 March 2004, <http://www.ictsd.org/weekly/04-03-10/inbrief.htm#2>). Also on the agenda at the New Delhi meeting was an initiative by a number of countries and industry associations on the creation of social corporate responsibility principles, including environmental standards and labour rights.

On the sidelines of the meeting, key members of the G-20 alliance on agricultural trade, including India, Brazil, South Africa, Mexico, Indonesia and Pakistan met to discuss future strategies. Brazil's Luiz Felipe De Seixas Correa, who chairs the G-20 alliance, noted that the alliance wanted to see a timetable set for the elimination of agricultural export subsidies.

"Watch out for new textile curbs-India," TIMES OF INDIA, 7 April 2004; "ITCB: 'Keep a watch on WTO textile agreement implementation'," BUSINESS LINE, 5 April 2004; "G-20 mulls move on WTO farm talks," BUSINESS STANDARD, 7 April 2004; "India: Textiles Council hints at collective work to face post-quota," BHARATTEXTILE.COM, 7 April 2004.

SENSITIVE SEAS GRANTED SPECIAL PROTECTION FROM SHIPPING

At a meeting in London from 29 March to 2 April, the Marine Environment Protection Committee of the International Maritime Organisation (IMO) -- a UN agency focusing on shipping -- agreed to designate the Baltic sea, as well as the waters around the Galapagos Islands and the Canary Islands, as 'particularly sensitive sea areas' (PSSAs). The PSSA designation allows coastal states to adopt additional protective measures to deal with risks of international shipping. A majority of international trade is carried by ship; this traffic poses risks related to collisions, spills, and groundings. The Great Barrier Reef off Australia, Cuba's Sabana-Camaguey archipelago, Malpelo Island in Colombia and the Florida Keys in the US have already been designated PSSAs. Commenting on the IMO decision, Swedish Environment Minister Lena Sommestad said "this is an incredible success. This is a clear signal to the whole world that the Baltic Sea is a unique ecosystem with valuable wildlife" and its "sensitivity to the negative effects of shipping have been recognised". Sari Tolvanen of Greenpeace expressed regret that Russia, the only country bordering the Baltic Sea to oppose its PSSA designation, would be exempt from implementing special protective measures. She added that "the countries now have a big job to do, making sure that the framework is filled by a full set of appropriate specific measures". This process is expected to last two years.

"IMO declares Baltic Sea particularly sensitive," HELSINGIN SANOMAT, 5 April 2004; "Baltic Sea gets special protection, but Russia exempt," TERRADAILY, 2 April 2004; "IMO moves to protect Baltic," GREEN CONSUMER GUIDE, 6 April 2004.

TRADE TIES DEEPEN BETWEEN ANDEAN, MERCOSUR COUNTRIES

On 4 April, three of five Andean Community (CAN) members signed a free trade agreement with Mercosur, a customs union grouping Brazil, Argentina, Paraguay, Uruguay as well as associate members Chile and Bolivia. The three members of CAN -- Colombia, Ecuador and Venezuela -- agreed on a gradual reduction of tariffs starting next July and continuing over the next ten years. The agreement covers 80 percent of goods normally traded, and provides for a fifteen-year phase in of tariff reductions for "sensitive" products such as textiles, paper and steel, wheat and soybeans, as well as the automobile industry. "The confirmation of a free trade zone with CAN and Mercosur is a first huge step towards regional integration... We've demolished the barriers to regional trade and beginning with this agreement Mercosur has access to a market of 109 million people that annually imports 40 billion in US dollars," commented Argentine International Trade Representative Martin Redrado. The two other CAN members have already signed similar agreements with Mercosur, Bolivia in 1996 and Peru in 2003. In related news, Mercosur recently announced its intention to speed up an agreement with the EU. According to Brazil's daily "O Globo," which cited foreign ministry sources, "the failure of the informal FTAA consultative meeting (see BRIDGES Weekly, this issue) in Buenos Aires leads the Brazilian government to want to strike an accord with the EU as soon as possible". In November 2003, the EU and Mercosur had agreed to wrap up free trade talks by October this year.

"Mercosur speeds up negotiations with EU," PRAVDA.RU, 6 April 2004; "FACTBOX-Colombia, Mercosur trade deal," REUTERS, 5 April 2004; "CAN and Mercosur agree tariff reduction," MERCOPRESS, 4 April 2004.

FTAA TALKS AT AN IMPASSE

Negotiators from the US, Canada, Mexico, Chile, the four South American Mercosur countries -- Argentina, Brazil, Paraguay and Uruguay -- and Ecuador met informally from 31 March to 1 April in Buenos Aires, hoping to break a deadlock in trade negotiations. For the third time this year, a Trade Negotiations Committee (TNC) meeting on the Free Trade Area of the Americas (FTAA) was suspended because of parties' differences over farm subsidies (see BRIDGES Weekly, 12 February 2004). The TNC had been scheduled to meet in Puebla, Mexico, from 22-23 April. Argentine Foreign Vice-Minister Martin Redrado said the talks "remain too ambiguous" for some of the countries involved, while US deputy trade

representative Peter Allgeier insisted that January 2005 remain the deadline for completing the negotiations. Brazil and Argentina led a bloc refusing to negotiate various trade areas unless the issue of US agricultural subsidies are covered in the talks. Critics noted that the failure of the latest talks showed that the effort was waning. "Given the deep deadlock between blocs of countries with opposing views of what an FTAA should be, it is amazing that the Bush administration still insists that the FTAA is alive... Pull the plug on the comatose FTAA and start over with rules aimed at pulling up wages and environmental and consumer standards in the hemisphere," said Lori Wallach, director of Public Citizen's Global Trade Watch. The talks are being organised along a two-tier approach, where everyone has agreed to basic trade liberalisation, with countries that so wish agreeing to wider and deeper cuts to trade barriers.

"April's Americas free trade talks suspended due to farm subsidy row," CANADIAN PRESS, 2 April 2004; "FTAA '05 deadline in jeopardy," MIAMIHERALD, 2 April 2004.

AFRICA'S BUSINESS COMMUNITY URGED TO SUPPORT GOVERNMENT IN WTO TALKS

At a recent meeting in Nairobi, Kenya's Trade Minister Mukhisa Kituyi called on business and government representatives from twelve southern and eastern African countries to work together to ensure that their countries' development and trade interests in the ongoing WTO trade talks are realised. He was speaking at a two-day 'Business for Development' meeting organised by the International Trade Centre (ITC) -- a technical cooperation agency funded jointly by the UN through its Conference on Trade and Development (UNCTAD) and by the WTO -- from 30 to 31 March. In his opening remarks to the meeting, ITC Executive Director J. Denis Bélisle stressed the importance of integrating business concerns into the negotiations. He pointed out that African negotiators often had failed to ensure that their negotiating positions had a real "business content". Presentations and discussions focused on trade issues of importance to the private sector in areas such as agriculture, textiles and industrial market access. Calling for flexibility in the negotiations, Minister Kituyi cautioned: "Without sacrificing the principles and fundamental issues that we stand for, we cannot be successful negotiators unless we have some negotiating room". The Nairobi meeting is the first of a post-Cancun series organised by the ITC. Similar meetings will be held in West Africa, Asia, Latin America and the Caribbean.

ICTSD reporting; "Kenya Urges African Flexibility in WTO Talks," VANGUARD (LAGOS), March 31, 2004; "Africa must Engage Firmly in WTO Trade Talks," HANA NEWS, 31 March 2004.

CHEAPER AIDS MEDICATION OFFERED TO 122 COUNTRIES

On 6 April, the Clinton Foundation announced a new agreement that will make it possible for an increased number of developing countries -- supported by UNICEF, the World Bank and the Global Fund to Fight AIDS, Tuberculosis and Malaria -- to make HIV/AIDS medicines and diagnostics available to their populations. Under the deal, which represents an extension of an earlier agreement struck between the Clinton Foundation and drug companies, the drugs will be purchased at half of their original cost. "Simply put, the Clinton Foundation will negotiate the drug prices, the UN Children's Fund will employ its procurement capacity, and the Global Fund and World Bank will provide the funding," Stephen Lewis, the UN special envoy for HIV/Aids in Africa, said in a statement. The earlier deal, which made the cheaper antiretrovirals available to 16 countries in Africa and the Caribbean last year, was now extended to 122 countries. Actionaid, an NGO focusing on poverty reduction, said that the deal was positive, but warned that the cost of drugs may be still be too high for poor countries. The Clinton-brokered deal brought down HIV treatment costs to US\$140 per person per year from an annual payment of around US\$300. The generic drugs -- pre-qualified by the World Health Organisation -- are being supplied by Aspen Pharmacare Holdings in South Africa; Cipla in India; Hetero Drugs Limited in India, Ranbaxy Laboratories in India; and Matrix Laboratories in India.

For more information about the plan see: http://www.unicef.org/media/media_20329.html

ICTSD reporting; "Funders extend reach of Clinton deal on Aids drugs," BUSINESS REPORT, 7 April 2004; "Heed new AIDS plan, Lewis urges Ottawa," GLOBE AND MAIL, 7 April 2004; "Cheaper Aids drug deal extended," BBC NEWS, 6 April 2004; "Inexpensive AIDS Drug Deal Extended To All Poor Nations," UNWIRE, 6 April 2004.

UNEP ENVIRONMENT FORUM SEEKS SOLUTIONS TO WATER, SANITATION PROBLEMS

The eighth Special Session of the UNEP Governing Council/Global Ministerial Environment Forum (GCSS-

8/GMEF) was held from 29-31 March in Jeju, Republic of Korea. Delegations from 158 nations, including 90 environment ministers, met to discuss the theme of water, sanitation and human settlements. South Korea's Environment Minister Gwak Gyu-ho noted that the meeting was aimed at identifying "[a] specific framework to supply enough water for 10 billion people worldwide suffering from lack of water and provide 25 billion people with upgraded sanitary services". Various issues were raised at the forum, such as threats related to handling solid wastes from industry, households and tourism. The vulnerability of small islands across the Caribbean, Indian Ocean and the Pacific, was highlighted and discussed. "Dead zones" -- oxygen-starved areas of the world's oceans that are devoid of fish, mainly caused by excess nitrogen run-off from farm fertilizers, sewage and industrial pollutants -- was also on the agenda, as was the issue of global environmental governance. "Dead zones" were raised in UNEP's first-ever Global Environment Outlook Year Book, circulated to government officials at the Forum.

The outcomes of the Jeju meeting will form the basis for the 12th meeting of the UN Commission on Sustainable Development to be held in New York from 14-30 April around the theme of water, sanitation and human settlements.

For a full report of the meeting see IISD's Earth Negotiations Bulletin at <http://www.iisd.ca/unepgc/gmef5/>

The GEO Yearbook 2003 is available at <http://www.unep.org/geo/yearbook/>

"UNEP 2004 in Jeju," DONGA, 29 March 2004; "UN group issues warning on 'dead zones' in oceans," TAIPEI TIMES, 30 March 2004.

imbalances in the Uruguay Round Agreements (TN/C/W/16 or WT/GC/W/528, available at <http://www.ictsd.org/issarea/development/resources/TN-C-W-16.pdf>). The sponsoring countries, including Bangladesh (on behalf of the LDC Group), India, Indonesia, Mauritius (on behalf of the African Group) and Trinidad and Tobago (on behalf of the Africa, Caribbean, Pacific states), called for, inter alia, "a clear road map with specific benchmarks to fulfil the mandate on the outstanding implementation issues and S&D issues in a time bound manner [...]". According to the submission, "hardly any progress" has been made on these issues post-Doha. Thus, the submission called for them to be addressed "on a priority basis".

Ministers at the Doha ministerial conference in 2001 had agreed that a report on the S&D mandate "with clear recommendations for a decision" would be completed by July 2002. Eighteen months and three missed deadlines later, discussions on S&D continue (see related article, this issues). Implementation-related issues, for their part, were to be addressed in two paths: i) under the mandate given for those issues where a "specific negotiating mandate" was provided for in the Doha Declaration itself; and ii) "addressed as a matter of priority by the relevant WTO bodies". By mid-2003, few of the implementation issues to be resolved post-Doha had seen any forward movement and in July of that year, the job of finding a way around the impasse was given to the Trade Negotiations Committee and its Chair, WTO Director-General Supachai Panitchpakdi (see BRIDGES Weekly, 17 July 2003, <http://www.ictsd.org/weekly/03-07-17/wtoinbrief.htm>). In that regard, Supachai announced on 17 July 2003 that discussions on certain implementation issues would resume, with some continuing under the auspices of the TNC and others returning to subsidiary bodies for further technical work.

ICTSD reporting; "India, Others Ask For WTO Roadmap On Implementation And S&D Issues," FINANCIAL EXPRESS, 6 April 2004.

WTO IN BRIEF

DEVELOPING COUNTRIES CALL FOR 'ROAD MAP' ON S&D AND IMPLEMENTATION

On 5 April a group of developing and least developed countries (LDCs) circulated a submission on the Doha work programme on special and differential treatment (S&D) and outstanding implementation-related issues -- the former dealing with specific flexibilities in the rules for developing countries and the latter referring to a broader group of issues stemming from perceived

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: 8-21 April

13-15 April, New Delhi, India: AFRO-ASIAN CIVIL SOCIETY SEMINAR - FROM CANCUN TO SAO PAULO: THE ROLE OF CIVIL SOCIETY IN THE INTERNATIONAL TRADING SYSTEM. This seminar is organised by CUTS Centre for International Trade, Economics & Environment (CUTS-CITEE), in association with partner organisations. The participants from Africa and Asia (including the Pacific region) will discuss and debate the issues on the themes of: assuring developmental gains from the international trading system and trade negotiations; does the international trading system promote the interests of the poor?; building and strengthening capacity in trade policy; and the role of UNCTAD in assisting national trade and development strategies. For further information, send an email to citee@cuts-international.org; or consult the website <http://www.cuts-international.org/forthcoming-events.htm#afro-backgrounder>

14-16 April, New York, US: CSD ACTING AS PREPCOM FOR THE TEN-YEAR REVIEW OF THE IMPLEMENTATION OF THE BARBADOS PROGRAMME OF ACTION. For further information contact: Diane Quarless, UN SIDS Unit; tel: +1-212-963-4135; fax: +1-917-367-3391; email: mauritiust2004@sidsnet.org; Internet: <http://www.sidsnet.org>

19-23 April, Trieste, Italy: WORKSHOP ON INTRODUCTION TO BIOSAFETY AND RISK ASSESSMENT FOR THE ENVIRONMENTAL RELEASE OF GMOS. This workshop is organised by the International Centre for Genetic Engineering and Biotechnology (ICGEB) and focuses on providing a theoretical/scientific approach. For more information contact: tel: +39-040 -375-7333; fax: +39-040-226-555; e-mail: courses@icgeb.org; Internet: <http://www.icgeb.org/~bsafesrv/bsfn0309.htm#anchor442802>

19-30 April, New York, US: TWELFTH SESSION OF THE COMMISSION ON SUSTAINABLE DEVELOPMENT (CSD-12): For further information contact: UN Division for Sustainable Development, phone: +1-212-963-2803, fax: +1-212-963-4260, email: dsd@un.org, website: <http://www.un.org/esa/sustdev/csd/csd12/csd12.htm>

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>

20-23 April, Ouagadougou, Burkina Faso: UNEP-GEF SUB-REGIONAL WORKSHOP ON DEVELOPMENT OF NATIONAL BIOSAFETY FRAMEWORKS FOR FRANCOPHONE AFRICA. This workshop aims to help participants acquire a better understanding of the different options for regulatory regimes and administrative systems for biosafety, as well as legal and administrative requirements of the Cartagena Protocol. For further information contact Christopher Briggs, tel: +41-22-917-8411; fax: +41-22-917-8070; email: chris.briggs@unep.ch; Internet: <http://www.unep.ch/biosafety/devsubregwrkshops.htm>

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.

19 April: WTO COMMITTEE ON TRADE AND ENVIRONMENT - SPECIAL SESSION.

19 April: WTO COMMITTEE ON SAFEGUARDS.

19-21 April: WTO TEXTILES MONITORING BODY.

20 April: WTO DISPUTE SETTLEMENT BODY.

20 April: WTO COMMITTEE ON AGRICULTURE - SPECIAL SESSION.

20 April: WTO COMMITTEE ON TRADE AND ENVIRONMENT.

20-23 April: WTO COMMITTEE ON ANTI-DUMPING PRACTICES.

21-22 April: WTO TRADE NEGOTIATIONS COMMITTEE.

Other Forthcoming Events

26-27 April, Geneva, Switzerland: WORKSHOP ON FISHERIES SUBSIDIES AND SUSTAINABLE FISHERIES MANAGEMENT. The Economics and Trade Branch (ETB) of the United Nations Environment Programme will convene this workshop. For further information contact Anja von Moltke, UNEP ETB, tel: 41-22-917 8137; email: etb@unep.ch; Internet: <http://www.unep.ch/etu/Fisheries%20Meeting/FishMeeting2004.htm>

26-28 April, Uppsala, Sweden: FOOD 21 SYMPOSIUM - TOWARDS SUSTAINABLE PRODUCTION AND CONSUMPTION. For further information contact the Symposium Secretariat, tel: +46-18-67-10-03; fax: +46-18-67-35-30; email: food2004@slu.se; Internet: <http://www-conference.slu.se/food2004/>

3 May, Copenhagen, Denmark: SEMINAR ON TRADE-RELATED PROPERTY RIGHTS AND HEALTH. This seminar is organised by the 'WTO, Trade & Development' network, an initiative based at the Danish Institute for International Studies (DIIS). The aim of the network is to provide an international forum for the discussion and dissemination of research and policy-relevant information on trade and development issues. The seminar is part of the 'Trade Mondays' series, with a seminar once a month at DIIS. For further information on the network and the 'Trade Mondays', contact Stefano Ponte, Seminar Coordinator, email: spo@diis.dk

3-7 May, Paris, France: CODEX COMMITTEE ON GENERAL PRINCIPLES, 20TH SESSION. Joint FAO/WHO food standards programme. For this session, items on the agenda include: proposed draft revised code of ethics for international trade in foods, definition of traceability/product tracing of foodstuffs, guidelines for cooperation with international intergovernmental organisations. For further information contact the Codex Secretariat, fax: +39-6 5705-4593; email: Codex@fao.org; Internet: http://www.codexalimentarius.net/ccgp20/gp20_01e.htm

10-14 May, Montreal, Canada: CODEX COMMITTEE ON FOOD LABELLING, 32ND SESSION. Joint FAO/WHO food standards programme. For this session, items on the agenda include: report of the working group on the management of the agenda items on labelling of foods and food ingredients obtained through certain techniques of genetic modification/genetic engineering and guidelines for the production, processing, labelling and marketing of organically produced foods draft revised annex 2 -

permitted substances. For further information contact the Codex Secretariat, fax: +39-6 5705-4593; email: Codex@fao.org; Internet: http://www.codexalimentarius.net/ccfl32/fl04_01e.htm

11-12 May, Brussels, Belgium: BRUSSELS CLIMATE CHANGE CONFERENCE. This conference will take stock of recent EU and international developments. After a review of EU policies, participants will examine the approaches and policies of the EU's main trading partners such as the US, Japan, Canada or Australia. The review will include an evaluation of emerging carbon markets, including overall size, liquidity, price levels etc. Speakers include Catherine Day, Director General of DG Environment, European Commission, Harlan Watson of US State Department, Charles Nicholson of BP, Sean O'Dell from Natural Resources, Canada, T Sakamoto from METI, Japan and Howard Bamsey, CEO of the Australian Greenhouse Office. For further information contact Mark Kinloch, email: mark.kinloch@euconferences.com; Internet: <http://www.euconferences.com/fraclimate04.htm>

7 June, Copenhagen, Denmark: SEMINAR ON STANDARDS, TRADE AND DEVELOPMENT. This seminar is organised by the 'WTO, Trade & Development' network, an initiative based at the Danish Institute for International Studies (DIIS). The aim of the network is to provide an international forum for the discussion and dissemination of research and policy-relevant information on trade and development issues. The seminar is part of the 'Trade Mondays' series, with a seminar once a month at DIIS. For further information on the network and the 'Trade Mondays', contact Stefano Ponte, Seminar Coordinator, email: spo@diis.dk

17-18 June, Graz, Austria: 16TH EUROPEAN CUSTOMS CONFERENCE. The European Forum for External Trade, Excise and Customs is organising a conference focusing on EU enlargement in practice/international risk management. For further information contact Hans-Michael Wolfgang, European Forum for External Trade, Excise and Customs, tel: +49(0)251 83 21100; fax +49(0)251 83 21102; email: efa@uni-muenster.de; Internet: <http://www.efa-muenster.de/>

21-23 June, Puebla, Mexico: ELEVENTH REGULAR SESSION OF THE CEC COUNCIL ON ENVIRONMENTAL COOPERATION. During the eleventh session of the Commission for Environmental Cooperation (CEC) the environment ministers of Canada, Mexico and the US will review findings of the ten-year review of the North American Agreement on Environmental Cooperation (NAAEC), in order to chart a path forward for the CEC over the next decade (see <http://www.cec.org/trac/>). The programme of events

begins on 21 June with a workshop on the future direction of the NAAEC organised by the Joint Public Advisory Committee (JPAC). The CEC Council will hold a public session, during which a limited number of members from the public will be invited to present oral statements. In parallel to the above meetings, JPAC will hold a regular session on 22-23 June. Members of the public are invited to attend as observers. For further information contact Daniel Brevé, tel: +1 514 350-4368; fax: +1 514 350-4345; email: dbreve@ccemtl.org; Internet: <http://www.cec.org/news/details/index.cfm?varlan=english&ID=2598>

6 September, Copenhagen, Denmark: SEMINAR ON WTO, DISPUTE SETTLEMENT AND THE LIMITS OF LAW. This seminar is organised by the 'WTO, Trade & Development' network, an initiative based at the Danish Institute for International Studies (DIIS). The aim of the network is to provide an international forum for the discussion and dissemination of research and policy-relevant information on trade and development issues. The seminar is part of the 'Trade Mondays' series, with a seminar once a month at DIIS. For further information on the network and the 'Trade Mondays', contact Stefano Ponte, Seminar Coordinator, email: spo@diis.dk

RESOURCES

FREE TRADE - MYTH, REALITY AND ALTERNATIVES. By Graham Dunkley (Zed Books, February 2004). Free trade and its virtues are a mantra of contemporary economics, and a fixed point of policy for the WTO. But there are many economists who disagree, and there are many ideas for alternative ways of organising world trade and increasing the development chances for poor countries. Free Trade explains the case for free trade; the critiques; and how free trade policies work in practice. It introduces powerful and increasingly high profile new ideas for greater self-reliance and alternative development. Readers can see how it is possible to create economic policies that really address poverty and inequality, and that also take into account the environment, culture and human rights. For further information see <http://www.zedbooks.co.uk>

THE KYOTO PROTOCOL: RUSSIAN OPPORTUNITIES. By Benito Müller (RIIA, March 2004). Much of the most recent debate on Russian ratification of the Kyoto Protocol has centred around the issue whether the Kyoto emission limit would hinder Russian economic growth, particularly in the context of the ambitious decadal Russian growth targets. The aim of this paper is to return the focus of the debate to the opportunities which the Kyoto Protocol could afford the

Russian economy and which would be lost if Russia fails to grasp them by bringing the treaty into force in the very near future. To access the paper visit <http://www.wolfson.ox.ac.uk/~mueller/RIIA%20OIES%2004%20Briefing%20Note%20Engl.pdf>

"Will Foreign Direct Investment Take Off in the Russian Federation?" By Kalman Kalotay in the JOURNAL OF WORLD INVESTMENT AND TRADE 5 (1, 2004) pp. 119-138. With its size and natural resources, the Russian Federation has the potential to attract all types of foreign direct investment (FDI) but, up until recently, has attracted FDI flows below that potential. This has been largely due to the influence of local capitalists (the "oligarchs") blocking the sales of assets to foreign investors. Realising the Russian Federation's potential for attracting FDI and sustaining investor interest will depend largely on whether or not foreign investors will be allowed to acquire equity shares in or even ownership of local firms. From this point of view, the recent weakening of the oligarchs has a double-edged impact: while it potentially removes one obstacle to inflows of FDI, it raises questions about ownership rights and respect of the principle of pacta sunt servanda. This article therefore analyses how and to what degree bilateral investment agreements signed by the Russian Federation and the country's entry into the WTO may provide the necessary guarantees for foreign investors.

COTTON: MARKET SETTING, TRADE POLICIES, AND ISSUES. John Baffes (World Bank Report, February 2004). The author reviews the market setting and policy issues and gives developing and industrialised cotton producing countries recommendations on how to improve the policy environment. The importance of cotton as a cash crop to many developing countries as well as its subsidisation in larger areas like the U.S. and EU are discussed. To access the report, visit http://econ.worldbank.org/files/33109_wps3218.pdf

GOVERNMENT PROCUREMENT: MARKET ACCESS, TRANSPARENCY, AND MULTILATERAL TRADE RULES. Simon J. Evenett and Bernard Hoekman (World Bank, January 2004). The authors analyse the effects that discrimination against foreign suppliers of goods and services and nontransparency of government contracting procedures to firms have on national welfare and market access. They conclude that heightened domestic competition on procurement markets and greater transparency will improve economic welfare. But ending discrimination or improving transparency have ambiguous effects on market access. To access the report visit: http://econ.worldbank.org/files/32743_wps3195.pdf

MARKET ACCESS FOR SALE: LATIN AMERICA'S LOBBYING FOR US TARIFF PREFERENCES. Hiau Looi Kee, Marcelo Olarreaga, and Peri Silva (World Bank, January 2004). The authors discuss the lobbying procedures of foreign forces looking to influence US tariff preferences. Results suggest that returns to Latin American and Caribbean exporters lobbying for tariff preferences in the US are about 50 percent. To access the report visit: http://econ.worldbank.org/files/32746_wps3198.pdf

WHY WE HAVE NOTHING TO FEAR FROM FOREIGN OUTSOURCING. By Daniel T. Griswold (Cato Institute's Center for Trade Policy Studies Free Trade Bulletin, March 2004). Foreign outsourcing, or offshoring, is being blamed for job losses in the information technology (IT) sector. Contrary to the popular perception, foreign outsourcing is not to blame for the deep recession that struck the information technology industry beginning in early 2000. A fundamental mistake made by the critics of outsourcing has been to confuse the passing pain of the IT recession with an alleged long-term decline in the sector. That mistake is compounded when current output and employment levels are compared with levels at the frenzied peak of the boom in 2000 rather than with more normal levels from the late 1990s. A more accurate and less alarming picture of the industry emerges if we compare the state of the industry a few years after the bubble burst with its state a few years before. To access the bulletin, visit <http://www.freetrade.org/pubs/FTBs/FTB-010.html>

Electronic Resources

WORLD TRADE FIGURES 2003. WTO (5 April 2004). The WTO has released the latest trade statistics for 2003, including prospects for 2004. According to the WTO, world trade recovered at an increased rate in 2003, due to stronger than expected growth in the US and Asia, and could expand further in 2004. Growth in world trade picked up pace to 4.5 percent in 2003, recording a second year of recovery after shrinking in 2001. However, the pace of trade growth was uneven and many barriers to trade remain globally. The statistics are available at http://www.wto.org/english/news_e/pres04_e/pr373_e.htm

Back issue of **BRIDGES Weekly Trade News Digest**© can be accessed at: <http://www.ictsd.org/weekly/archive.htm>

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).

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

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 1563-00