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LEAD STORIES

DOHA ROUND: POLITICAL MOMENTUM GROWING AS MINISTERS PREPARE FOR PARIS MEET

During last week, major groups within the WTO positioned themselves in anticipation of ministerial level talks on the Doha round of trade negotiations, held at the sidelines of an Organisation for Economic Cooperation and Development (OECD) summit in Paris from 13-14 May. EC Trade Commissioner Pascal Lamy and Agriculture Commissioner Franz Fischler circulated a letter to their trading partners on 10 May, offering to end all export subsidies and proposing more lenient treatment of the weakest and most vulnerable developing countries in the current round of talks. Meanwhile, the G-20 group of developing countries came out strongly against a formula for cutting agriculture tariffs preferred by the EC and US.

The Lamy letter

In a letter dated 9 May, Lamy and Fischler set out EC positions on key areas that Members need to move on in order to create a negotiating framework by July this year (the full letter is available at http://www.ictsd.org/ministerial/cancun/docs/Lamy_Fischler_9May04.pdf).

On agriculture, the letter acknowledges the need for subsidising countries to take the lead. Lamy and Fischler deal with all three agricultural pillars. On market access, they support the so-called blended formula (which combines elements of the so-called Uruguay Round formula that sets an average reduction with a minimum reduction per tariff line -- to be applied to certain "import sensitive" products -- and the Swiss formula, which would bring down all tariffs horizontally to a maximum ceiling, effectively addressing tariff peaks). On domestic support, the letter notes that the EC is open to commitments "guaranteeing the overall reduction of trade-distorting domestic support", while maintaining non-trade distorting, or "green box" support free of restrictions. On export subsidies, the letter states

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that the EC would be ready to eliminate such support, as long as other Members moved in parallel to get rid of other forms of export competition, including export credits, food aid and state trading enterprises.

Moving on to industrial market access, Lamy and Fischler suggest that negotiations focus on a "simple, general and ambitious" market access formula, including exceptions for sensitive developing country products. On services, the two note that negotiations are lagging and call for more action, stressing that "it would be inconceivable to conclude the DDA [Doha Development Agenda] without a significant level of new and substantial commitments on services".

On the Singapore issues (investment, competition, transparency in government procurement and trade facilitation), the letter notes growing support for negotiations on trade facilitation, and that this issue alone, or perhaps together with transparency in government procurement, would remain within the current trade talks.

In addition, the letter addresses issues of development concern. Lamy and Fischler make a proposal that least-developed countries (LDCs) as well as other weak and vulnerable countries -- singling out the G-90 group of mainly African, Caribbean and Pacific countries and LDCs -- should not be required to further open their markets, while being able to enjoy greater access to the markets of developed and advanced developing countries. The letter does ask the countries to bind their tariffs at existing levels so as to increase predictability.

In conclusion, the letter highlights the timetable for the talks ahead, stressing the need for an outline text no later than the end of May, paving the way for an agreement on framework modalities by the end of July.

Trading partners react

In their reactions to the letter, a number of the EC's trading partners welcomed the offer to end export subsidies. US Trade Representative Robert Zoellick said "I hope this will provide a shot in the arm to the overall negotiations" (for the full statement see <http://www.ustr.gov/releases/2004/05/2004-05-10-statement-doha.pdf>). Australia's Trade Minister Mark Vaile echoed the same sentiments. Mexico's Eduardo Perez Motta said "I think it helps. I do not want to sing victory but they are giving positive signals". A Brazilian spokesperson agreed that "The fact these positions are being made public is welcome. It constitutes a move we view positively and with satisfaction". Japanese Minister of Agriculture, Forestry and Fisheries Yoshiyuki Kamei also welcomed the EC move, noting that Japan's position was that all forms of export support should be eliminated in a set of stages, and that the matter

warranted further discussion. Ottawa reacted by noting that the Canadian Wheat Board, a state trading enterprise, was not up for negotiation, and had been ruled to be WTO consistent in a dispute settlement case.

The portion of the letter suggesting that the most vulnerable countries be granted special treatment was greeted with suspicion among more advanced developing countries, however. The Chilean Ambassador to the WTO, Alejandro Jara, said "We are concerned over the attempt to create new categories of countries, consolidate preferential tariff regimes and establish an equivalence between poverty and inability to make commitments to trade liberalisation". Argentine Ambassador Alfredo Chiaradia went as far as saying that "the EU is proposing an act of generosity toward a group of developing countries with our money". Other trade officials indicated that they felt the EC move was one to win political support among the G-90 against the more competitive developing countries.

France to put sticks in the wheels?

The letter drafted by Lamy and Fischler was discussed by EU trade officials on 7 May. Reportedly, France, Ireland, Belgium, and Hungary argued at the meeting that the Commission lacked the mandate to negotiate a date for eliminating export subsidies. Germany, the UK, Denmark, Sweden, Finland and the Netherlands all supported the initiative. France's agriculture minister Herve Gaymard, at a separate occasion, stressed that the Commission had overstepped its mandate, and called the initiative dangerous. He said it "signals a degree of flexibility even though none of our other trading partners show any signs of flexibility". Farm groups in France also voiced strong opposition. Jean-Michel Lemetayer, of FNSEA, the largest farm union in France, said "We refuse to allow agriculture to be the bargaining chip in international negotiations... They have no right to sell off agriculture". Trade sources indicated, however, that it would be very difficult for the EC to withdraw its offer at this point.

G-20 opposes blended formula

Meanwhile, the G-20 group of developing countries reiterated their opposition to the blended formula for agricultural tariff reductions (see BRIDGES Weekly, 28 April 2004, <http://www.ictsd.org/weekly/04-04-28/story2.htm>). On 7 May, the group officially rejected this approach -- which had mainly been promoted by the EC and US -- circulating a two-page critique in advance of meetings scheduled to be held between trade ministers from 13-14 May. The G-20 argued that the blended formula was "biased in favour of the tariff structures of its proponents, enabling them to maintain the protectionist status quo," adding that "It is a

meticulously structured approach to accommodate the interests of the proponents and detrimental to the interests of the majority of the Membership". The G-20 has not, however, put forward an alternative formula. This fact came under fire from both the EC and the US, with the G-20 countering that the US and EC already signalled that they would not support a tiered approach favoured by the G-20 and the Cairns group.

Ag discussions to continue at the political level

Against the backdrop of the G-20 paper and the EC offer, key ministers are meeting at the political level to seek common ground on outstanding issues, with a focus on agriculture. Trade ministers from the US, EC, Australia, Brazil and India met from 12-13 May, in advance of a larger meeting among 28 trade ministers from 13-14 May at the sidelines of an OECD summit in Paris.

The next meeting of the WTO General Council will be held from 17-18 May.

ICTSD reporting; "EU may end farm export aid, seeks trade talks boost," REUTERS, 10 May 2004; "WTO heavyweights step up search for farm deal," REUTERS, 4 May 2004; "USTR Zoellick Welcomes EU Offer To End Farm Subsidies," DOW JONES, 11 May 2004; "Australia Welcomes EU Offer To Scrap Ag Export Subsidies," DOW JONES, 11 May 2004; "Latin Americans wary of latest EU trade proposal," EFE, 10 May 2004; "Japan Farm Chief Welcomes EU Proposal for Abolishing Subsidies," JIJI PRESS, 11 May 2004; "Canada says Wheat Board off limits in WTO talks," REUTERS, 10 May 2004; "EU Members Express Anger at Plan To Negotiate End of Export Subsidies," WTO REPORTER, 11 May 2004; "France renews attack on EU farm trade offer," REUTERS, 11 May 2004; "Group of 20 Slams U.S.-EU Insistence On 'Blended' Formula in WTO Farm Talks," WTO REPORTER, 10 May 2004.

DEVELOPMENT COMMITTEE DISCUSSES DECLINING COMMODITY PRICES

The WTO Committee on Trade and Development (CTD) met on 11 May, with Members focusing on declining commodity prices and Paragraph 51 of the Doha mandate (which requests Members to consider how sustainable development is reflected in the overall negotiations).

Chaired by Ambassador Trevor Clarke (Barbados), the meeting was dominated by discussions on declining commodity prices, picking up from the previous meeting of the CTD in February (see BRIDGES Weekly, 26 February 2004, <http://www.ictsd.org/weekly/04-02-26/story2.htm>). In a submission, Kenya, Tanzania and

Uganda made a suggestion on the allocation of work in the WTO on issues related to the decline of the prices of primary commodities (WT/COMTD/W/130, accessible at <http://docsonline.wto.org>). The submission proposed that the work should be shared between the special (negotiating) session of the Committee on Agriculture and the Negotiating Group on Market Access, with the CTD being responsible for monitoring progress on the issue in the negotiations.

Switzerland, in its submission (WT/COMTD/W/129), considered it essential that negotiations were well informed about the technical, economic and commercial factors that influence commodity decline and volatility, to provide for sound analysis in the negotiations. Switzerland preferred in-depth discussions within the CTD, assisted by input from various international organisations represented at these meetings. The role of the CTD was, according to the Swiss, to further raise awareness on the decline in commodity prices, and to prepare the ground for delegations to introduce concrete proposals in the negotiating sessions, rather than to make concrete recommendations to negotiating bodies.

While the proposal by Kenya, Uganda and Tanzania drew widespread support from developing countries as well as the US, some developed countries, such as Japan, were reportedly in favour of the Swiss proposal.

At the meeting, Members also supported a request by the Common Fund for Commodities (CFC), an inter-governmental financial institution, for observer status.

Developing countries seek to operationalise Para. 51

Discussions on Para. 51 saw rifts emerge between countries such as Kenya and India, which sought a "faithful" implementation of the letter of the Doha mandate, and certain developed countries. One developing country trade delegate emphasised that the Doha mandate requested the CTD to identify and debate the developmental aspects of the negotiations "...in order to help achieve the objective of having sustainable development appropriately reflected". The delegate called for more than academic debates and reports from various committees delivered to the CTD, and said that the CTD should serve as a monitoring mechanism to ensure that the negotiations delivered meaningful sustainable development.

Many developed countries were, however, concerned that any power to make recommendations would imply assigning a negotiating mandate to the CTD regular session, and wanted to keep the discussions on an academic plane. Canada and the US reportedly took a

position more in tune with those of developing countries.

At the Chair's suggestion, informal consultations are due shortly on both declining commodity prices and Para. 51.

Maldives request special treatment for graduating LDCs

In a submission to the CTD session (WT/COMTD/W/128), the Maldives raised a new issue by requesting the CTD to recommend a series of measures that would enable the Maldives and other least developed countries (LDCs) a smooth transition as they graduated from LDC to developing country status. The Maldives drew attention to the additional costs resulting from added WTO obligations following graduation, and the loss of trade preferences it would face. Some Members responded by proposing that any preferential treatment be applied on a case by case basis -- in this case to Maldives, which had requested that graduation be treated as a systemic issue. The graduation of the Maldives is still pending within the UN, and further discussions of the issue are set to take place in the CTD.

The next session of the CTD will take place in September 2004.

ICTSD reporting.

OTHER NEWS

LDCS AGREE ON DOHA ROUND POSITIONS

The trade ministers of the least-developed countries (LDCs) -- meeting in Dakar, Senegal, from 4-5 May for the third LDC trade ministers conference -- reaffirmed their commitment to the multilateral trading system and emphasised the need for the ongoing Doha round of trade negotiations to take their development concerns into account. The participants adopted the Dakar Declaration, which highlights priority areas for LDCs in the negotiations, tables proposals aimed at advancing their developmental and trade needs, and encourages WTO Members to intensify their efforts at reviving the talks.

Supachai asks LDCs to show flexibility

Addressing the meeting, which was organised to take stock of developments in the negotiations after the Cancun Ministerial held in Mexico in September 2003, WTO Director-General Supachai Panitchpakdi urged all Members to show flexibility (for the full speech see http://www.wto.org/english/news_e/spsp_e/spsp26_e.htm). He cautioned that a loss of momentum would directly impact priority areas for LDCs, such as the liberalisation of the cotton sector and agriculture. On the difficult 'Singapore issues', which contributed to the stalemate in Cancun -- trade facilitation, transparency in government procurement, trade and investment and competition policy -- he called on LDCs to "build in a little more flexibility" in their positions if consensus was to be reached. WTO Members are currently aiming to reach a framework agreement in the negotiations by July this year.

Dakar Declaration reiterates LDC priorities

The Dakar Declaration calls for export subsidies in developed countries to be phased out on a 'fast-track' basis. The Declaration also signals a wish for WTO Members to exercise restraint in applying technical barriers to trade and sanitary and phytosanitary measures to LDC exports. On market access, the Declaration expresses concern over the erosion of existing LDC trade preferences due to tariff reductions resulting from further trade liberalisation in the WTO context.

The Declaration further calls for the expeditious resolution of the issue of developed country cotton subsidies, which bring down world prices (see BRIDGES Weekly, 4 June 2003, <http://www.ictsd.org/weekly/03-06-04/story3.htm>), and the implementation of the results of the cotton workshop held in Cotonou from 23-24 March (see BRIDGES Weekly, 31 March 2004 at: <http://www.ictsd.org/weekly/04-03-31/story2.htm>).

Trade officials express hope

Speaking at the meeting, Pascal Lamy, the EU Trade Commissioner, stressed that the Doha talks could be revived and hoped the meeting would give the talks the needed boost. He addressed developing country and LDC needs specifically by saying that the G-90, a grouping of mainly LDCs and African countries, "should be able to benefit from all the results of the current negotiations in all the areas in return for consolidating tariffs and an agreement on trade facilitation".

Echoing the sentiments of many LDCs, Anwarul K. Chowdhury, UN Under-Secretary-General and High Representative for LDCs, Landlocked Developing Countries and Small Island Developing States, noted at the meeting that an interim WTO ruling against the US

in a dispute settlement case on US cotton subsidies -- if confirmed in the final ruling -- "could have far reaching consequences for West Africa and on other agricultural products" (see BRIDGES Weekly, 28 April 2004, <http://www.ictsd.org/weekly/04-04-28/story1.htm>).

To access the Dakar Declaration, visit <http://www.enda.sn/english/dakardec.htm>

ICTSD reporting; "EU woos poor countries with tariff pledges," FINANCIAL TIMES, 5 May 2004.

ACP MINISTERS TAKE STANCE ON COTONOU REVIEW

The 79th Session of the African Caribbean and Pacific (ACP) Council of Ministers met in Gaborone, Botswana from 4-5 May to consolidate the ACP strategy in light of major developments, such as the imminent review of the Cotonou Agreement to be launched this year, and the stalled WTO talks. The Council of Ministers -- composed of a government representative from each ACP state and convening biannually -- is the main ACP decision-making body, responsible for implementing and monitoring the group's objectives.

Poverty alleviation to take centre stage in review of Cotonou Agreement

The Council of Ministers adopted a number of decisions and resolutions during their meeting. On the review of the Cotonou Agreement, the ministers approved a negotiating structure and time-frame, and agreed that poverty alleviation should be at the heart of this process. On the ongoing Economic Partnership Agreement (EPA) negotiations between some ACP regions and the EU, the ministers concluded that outstanding issues, such as rules of origin, dispute settlement, trade related issues (apart from the Singapore issues), and the 'non-execution clause' under the Cotonou Agreement, should continue to be discussed at the all-ACP level (as opposed to the regional-level) with the EU. Under the non-execution clause, an ACP country faces sanctions, including suspension from the Cotonou regime as a last resort, if it fails to fulfil an obligation related to respect for human rights, democratic principles and the rule of law. The ACP is concerned that this provision could provide a basis for the EU to invoke unilateral trade sanctions.

Regarding the ongoing WTO talks, the ministers noted that the alliance of ninety developing and least developed countries consisting mostly of ACP states (the so-called G-90 formed during the WTO Cancun Ministerial) would hold two meetings in June and July to deliberate further on a strategy to better defend their trade interests. The ministers also adopted a

programme that calls on the EU to provide financial and technical assistance to coffee, cocoa and peanut producers. Other decisions taken included a further demand on the EU to reduce cotton subsidies, and resolutions on access to affordable medicines and securing preferences on rice, sugar and bananas.

ACP-EU Council of Ministers meeting

Following closely after the ACP Council of Ministers meeting, the 29th Session of the ACP-EU Council of Ministers met from 6-7 May at the same venue. This group, composed of one representative from each ACP and EU state, meets once a year to engage in political dialogue, adopt policy directives and take decisions on the implementation of ACP-EU cooperation. The meeting presented an opportunity for the ACP to voice their concerns about the impact of EU enlargement on their economies -- in particular on the trade preferences they currently enjoy on commodities such as sugar. The ACP demanded a firm commitment from the EU to safeguard and enhance ACP development assistance and existing preferential market access conditions and to ensure that these benefits were not transferred to new EU members or subsumed under the new priorities of an enlarged EU.

ICTSD reporting; "Main decisions and resolutions of the ACP Council of Ministers," ACP SECRETARIAT PRESS RELEASE, 8 May 2004; "Main decisions and resolutions of the ACP-EU Council of Ministers," ACP SECRETARIAT PRESS RELEASE, 8 May 2004.

IN BRIEF

MONSANTO DEFERS COMMERCIALISATION OF GM WHEAT

Monsanto, the world's largest seller of genetically modified seeds, announced on 10 May that it would defer efforts to commercialise Roundup Ready wheat, a genetically modified crop engineered to tolerate Monsanto's Roundup herbicide. According to Monsanto, the marketing of the GM wheat would be on hold "until other wheat biotechnology traits are introduced". Juan Lopez of Friends of the Earth International commented, "This is a worldwide victory for consumers and farmers. Virtually every major wheat-user in the world had already rejected this product before it even was allowed on the market. This must be one of the most rejected products ever developed". Canada's wheat exporters also welcomed the decision. They fear losses in market access to

Japan and the EU, as both markets are likely to refuse to buy wheat from North America if GM wheat were introduced. Monsanto started its field-testing of GM wheat in 1997, but faced resistance from farmers, food manufacturers, environmentalists and consumers. These groups raised concerns regarding potential adverse environmental impacts, threats to food security, the increased use of herbicides and weed resistance, human health hazards, and the perception that Monsanto was gaining control over key world crops. Monsanto announced in 2003 that it would not commercialise its GM wheat in Europe, where perceptions of GM products remain negative. Instead, Monsanto said it would shift resources from research on Roundup Ready wheat to other products, such as cotton, soybean oil and corn. According to a Monsanto spokesperson, "We have pipeline products like Roundup Ready Flex for cotton and an improved soybean oil for food manufacturers from our conventional breeding program that are moving close to commercialisation".

"Monsanto Suspends Biotech Wheat Program," REUTERS, 11 May 2004; "Monsanto drops GM wheat," FOEI PRESS RELEASE, 10 May 2004; "Monsanto realign research portfolio, development of roundup ready wheat deferred," MONSANTO PRESS RELEASE, 10 May 2004; "Canada Wheat Board cheers Monsanto GMO decision," REUTERS, 11 May 2004

PULL AND PUSH OF EU-CHINA RELATIONS

Chinese Premier Wen Jiabao's visited the European Commission to discuss bilateral trade relations in Brussels from 5-6 May, and to launch a trade dialogue. The newly launched dialogue -- which will be held annually and on a rotating basis in Brussels and Beijing -- is set to focus on key bilateral concerns, and on multilateral trade and regional trade agreements. A high-level dialogue on textiles trade, also initiated during the visit, will seek to ensure a smooth transition to a quota-free textiles trade environment after the elimination of WTO quotas on textiles and clothing in January 2005. A competition dialogue will address issues such as merger control in a global economy and liberalisation of public utility sectors, as well as state intervention in the market process. Later this year, the EC hopes to start a dialogue on economic and financial issues, covering macroeconomic policy and financial markets. Commission President Romano Prodi noted that "the EU and China have an ever-growing interest in working together as strategic partners to promote sustainable development, peace and stability worldwide and in reinforcing their cooperation across the board". Last year, China surpassed Switzerland as EU's second trading partner, with bilateral trade amounting to

EUR 135 billion. This visit is part of Wen's 10-day trip through Europe to boost economic and political ties.

In related news, the EC announced on 9 May that it was giving China a five-day deadline to abolish export restrictions on coke, used to produce steel, before formally requesting WTO consultations on 17 May. China, the world's largest coke producer, allowed less than ten percent of its annual production to be exported, preserving supplies for its own fast growing steel industry and driving up world coke prices. The consultations would be the first step towards the launching of the EC's first legal challenge against China under WTO law.

"China, EU sign trade and custom pacts," AP, 6 May 2004; "EU sets deadline over Chinese coke exports," FINANCIAL TIMES, 9 May 2004; "Chinese Minister Wen Jiabao pays an official visit to the European institutions," EU PRESS RELEASE, 5 May 2004; "China-trade: Launch of EU-China trade policy dialogue," EU PRESS RELEASE, 5 May 2004.

MERCOSUR, EU TRADE MEETING YIELDS RESULTS

After a week of trade talks in Brussels ending on 7 May, negotiators from the EU and Mercosur -- a trade block comprising Brazil, Argentina, Paraguay and Uruguay -- said they were on track to finalise a trade agreement in October this year. They admitted, however, that there still was much work to be done. Brazil's Ambassador to Brussels, Jose Alfredo Graca, stressed that "(There is) evidence that the EU effectively wishes to conclude talks in time for next October. Now it's up to Mercosur to define priorities and a counter-offer which improves the EU presentation". The EU had expanded its offer on agriculture to include processed farm products such as ice cream and yoghurt, and in return made specific requests for improved access in the Mercosur finance, telecommunications and maritime sectors. Although Karl Falkenberg, an EU trade official noted that the EU was "not looking for full mirror image concessions," he said the EU was nevertheless requesting significant business market openings in industrial goods and services, government procurement and investment. In response to the latest set of trade talks, Brazilian farmers encouraged their government to accept the EU offers. Agricultural lobby groups in the EU, on the other hand, expressed concern that changes in sugar and beef trade patterns would negatively affect European farming. EU spokesperson Arancha Gonzalez said the EU expected that the exchange of improved product lists could take place before the EU-Latin America Ministerial Summit, top be held from 28-29 May in

Guadalajara, Mexico. The two sides began negotiations in 2000.

"Encouraging Mercosur-EU talks in Brussels," MERCOPRESS, 7 May 2004; "EU-Mercosur on course for October trade deal," EU OBSERVER, 7 May 2004; "EU, Mercosur leaders face hard choices to clinch trade deal," EU BUSINESS, 7 May 2004.

CANADA PASSES ACT ALLOWING MANUFACTURE OF GENERICS

On 4 May the Canadian House of Commons unanimously approved an act to amend patent laws, allowing Canadian generic pharmaceutical manufacturers to obtain licences to supply cheaper versions of patented medicines to developing countries lacking manufacturing capacity. This leaves only the Senate to approve the Bill before it becomes law, making Canada the first country to operationalise a mechanism for relaxing the restrictions in the Agreement on Trade-related Aspects of Intellectual Property Rights (Article 31) on using compulsory licensing to produce generic medicines in one country for export to another (see BRIDGES Weekly, 4 September 2003, <http://www.ictsd.org/weekly/03-09-04/wtoinbrief.htm#1>). In their overall response to the passage of the bill, civil society groups said they were pleased at the reforms and the deletion of a controversial section on "right of first refusal" -- giving patent holders the "right" to assume contracts already negotiated between generic producers and purchasers in the importing country -- from the bill (see BRIDGES Weekly, 10 March 2004, <http://www.ictsd.org/weekly/04-03-10/story5.htm>).

However, a joint news release from a number of civil society groups, including the HIV/AIDS Legal Network, criticised the Canadian government for "a limited list of medicines eligible for export, vague conditions on countries importing medicines from generic suppliers and provisions that give brand-name pharmaceutical companies privileges beyond anything negotiated in the WTO". Médecins Sans Frontiers also released a statement on 29 April saying "Canada failed the international community" as eight months of intensely debated negotiations provided "nothing more than a bill that pays lip service to the poor".

To access Bill C-9, visit http://www.parl.gc.ca/PDF/37/3/parlbus/chambus/house/bills/government/C-9_2.PDF

For an analysis by the Canadian HIV/ AIDS Legal Network visit <http://www.aidslaw.ca>

To access the MSF statement visit <http://www.msf.ca/>

"Bill ignores plight of diabetics," TORONTO STAR, 27 April 2004; "Canada proceeds with Bill C-9 on cheaper medicine exports: NGOs say initiative is important, and urge other countries to avoid the flaws in the Canadian model," AIDSLAW JOINT NEWS RELEASE, 28 April 2004; "Canadian House of Commons unanimously approves bill to allow manufacture of generic AIDS, other drugs for Africa," MEDICAL NEWS TODAY, 6 May 2004; "Drug Bill lets big pharma call the shots," CANADA.COM, 4 May 2004.

WTO IN BRIEF

WTO BODY ON SMALL ECONOMIES DISCUSSES FUTURE WORK PROGRAMME

On 12 May the WTO's Committee on Trade and Development met to discuss the future work programme on small and vulnerable economies. The dedicated session saw two submissions from developing country Members on possible issues to be included in the body's future work programme, including one from Barbados, Fiji, Mauritius, Papua New Guinea, Solomon Islands and Trinidad and Tobago (WT/COMTD/SE/W/11, searchable at <http://docsonline.wto.org>) and another from a group of landlocked developing countries (Bolivia, Mongolia and Paraguay, WT/COMTD/SE/W/10). The former was an elaboration of an earlier proposal (WT/COMTD/SE/W/3), expanding specifically on the issues of preferences, subsidies and market access. The latter proposal, also building on WT/COMTD/SE/W/3, touched on a range of issues relevant to landlocked economies, including market access, export diversification, tariff quotas, sanitary and phytosanitary measures and technical barriers to trade, increasing domestic production, the Integrated Framework for technical assistance, and accessions. Reportedly, participants raised the need to ensure that the concerns of small economies were dealt with in the context of the Doha mandate, and that there would be no attempt to create new categories of developing countries. Members requested further time to consider the proposals currently on the table, and will move to informal consultations to decide on how to proceed with the work programme.

The Doha mandate on small economies (paragraph 35) aims to examine trade-related issues pertaining to small economies. It specifically notes that responses to the trade-related concerns of small and vulnerable

economies should not create a sub-category of WTO Members.

ICTSD reporting.

DELIBERATIONS ON PACKAGE DEAL FOR DSU REVIEW ONGOING

During the latest special (negotiating) session of the WTO Dispute Settlement Body (DSB), held on 10 May, Norway briefly reported on the ongoing work of a group of seven countries developing a package of reforms for the Dispute Settlement Understanding (DSU). Norway said the package was aimed at moving the negotiations forward, and the six countries had so far agreed on three issues under consideration: sequencing, remand and post-retaliation (see BRIDGES Weekly, 5 May 2004, <http://www.ictsd.org/weekly/04-05-05/story3.htm>). The Norwegian delegate noted, however, that the group still was working on transparency, third parties rights, compliance and developing country issues. Norway did not say when the anticipated package would be ready, leaving some delegates to speculate about the impact of differences among the members of the group developing the package. Argentina, Brazil, Canada, India, Mexico and New Zealand make up the other members of the group. The next DSB special session is scheduled for 24-25 May.

ICTSD reporting.

EVENTS & RESOURCES

EVENTS

For a more comprehensive list of events in trade and sustainable development, please refer to ICTSD's web calendar at: <http://www.ictsd.org/cal/index.htm>. If you would like to submit an event, please email events@ictsd.ch.

ICTSD Events

17 May, Geneva, Switzerland: POLICY DIALOGUE ON INTELLECTUAL PROPERTY RIGHTS AND DEVELOPMENT 10 YEARS AFTER MARRAKECH: WHERE ARE WE? WHERE ARE WE HEADING? Ten years after the conclusion of the Uruguay Round negotiations, the IPRs standards as consolidated in the TRIPS Agreement are being expanded through new international treaties and in the inclusion of special chapters on IP in regional and bilateral free trade

agreements. This ICTSD-UNCTAD policy dialogue aims at discussing developments in the area of IPRs, 10 years after the adoption of the TRIPS agreement, new trends at the regional and bilateral levels and their implications for development. For further information contact Daniel Dubas, email: ddubas@ictsd.ch; Internet:

http://www.iprsonline.org/unctadictsd/dialogue/2004-05-17/2004-05-17_invitation.pdf

19 May, Geneva, Switzerland: BIOTECHNOLOGY AND TRADE - UNTANGLING KEY ISSUES. Organised by ICTSD and the Geneva Environment Network. The roundtable will offer an informal setting for exploring a number of policy questions relating to trade and biotechnology, including: To what extent will trade considerations constrain the Parties to the Cartagena Protocol when finalising and implementing biosafety measures under the Protocol? What flexibilities does the multilateral trade regime provide for countries to implement their biosafety regulations and how will these flexibilities be impacted by the WTO dispute? Will it be possible to strike an adequate balance between a precautionary approach to policy-making and existing obligations under international trade rules? The roundtable will be held at the International Environment House. For further information contact Sofie Flensburg, email: Sofie.flensburg@unep.ch; Internet: <http://www.environmenthouse.ch/roundtables.htm>

Coming Up: 14 - 19 May

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/ccf32/fi04_01e.htm

13-14 May, Paris, France: OECD MINISTERIAL MEETING AND FORUM. Health policy and the outlook for the economy and world trade will be focal points for a series of events at the OECD in May 2004 culminating in the OECD's annual Ministerial Council Meeting. The OECD Forum 2004 on 12-13 May and a meeting of OECD health ministers on 13-14 May will address health policy in the broader context of the global economy and multilateral cooperation. Earlier in the week, the OECD will release its latest Economic Outlook on 11 May. On 13-14 May, in parallel with the

meeting of health ministers, economic affairs and trade ministers will review prospects for the world economy and trade at the OECD's Ministerial Council Meeting. For further information visit <http://www1.oecd.org/media/upcoming.htm>

14 May, Washington, D.C., US: COMIN' 'ROUND THE MOUNTAIN: THE ANDEAN FTA. The US and Colombia will begin negotiations for a free trade agreement on May 18. Peru and Ecuador will likely soon participate in the negotiations; Bolivia may follow at a later date. The four Andean nations together represent a market of about US\$7 billion in US exports, and an important source of many imports, including a number of products that already have duty free status under the Andean Trade Preferences Act (ATPA). Organised by the Washington International Trade Association (WITA), this event

will explore questions such as what kind of issues will distinguish this FTA from others negotiated in this hemisphere and around the world? What thorny issues will surface? What role will this FTA play in the advancing negotiations for a larger Free Trade Area of the Americas? For further information contact WITA, tel: +1 202-312-1600; email: events@wita.org; Internet: <http://www.wita.org/content.cfm?L1=4&QA=236>

16-18 May, St. Louis, Missouri, US: CONGRESS ON THE FUTURE OF THE AGRI-FOOD SYSTEM: PERSPECTIVES FROM THE AMERICAS. This World Agricultural Forum regional congress will focus on developing a new model for agriculture. Congress participants will look at agriculture in the Americas through the following lenses: Commodities, Natural Resource Management, Social Issues and Trade. For more information contact the World Agricultural Forum, tel: +1-314-206-3208; fax: +1-314-206-3222; e-mail: wafstl@stlrcga.org; Internet: http://www.worldagforum.org/2004_homepage.html

17 May, Brussels, Belgium: AGRICULTURAL TRADE NEGOTIATIONS - POLITICS AND PROSPECTS. The International Food & Agricultural Trade Policy Council (IPC) will hold this seminar in conjunction with the 33rd IPC Plenary Meeting. The seminar will cover the prospects for finalising a framework for the agricultural negotiations by the end of summer given the political environment in key WTO member countries and groups of countries and how the pending disputes on cotton, wheat and sugar could impact the political environment, the policy environment, and the negotiating objectives of instigating and target countries. For further information contact Michel Baumgartner, IPC Brussels Office, tel: +32-2-534-9036; fax: +32-2-534-9882; e-mail: ipcbrussels@prmltd.com; Internet: <http://www.agritrade.org/Plenary/BrusselsSem.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.

14 May: WTO COMMITTEE ON RULES OF ORIGIN.

17-18 May: WTO GENERAL COUNCIL.

17-19 May: WTO TEXTILES MONITORING BODY.

19 May: WTO DISPUTE SETTLEMENT BODY.

Other Forthcoming Events

3-4 June, Paris, France: WORKSHOP ON EUROPEAN GOVERNANCE AND EUROPEAN OPINIONS ON TRADE AND SUSTAINABLE DEVELOPMENT. The fifth workshop of the Trade, Societies and Sustainable Development "Sustr" Network is dedicated to civil society participation in the policy-making process. It addresses the issue of the European governance of the trade negotiation process. The objective is to understand how collective preferences about trade and sustainability are built up within Europe. Several questions will be addressed : (i) why did the NGO movement prove to be so successful in raising linkage issues such as the potential negative effects of trade for example on food security ? (ii) What is the role of networks in the European decision-making process ? (iii) Does the European integration process favour the convergence of public opinions on sustainable trade and does it exacerbate divergences? For further information contact Jean-Marie Paugam, IFRI, tel: +33 1 4061 6083; fax: +33 1 4061 6060; email: paugam@ifri.org; Internet: <http://www.agro-montpellier.fr/sustra/>

28-29 June, Jaipur, India: MID-TERM REVIEW MEETING OF THE PROJECTS ACHIEVING BETTER MARKET ACCESS AND INTERNATIONAL WORKING GROUP ON THE DOHA AGENDA II. Organised by CUTS Centre for International Trade, Economics & Environment (CUTS-CITEE). The first project intends to look into the issues pertaining to trade and development concerns vis-à-vis the multilateral trading system. The second project deals with two complex and contentious topics: transparency in government procurement and trade facilitation. One of the aims of both projects is to assist developing and least

developed countries to evolve appropriate positions at the WTO by building the capacity of negotiators and other stakeholders. For further information contact Purnima Purohit / Diana Montero Melis, email: citee@cuts-international.org

20-24 September, Rome, Italy: 30TH SESSION OF THE FAO COMMITTEE ON WORLD FOOD SECURITY. The Committee on World Food Security (CFS) serves as a forum in the United Nations System for review and follow-up of policies concerning world food security, including food production and physical and economic access to food. For further information contact: Margarita Flores, Secretary, Committee on World Food Security; e-mail: margarita.flores@fao.org; Internet: http://www.fao.org/unfao/govbodies/wfsfinal_en.htm

16 October, worldwide: WORLD FOOD DAY. The theme of this year's World Food Day is "Biodiversity for Food Security". For further information contact the Secretariat at e-mail: World-Food-Day@fao.org; Internet: http://www.fao.org/wfd/index_en.asp

20-24 October, Undine, Italy: AGROENVIRON 2004 CONFERENCE: ROLE OF MULTI-PURPOSE AGRICULTURE IN SUSTAINING GLOBAL ENVIRONMENT. This meeting will focus on sustainable agriculture. For further information contact Giuseppe Zerbi, e-mail: zerbi@dpvta.uniud.it; Internet: <http://www.conferencealerts.com/seeconf.mv?q=ca1h0iam>

24 October to 6 November, Nicoya, Costa Rica: WORKSHOP AND FORUM ON GLOBALISATION AND FOOD SYSTEMS. This scientific workshop and science-policy forum, organised by the IHDP (International Human Dimensions Programme on Global Environmental Change) and IAI (Inter-American Institute for Global Change Research), will focus on interactions between globalisation and global environmental change, and the implications of these interactions for food systems and food security. For further information contact the IAI, tel: +55-12-3945-6856; fax: +55-12-3941-4410; e-mail: i2004-geci@dir.iai.int; Internet: <http://www.institutes.iai.int/2004GECI.htm>

6 December, Copenhagen, Denmark: SEMINAR ON WTO, TRADE AND THE ENVIRONMENT. 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

TRADE AND ENVIRONMENT REVIEW 2003. UNCTAD (May 2004). This first edition of UNCTAD's newest annual review addresses issues at the interface of trade and environment from a development perspective. The Trade and Environment Review seeks to provide a consolidated basis for discussions on leading trade and environment issues, while giving the debate a constructive and practical spin. This premier edition focuses on two themes that are negotiating subjects in the current Doha round of trade negotiations in the WTO: the relationship between specific trade obligations set out in multilateral environmental agreements and WTO rules; and the reduction, or as appropriate, elimination of tariff and non-tariff barriers to environmental goods and services. The Review 2003 is divided into three sections. The first comprises three lead articles on these two topics. The second contains commentaries on the lead articles by relevant experts, and the third provides readers with a short overview of recent intergovernmental research and technical assistance and capacity-building activities of the UNCTAD secretariat on trade, environment and development. In conjunction with the Review, readers can post further comments and ask questions about articles, commentaries and information contained in the Review at an on-line "reader's forum". To access the Review go to http://www.unctad.org/trade_env/TER

GROUNDNUT POLICIES, GLOBAL TRADE DYNAMICS, AND THE IMPACT OF TRADE LIBERALISATION. John Beghin, Ndiame Diop, and Mirvat Sewadeh (World Bank Report, February 2004). Africa, India, and southern China all consider groundnut products of central economic importance. But trade in this commodity is heavily distorted, having various ramifications for the competitive position of many players in the world market. In this paper the trade and welfare effects of several groundnut liberalisation schemes are analysed. It is found that policies in India and China depress world prices of groundnut products at the expense of smaller developing countries located mainly in Africa. Implications for Chinese, Indian, and African producers and consumers are then discussed. The paper is a product of the International Trade Group, Poverty Reduction and Economic Management Network. It can be accessed at: <http://econ.worldbank.org/view.php?type=5&id=33615>

PRE-EMPTING PROTECTIONISM IN SERVICES: THE WTO AND OUTSOURCING. Aaditya Matto and Sacha Wunsch (World Bank Report, 11 March 2004). With

cross-border trade in services rapidly increasing between both industrial and developing countries, adjustment pressures created in some importing countries could stimulate a protectionist reaction. The negotiations currently under the Doha Development Agenda provide an opportunity to ensure openness and prevent protectionist tendencies. The authors describe how a bold initiative under the General Agreement on Trade in Services can help secure openness. To access the report, visit <http://econ.worldbank.org/view.php?type=5&id=34010>

MOVING PEOPLE TO DELIVER SERVICES: HOW CAN THE WTO HELP? Sumanta Chaudhuri, Aaditya Mattoo, and Richard Self (World Bank Report, 11 March 2004). Under the previous General Agreement on Trade in Services, negotiations resulted in little liberalisation in the movement of individual service providers (mode 4). Thus the potential gain from such movement remains unrealised. In the Doha Development Agenda, developing countries are striving for greater openness in the movement of providers unrelated to commercial presence abroad. Concurrently, many multinational firms are seeking easier intra-corporate movement of their personnel. The authors discuss how such a coincidence of interest could be used to further open skilled service providers. The paper is a product of the Trade, Development Research Group, and can be accessed at <http://econ.worldbank.org/view.php?type=5&id=34012>

HAS THE INTERNET INCREASED TRADE? EVIDENCE FROM INDUSTRIAL AND DEVELOPING COUNTRIES. George Clarke and Scott Wallsten (World Bank Report February 2004). Working from the idea that the internet has decreased search and communication costs, the authors analyse the internet's effect on trade. They find that a greater concentration of internet use in developing countries is correlated with more exports to industrial countries, but not with trade among developing countries or imports from industrialised countries. To access the report, visit: http://econ.worldbank.org/files/33098_wps3215.pdf

"Regulatory Transparency, Developing Countries, and the WTO". By Robert Wolfe in *WORLD TRADE REVIEW* 2:2 (July 2003) pp. 157-82. The tension in the WTO between adaptation to globalisation and integration of developing countries is illustrated by one of the central norms of the regime, transparency. Experts believe democratic governance and efficient markets are both enhanced when autonomous administrative agencies are open about what they doing. WTO requirements for regulatory transparency may prove to be more straightforward for OECD countries than developing countries. The future of the WTO as a legitimate and effective international organisation depends on finding modes of regulation

accessible to all its Members. A review of how Canada, Brazil, South Africa, Thailand, and Uganda implement the transparency requirements of the agreements on basic telecommunications, and sanitary and phytosanitary measures found that regulatory independence and transparency are increasingly prevalent in telecommunications, but much less so in food safety. Transparency between countries appears easier than transparency within countries, and economic regulation seems easier to adapt to international norms than social regulation.

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