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LEAD STORIES

GC CHAIR OUTLINES STRUCTURE OF JULY OUTCOME

On 8 June, the Chair of the WTO General Council (GC), Shotaro Oshima (Japan), convened a brief meeting of Heads of Delegations in order to outline the basic structure and elements of a package deal on a negotiating framework Members seek to finalise by the end of July (see BRIDGES Weekly, 19 May 2004, <http://www.ictsd.org/weekly/04-05-19/story1.htm>). The one-page outline contained nine main points that the July outcome should include, leaving negotiators to fill in the substance, including annexes giving guidance to the negotiations in the period following August. The points included framework agreements for negotiations on agriculture, industrial market access, the trade aspects of cotton, and development issues. Also included were frameworks for issues flowing from the remaining negotiating bodies of the Doha Round, such as WTO rules, the so-called Singapore issues, and other remaining Doha elements. In addition, Chair Oshima proposed the July package include language reaffirming the Doha Declaration as an introduction, as well as a recommitment to the Doha Round.

Delegates, most of which already were familiar with the nine points, provided some input during the one-hour meeting. Most felt they could live with the outline. India, supported by the African Group, said services negotiations merited their own heading in the package. The least developed countries (LDCs) wanted to add a new category on the commodities issue. Members also made reference to recent political statements, such as the 'Kigali Consensus,' in which the African Union had outlined its position on the trade round and shown new flexibility (see BRIDGES Weekly, 2 June 2004, <http://www.ictsd.org/weekly/04-06-02/story4.htm>).

On the controversial Singapore issues of investment, competition, transparency in government procurement and trade facilitation, both the African Group and the LDCs Group expressed their unease with the fact that trade facilitation seemed slated for negotiations in the post-July phase. The LDC Group noted that it preferred

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further work to clarify the issue before moving on to negotiations.

Chair Oshima indicated that he expected a full first draft of the July package to be completed in early July.

A meeting of the WTO Trade Negotiations Committee, which will allow Members to take stock of progress, is scheduled for 30 June. In the near future, key ministers will be meeting at the sidelines of UNCTAD XI in Sao Paulo, Brazil, from 13-18 June.

ICTSD reporting; "WTO Chair Outlines Nine Elements For Possible Framework Deal in July," WTO REPORTER, 9 June 2004.

AGRICULTURE NEGOTIATIONS: MEMBERS STILL DIVIDED OVER MARKET ACCESS

The WTO special session of the Committee on Agriculture (CoA) convened from 2-4 June for another 'agriculture week'. Members are continuing negotiations and consultations in an effort to establish a negotiating framework agreement for the Doha agriculture talks before delegates adjourn at the end of July for the annual WTO break. The discussions mainly focused on new proposals tabled by the G-20, G-33 and G-10 negotiating groups. In his summary at the concluding plenary session, CoA special session Chair Tim Groser said that market access remained "by far the most difficult" negotiating pillar. In contrast, he said he would now be in a position to draft a section reflecting "emerging consensus" on domestic support, getting it "80 percent" right. Members are now casting their eyes on the UN Conference for Trade and Development (UNCTAD) XI ministerial conference, where trade ministers are expected to meet informally to bridge remaining gaps in Members' positions. The G-90 of least-developed and other weak and vulnerable countries has not yet presented a revised position, but indicated it could adopt a joint agriculture proposal at a forthcoming G-90 ministerial meeting in Mauritius.

Groser points to lack of urgency

On the general spirit in the week's talks, Groser reported a "business-like atmosphere" and Members' "demonstration of commitment" to reach a framework agreement by the end of July. Nevertheless, Groser found that momentum was not yet sufficient, and said he felt there was "too much comfort" among negotiators who seemed to believe that the framework would create itself.

Unlike in the other 'agriculture weeks' this year, Groser played a more decisive leadership role in the 2-4 June consultations. He organised -- reportedly on request of the African Group among others -- his own small group meetings in order to find out privately where individual Members could be flexible. Groser had previously stressed the need for Members to sort out their differences among themselves and attended their discussions only as an observer.

G-20, G-33 and G-10 table new proposals

Discussions in this third post-Cancun 'agriculture week' largely centred on new proposals submitted by the G-20 group of developing countries, including Brazil and South Africa, the G-10 -- comprising mainly developed country net food-importers -- and the G-33 group of developing countries advocating the concepts of special products (SPs) and a special safeguard mechanism (SSM) for developing countries.

The recent G-20 market access proposal, which presented general principles of a future tariff reduction formula rather than proposing an alternative tariff cut methodology (see BRIDGES Weekly, 2 June 2004, <http://www.ictsd.org/weekly/04-06-02/story1.htm>), was generally welcomed by key Members. EC Trade Commissioner Pascal Lamy commented at a 31 May conference in the Netherlands that the proposal was "constructive and a pretty good basis to start [the] week's talks on agriculture in Geneva". On the other hand, Lamy's spokesperson Arancha Gonzalez criticised the group's proposal for its lack of detail, especially on the question of how developed countries were to achieve tariff cuts.

For its part, the G-10 -- Bulgaria, Chinese Taipei, Korea, Iceland, Israel, Japan, Liechtenstein, Mauritius, Norway and Switzerland -- tabled a new informal submission addressing all three pillars in the agriculture negotiations: market access, domestic support and export competition, with a strong focus on the first pillar. In its preliminary reaction to the G-20 proposal, the G-10 expressed its concern regarding "many of its elements". These included the proposed capping of tariffs, and the requirement for developed countries to provide effective new market access for sensitive products through a combination of tariff cuts and new tariff rate quota (TRQs) commitments -- and this without any flexibility to take into account non-trade concerns. However, the group highlighted its preparedness "to discuss various types of tariff reduction formulas". G-10 member such as Japan had previously stated that they would not be ready to accept any methodology for tariff cuts other than the 'blended' formula promoted by the EC and US, which could shield some sensitive products from radical cuts.

Indonesia, the leader of the G-33 group consisting mostly of net-food importing developing countries, presented a new non-paper on behalf of the group (JOB(04)/65, not yet derestricted) on market access. Indonesia listed a number of general criteria for a future reduction formula similar to those presented by the G-20. However, the G-33 reiterated that it was not willing to accept new TRQ commitments for developing countries. The group also pointed out that developing countries should be able to self-designate 'special products' (SPs) which should be exempted from any reduction commitment. The special safeguard mechanism (SSM) to be established for developing countries should automatically apply to SPs. The recent G-20 proposal left most of these issues open.

Hopes now on ministerial-level meeting in Sao Paulo

Between last week and the forthcoming CoA special session on 23-25 June, trade ministers will convene at UNCTAD XI, to be held from 13-18 June in Sao Paulo, Brazil. According to trade sources, many Members as well as Chair Groser appear to expect that Members' senior trade envoys will be taking the opportunity at the ministerial-level gathering to further narrow the differences in their positions. Reportedly, the so-called group of Five Interested Parties (FIPs) including the US, EC, Brazil (G-20 leader, Cairns group member), India (G-33 and G-20 member) and Australia (Cairns group leader) has scheduled an informal meeting for 13 June where they hope to achieve consensus internally on the general elements of the framework text. The planned UNCTAD XI 'mini-ministerial' is seen as the last minister-level meeting prior to the 27-29 July WTO General Council meeting, where Members hope to finalise the framework for the agriculture talks.

G-90 working on new common position on agriculture

The 18 participants of a G-90 'mini-ministerial' held from 3-4 June in Georgetown, Guyana (see related story, this issue), adopted a set of political and operational texts with the aim of feeding them into consultative processes leading up to a G-90 ministerial-level meeting in Mauritius in mid-July. The Mauritius meeting will seek to adopt a common G-90 position on agriculture for the upcoming WTO General Council meeting in late July. Reportedly, the Georgetown Consensus document -- which largely draws on elements set out in the Kigali Consensus paper adopted by African Union members in late May (see BRIDGES Weekly, 2 June 2004, <http://www.ictsd.org/weekly/04-06-02/story4.htm>) -- responds more or less positively to the initiative launched by the EC to give the G-90 group the "Round for Free" (see BRIDGES Weekly, 13 May 2004,

<http://www.ictsd.org/weekly/04-05-13/story1.htm>).

Participants at the meeting supported the idea that G-90 members be exempted from any tariff reduction commitment, as well as the EC proposal that advanced developing countries should provide particularly weak and vulnerable countries with duty- and quota-free market access.

Brazil's trade minister Celso Amorim, who coordinates the G-20, also participated in the meeting, and he called on the G-90 to build a common front with other developing countries, warning that although the EC proposal may be "tempting at first sight, [it] might create permanent discrimination between full participants and other members relegated to a secondary role". He also cautioned that, while the EC was promoting the exemption of G-90 members from new multilateral commitments, it would "require equivalent or even higher levels of concessions" in its bilateral Economic Partnership Agreement (EPA) negotiations with African Caribbean and Pacific (ACP) countries.

The G-90 is an alliance comprising of most members of the African Union, ACP and LDC grouping. The Mauritius ministerial, aimed at consolidating the negotiating positions of the various constituents in the group, is scheduled for 12-16 July.

ICTSD reporting; "G-90 mini-ministerial adopts comprehensive proposals on Doha programme," TWN INFO SERVICE, 9 June 2004; "US applauds efforts on farm trade talks," AP, 4 June 2004.

JAPAN PROPOSES DISCIPLINING FISHERIES SUBSIDIES

The WTO Negotiating Group on Rules, which focuses on the review and improvement of WTO rules that govern issues such as dumping, antidumping measures, subsidies and countervailing measures, met from 7-8 June to consider, among other things, new developments in the area of fisheries subsidies. Topping the agenda at the meeting was a surprise proposal by Japan focusing on how to discipline fisheries subsidies.

In its proposal (TN/RL/W/159, available at <http://docsonline.wto.org>), Japan stressed that the task of the Negotiating Group was to clarify and improve WTO disciplines relating to fisheries subsidies, to prohibit "really problematic" subsidies driving illegal, unreported and unregulated (IUU) fishing and leading to overcapacity (a 'red-light' category of subsidy); ensure sustainable development (a 'green-light' category); take into account the importance of the fishery sector to developing countries; ensure transparency; and encourage cooperation with other international

organisations. In this regard, Japan called for a "balanced approach," rejecting a proposal tabled by New Zealand in the last meeting of the Negotiating Group. New Zealand had proposed a blanket ban on all subsidies, with exceptions defined through the negotiating process (see BRIDGES Weekly, 28 April 2004, <http://www.ictsd.org/weekly/04-04-28/story3.htm>).

Japan, on the other hand, supported a bottom-up approach to defining harmful fisheries subsidies. While problematic subsidies should be banned, others, which served to promote sustainable development in the fishery sector, should be allowed. Japan also supported further discussion of notification requirements and of special and differential (S&D) treatment for developing countries, noting however the diverse interests and situations among developing countries, with China being the world's largest fishery producer. The Japanese paper also highlighted the situation in Japan regarding fisheries, and fisheries subsidies. Japan made that point that although it subsidises its fishing fleet heavily, most of its subsidies are not trade distorting, and Japan has no export subsidies in the fisheries sector.

At the meeting, Korea -- which, like Japan, traditionally has taken a position against disciplining subsidies, arguing that any problem in the sector is a management problem -- welcomed the Japanese proposal. The "Friends of Fish" group, including the US, Iceland, Chile, New Zealand, Norway and Peru, which traditionally has taken a proactive approach on disciplining subsidies, also welcomed the engagement of Japan in this area. The US noted some similarities between the Japanese paper and the one tabled by New Zealand. New Zealand was more cautious, stressing that Japan proposed an overly strong focus on overcapacity, and downplayed other important factors, including price support, operating costs and infrastructure. In fact, New Zealand said 90 percent of Japanese fisheries subsidies would be exempt from any reduction commitments under the proposal.

The EC, which only has taken a proactive approach to disciplining subsidies over the last year, also welcomed the Japanese proposal, but felt that Japan would have to move further in its position to ensure sustainability. China supported the proposal to use a positive, rather than negative list approach, and said it would like to see further discussion of S&D.

Chile noted overall progress in the negotiations, and highlighted similarities between the major proposals on the table.

Timed to coincide with the Rules Negotiating Group, environmental group WWF released a new book, entitled "Healthy Fisheries, Sustainable Trade: Crafting

New Rules on Fishing Subsidies in the WTO," which proposes specific changes to WTO rules, in order to eliminate subsidies that drive overfishing (see related article, this issue).

ICTSD reporting.

OTHER NEWS

EC RELEASES FIRST SUBMISSIONS IN GMO DISPUTE

The EC has defended its policies on genetically modified organisms (GMOs) in its first written submission in the dispute launched by the US against a 'de facto' EC moratorium on the approval and marketing of biotech products (see BRIDGES Weekly, 28 April 2004, <http://www.ictsd.org/weekly/04-04-28/story4.htm>).

In the 17 May submission (available at http://www.trade-environment.org/output/theme/tewto/EC_submission_biotech.pdf), the EC highlighted risks associated with GMOs, identified in various scientific reports and assessments such as UK field trials concluded in September 2003. It also drew attention to stricter precautionary measures adopted by other countries, including total bans on GMOs. This, according to the EC, demonstrated the reasonableness of the EC's more nuanced approach. Moreover, to counter the US argument that biotech products are safe (see http://www.trade-environment.org/output/theme/tewto/US_submission_biotech.pdf), the EC underscored that the practice and reports of institutions such as the World Health Organisation, international conventions such as the Cartagena Protocol on Biosafety and national regulatory (biosafety) frameworks pointed to a contrary conclusion. Finally, the EC questioned whether the WTO was the appropriate forum for resolving all the GMO issues raised in this dispute. According to the EC, 'international cooperation' would have been the appropriate channel for building a sound international framework for addressing some of the issues.

'The measure at issue'

The EC claimed that it had not adopted any 'moratorium' on the approval of GMOs or suspended the application of its GMO legislation. According to the EC, the fact that the complainants had not been able to identify an instrument or text in which a 'moratorium' is brought into effect was proof of this assertion.

Moreover, a practice not laid down in any document cannot be a challengeable measure. This being the case, the EC argued, the consistency of the EC GMO legislation, its approval systems and the ban on marketing were not within the jurisdiction of the panel and the panel must confine its findings to the 'measures' identified in the US panel request.

In its panel request, the US asked the panel to consider the EC's "general and product specific moratoria" (WT/DS291/23, available at <http://docsonline.wto.org>).

Scope of the SPS Agreement

The EC argued that GMOs were too complex to be covered by the WTO Agreement on Sanitary and Phytosanitary Measures (SPS Agreement) alone. It did, however, concede that some aspects of its GMO approach fell within the scope of the SPS Agreement -- specifically, the US assertion that the 'measure' was causing 'undue delay' in the approval of GMO products in the EC. Other aspects of its GMO policies, according to the EC, fell within the purview of the WTO Agreement on Technical Barriers to Trade (TBT), and Article XX of GATT 1994 (General Exceptions). Particularly, the EC argued that the environmental risks, certain health risks and the conservation of biodiversity -- all of which its legislation seeks to address -- were not covered by the SPS Agreement, and should instead be properly regulated by the Biosafety Protocol. Therefore, the EC urged the panel to interpret and apply the relevant WTO agreements against the background of relevant norms in international law outside the WTO context.

'Undue delay'

The US argued in its submissions that the EC was in contravention of its obligations under the SPS Agreement, which provides that control, inspection and approval procedures should be undertaken without undue delay. The EC denied any 'undue delay', saying that its approval process was slow because requests for additional information had been put to applicants at different stages. These requests, the EC claimed, were justified on the basis of risk assessment, risk management and risk communication endorsed by the international community. Furthermore, the EC noted that its procedures were merely provisional and justified on the basis of the insufficiency of scientific evidence and the adaptation of its directives in light of the evolving science, political and social debate on GMOs.

Risk assessment

The EC pointed out that the US had not challenged the risk assessment that EC member states' safeguard measures were based on. Nevertheless, the EC made

the point that the measures were consistent with the SPS Agreement's provisions on risk assessment, i.e. they were provisional, temporary and based on the precautionary principle, pending a full assessment at the EC level. They were also maintained by the member states on the basis of available scientific information and in light of insufficient scientific evidence. The EC emphasised that it was in the process of seeking additional information necessary for a more objective assessment of the risk posed by GMOs.

The GMO panel is expected to hold its first substantive meeting in the coming weeks. At this meeting, the US and other complainants will present their case and the EC will have a chance to respond. The other complainants in this case are Argentina and Canada.

In a related development various civil society groups and academics have submitted unsolicited documents to the WTO panel, outlining their legal arguments and various interests and concerns in this case. For the full texts of these amicus curiae briefs, see <http://www.trade-environment.org/page/theme/tewto/biotechcase.htm>.

ICTSD reporting.

EU TO MODIFY IMPORT REGIME FOR BANANAS

On 2 June, the European Commission announced that it would shortly start negotiations to modify the current EC import regime for bananas. EC Agriculture Commissioner Franz Fischler said, "We are now moving to the final phase of our agreement and replacing the complex quota system by a simple tariff system. What will change is the import regime, not the level of protection. If our member states agree, the Commission will negotiate an adequate tariff level. We will have to square the circle and safeguard the sometimes conflicting interests of our consumers, producers and trading partners". The move to a tariff-only system should take place no later than 2006, and will settle a long-standing WTO dispute with the US and Ecuador, in which the EC agreed in April 2001 to introduce a tariff-only regime (see BRIDGES Weekly, 18 April 2001, <http://www.ictsd.org/html/weekly/18-04-01/story1.htm> and 1 May 2001, <http://www.ictsd.org/html/weekly/01-05-01/story1.htm> and).

ACP and EC producers prioritised

EC Trade Commissioner Pascal Lamy added that the EC was sending a clear message: Although the EC respects its WTO commitments, the Community will

continue to pay attention to the situation of African, Caribbean and Pacific (ACP) countries and safeguard EC producer interests. "The Commission will examine appropriate ways to address their specific situation, including preferential access for ACP products and shall seek to maintain a level of preference to the ACP countries equivalent to that afforded by the enlarged EU of 25". The ACP countries as a group rely heavily on banana exports, but have difficulties competing with bananas grown on large farms in Latin America -- a large proportion of which is owned and operated by US-owned fruit companies such as Chiquita and Del Monte. The 25 EU member states currently import 3.4 metric tons of bananas annually, and since 1 January 2002 the import of bananas into the EC has taken place through import licenses distributed on the basis of past trade. Currently two-thirds of banana trade comes from Latin American countries, required to pay a US\$75 a ton duty. 750,000 tons of bananas from ACP countries are imported duty free.

Consequences of rise in tariffs

Before the new tariff level is set for bananas entering the EC, the consequences and impacts of different producers will be under scrutiny. A number of countries have raised concerns. A recent study, "EU Banana Drama: Not Over Yet," by the Centre for International Economics (CIE), concluded that Latin American countries could lose market-share if the tariff was lifted above US\$75 a ton, the rate duty they currently pay. "Only at a tariff of EUR40 per metric ton or less can the EC provide a 95 percent guarantee that market access will meet the required maintenance... The alternative outcome -- a high tariff -- will come with enormous costs... Avoiding these costs is likely to become a major trade issue over the next 18 months," according to the CIE report. The report added that the EC was considering a rate that would double or even triple the rate Latin American countries must pay, adding to the tension between the groups.

During a 2 June meeting of the European Commission, several Commissioners pointed out that the tariff rate would also affect deficiency payments, payments provided to EC producers to compensate the difference between the market price of EC bananas and the regional transportation and production costs to the EC. The lower the tariff, the lower the likely market price would be and the higher the potential deficiency payment. The EC member states are also split within, with new members from Eastern Europe and northern states such as Sweden and the United Kingdom favouring a low tariff, and members such as France preferring a higher tariff. Although the EC did not reveal what tariff levels it would impose, two private sector sources predicted the EC would start requests between

EUR180 and 220 per metric ton from Latin American bananas due to domestic political reasons.

"EU to open tariff-only banana import negotiations," XINHUANET.COM, 2 June 2004; "Banana imports: Commission proposes to open tariff only negotiations," EU IN THE US, 2 June 2004; "EU Proposes Tariff-Only System For Banana Imports Beginning in 2006," WTO REPORTER, 4 June 2004.

IN BRIEF

WWF RELEASES PROPOSALS FOR REFORMING WTO FISHERIES DISCIPLINES

On 9 June, environmental organisations WWF released a book, entitled "Healthy Fisheries, Sustainable Trade: Crafting New Rules on Fishing Subsidies in the WTO," which proposes specific changes to WTO rules to eliminate subsidies that drive overfishing. The book was released at a time when movement is apparent in the long-entrenched debate on fisheries subsidies at the WTO (see related story, this issue), although the research feeding into the book took place over the past two years and involved extensive consultations with all players in the field. In terms of solutions, WWF proposes a number of new ideas, including suggestions to: regulate subsidies programmes on a fishery-by-fishery basis; find a balanced solution with regard to the special needs of developing countries; institute a bold institutional reform, allowing the WTO to share authority for regulating fishing subsidies with intergovernmental bodies or and regional fisheries management organisations. Commenting on the current situation, Simon Cripps, Director of WWF's Global Marine Programme, said "It's time for the WTO to move beyond its traditional preoccupation with the interests of the export-oriented business sector. Fishermen in every ocean are watching their catches decline while governments hand out the kind of irrational subsidies the WTO was created to curb".

To access the proposals, visit http://www.panda.org/about_wwf/what_we_do/policy/trade_and_investment/news.cfm?uNewsID=13582

ICTSD reporting; "WTO Fishing Subsidies Negotiations at a Critical Point: WWF Tables Detailed Proposal as WTO Talks Progress," WWF RELEASE, 8 June 2004.

G-90 ADOPTS DECISIONS ON WTO TALKS AT GUYANA MEETING

Trade ministers and ministerial representatives of the G-90 alliance met under the theme of 'Towards a Common Platform for Development and Prosperity' in Georgetown, Guyana, from 3-4 June. The ongoing WTO negotiations and the further strengthening of the G-90 group were high on the agenda. According to the Caribbean Regional Negotiating Machinery -- a body created by the Caribbean Community (CARICOM) governments to coordinate an overall negotiating strategy for various external trade negotiations -- two main decisions were taken at the meeting. First, trade ministers agreed to further develop working documents considered in Georgetown, which focused on the key areas of the trade negotiations: agriculture, cotton, commodities and the treatment of small economies. These documents would feed into a consultative processes leading up to a G-90 ministerial meeting, aimed at consolidating the negotiating positions of the various constituents in the group and scheduled for 12-16 July in Mauritius. Second, the trade ministers established a Steering Committee to facilitate inter-ministerial consultations and effective coordination among the G-90 constituents on WTO-related issues. (See also related story on agriculture, this issue of BRIDGES Weekly.)

The G-90 comprises members of the African Union, the African, Caribbean and Pacific Group of States, and least-developed countries. It was formed in the lead-up to the WTO Cancun ministerial conference.

ICTSD reporting; "G-90 Ministerial Meeting - Caribbean will not Flex on Preferences," STABROEK NEWS, 6 June 2004; "G90 Meeting Adopted key Decisions," CRNM RELEASE, 5 June 2004.

APEC MINISTERS CALL FOR ACTION ON DOHA ROUND

Meeting in Pucón, Chile, from 4-5 June, trade ministers from the 21-member Asia-Pacific Economic Cooperation organisation (APEC) called on WTO Members to speed up talks in the Doha round of trade negotiations to meet a deadline for a framework for negotiations by the end of July this year. The countries, which range from Vietnam and Chile to the US, China and Russia, and account for almost 60 percent of world trade, called for balanced solutions on the areas of agriculture and industrial goods, with special attention to agricultural market access, and supported negotiations on trade facilitation within the single undertaking. The ministerial statement from the tenth meeting of APEC trade ministers also called on WTO

Members that have not yet done so to table proposals in the area of services by July, and for a framework for improving offers. In addition, the statement emphasised the role of development in the round. Commenting on the meeting, US Trade Representative Robert Zoellick, "The encounter has given a very important boost to the Doha agenda while we enter the final stretch of this effort". "APEC is sending a very clear signal to the WTO, recognising that time is tight," said Mark Vaile, Australia's trade minister.

Also at the summit, business leaders made a plea to ministers to consider an APEC free trade agreement (FTA), as numerous bilateral and regional trade agreements, which APEC members currently are negotiating with increasing intensity, "saddles companies" with multiple rules and regulations.

To view the APEC ministerial statement on the Doha negotiations visit http://www.apec2004.cl/documentos/MINISTERIAL_STATEMENT_On_DOHA.pdf

ICTSD reporting; "APEC Mins Set Urgent Goals To Speed World Trade Talks," DOW JONES, 6 June 2004; "APEC Trade Ministers Plan Declaration of Support for Reviving WTO Negotiations," APEC RELEASE, 4 June 2004.

RENEWABLES CONFERENCE PROMOTES SHIFT TO SUSTAINABLE ENERGY

Over 3500 delegates from 150 countries met in Bonn, Germany, from 1-4 June at the "Renewables 2004" conference, which served as a follow-up initiative to the 2002 World Summit on Sustainable Development. Following several busy days of plenary sessions, dialogues, roundtables and numerous side events, participants adopted a final declaration reaffirming countries' commitment "to substantially increas[ing] the global share of renewable energy in the total energy supply," noting that renewable energies can significantly contribute to sustainable development, by, inter alia, providing the poor with access to energy, mitigating greenhouse gas emissions, reducing air pollutants, creating new economic opportunities and enhancing energy security". The meeting also adopted an international action programme and policy recommendations on renewable energy. The policy recommendations included an institutional section, which stressed that WTO and regional rules should rapidly reduce trade barriers to renewable forms of energy, and that this reduction should be accompanied by technology transfer. The recommendations also noted that negotiations on a multilateral energy subsidisation agreement could help level the playing field.

To access the political declaration, international action programme and policy recommendations see <http://www.renewables2004.de>

For a full conference report by the International Institute for Sustainable Development, visit <http://www.iisd.ca/sd/ren2004/>

ICTSD reporting; "Nations Agree To Speed Promotion Of Renewable Energy," UNWIRE, 4 June 2004.

'COPENHAGEN CONSENSUS' CHALLENGED BY GLOBAL CONSCIENCE CONFERENCE

A group of economists participating in the Copenhagen Consensus conference from 24-28 May ranked preventing the spread of HIV/AIDS, fighting hunger, and promoting free trade as the top three areas to take action in. The conference, organised by the Danish Environmental Assessment Institute, headed by Bjorn Lomborg, aimed at prioritising proposals for confronting ten global challenges from a cost-benefit perspective. Responding to the question "if we had an extra US\$50 billion to spend to improve the world, what should we do first?" the economists were guided by ten background papers. On the promotion of free trade, the participants stressed that costs would be low and benefits as high as US\$2400 billion a year. Nobel Laureate Robert Fogel, University of Chicago, said "trade barriers do not require a big investment to produce a large return. Here, we need political will -- and the return will be huge. The entire world's economy will benefit from free trade, and more wealth will mean that we can afford to solve more of the world's greatest challenges". The conference also concluded that reducing carbon emissions and implementing the Kyoto Protocol would have higher costs than benefits.

In a countermove, a consortium of Danish non-governmental organisations held a concurrent Global Conscience conference aimed at confirming and further developing a strategy towards global sustainability. The conference speakers argued that "it is possible to combat poverty while at the same time safeguarding the environment considering social, human and environmental aspects of global development". UNEP Executive Director Klaus Töpfer said that world's problems "must not be diminished to an economic machinery". The Global Conscience conference criticised the Copenhagen Consensus for, inter alia, not including enough voices from the South. The NGOs released a paper focusing in particular on the needs of developing countries and published the outcomes of the conference under the title "Sustainable Development is possible and necessary".

For further information on the Copenhagen Consensus see <http://www.copenhagenconsensus.dk>; and for more information on the Global Conscience see at <http://www.globalconscience.dk>

ICTSD reporting.

WTO IN BRIEF

SUPPLY-SIDE CONSTRAINTS FIGURE IN LDC SUB-COMMITTEE TALKS ON TECHNICAL ASSISTANCE

On 7 June, the 37th session of the WTO's Sub-Committee on Least-Developed Countries (LDCs) discussed, inter alia, technical assistance for acceding LDCs and for addressing LDC supply-side constraints. The technical assistance (TA) matters followed on the heels of the 9 March meeting of the Sub-Committee (see BRIDGES Weekly, 10 March 2004, <http://www.ictsd.org/weekly/04-03-10/wtoinbrief.htm#1>), where LDC Members stressed the need for technical assistance at all stages of the accession process and insisted that the Sub-Committee address the problem of supply-side constraints. On the former, the Secretariat presented a document that summarised TA offered by the WTO, Members and other organisations (WT/COMTD/LDC/W/32, available at <http://docsonline.wto.org>). The document also outlined some of the activities in countries currently in the accession process.

On supply-side assistance (discussed for the first time in the Sub-Committee), a Secretariat document (WT/COMTD/LDC/W/33) noted that in general, "addressing LDCs' supply-side issues did not directly fall within the mandate of the organisation" and highlighted cooperation with other development partners as the means through which the WTO addressed these concerns. Listing the main activities of the WTO as rule-making, enforcement and market opening through negotiations, the document noted that areas such as services infrastructure (finance, telecommunications and transport) did fall under the WTO work programme. Recognising that LDC needs in these areas might go beyond rule-making and liberalisation, it pointed to additional technical and financial assistance from other development partners as being essential for LDCs to gain full benefit from the opportunities and benefits that the multilateral trading system could generate. Finally, on market access, the Canadian delegation informed Members of the 10-year

extension of its General Preferential Tariff and Least-Developed Country Tariff.

The next session of the Sub-Committee will take place at the end of October this year.

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 June, Sao Paulo, Brazil: INTELLECTUAL PROPERTY RIGHTS - CHALLENGES FOR DEVELOPMENT. This ICTSD/UNAIDS Policy Dialogue, organised as a UNCTAD XI side event, will serve to provide a platform for a strategic discussion between relevant stakeholders on possible solutions for moving forward the debate on IP and public health issues and find options for implementing the Doha Declaration on TRIPS and Health; as well as to discuss new trends at the multilateral, regional and bilateral level in the area of intellectual property and their implications for sustainable development, including technology transfer and innovation policies. For further information see http://www.ictsd.org/dlogue/2004-06-17/ICTSD_Event_AT_UNCTAD_XI_Concept_Note.doc

Coming Up: 10-16 June

8-10 June, Sea Island, Georgia, US: G-8 SEA ISLAND SUMMIT. US President George Bush will host the 2004 G8 Summit. For further information contact the 2004 G8 Summit Planning Organisation, tel: +1-202-647-4804; fax: +1-202-647-3079; e-mail: info@G8USA.gov; Internet: <http://www.g8usa.gov>

9-11 June, Dar es Salaam, Tanzania: THE EASTERN AND SOUTHERN AFRICA REGIONAL BIODIVERSITY FORUM. The fourth Regional Session of the Global Biodiversity Forum for Africa will focus on the overall theme of Biodiversity and Livelihoods in Africa: Delivering on the Millennium Development Goals. A joint initiative of World Conservation Union's (IUCN) Regional Office for Southern Africa, IUCN South Africa,

and ResourceAfrica, its aim is to gather and review regional experiences and perspectives on the precautionary approach in natural resource management and biodiversity conservation, review and discuss early drafts of case studies, and contribute to the development of best-practice guidance on implementation of the precautionary principle. For further information contact Kule Chitepo, ResourceAfrica, tel: +27-12-342-9252; email: kule@resourceafrica.org; Internet: http://www.gbf.ch/present_session.asp?no=37&lg=EN

11-12 June, São Paulo, Brazil: UNCTAD CIVIL SOCIETY FORUM. As part of the official UNCTAD XI programme, a Civil Society Forum will provide an opportunity for civil society organisations (CSOs) to discuss priority issues relevant to the overall theme, subthemes and topics of the conference; to exchange information and build consensus among CSOs; to facilitate and support CSO advocacy and lobbying; and to raise public awareness of the issues at stake. CSOs are expected to present a final outcome document to UNCTAD XI. For further information contact the Brazilian Association of NGOs (ABONG), email: abong@uol.com.br; Internet: <http://www.abong.org.br>

11-12 June, Sao Paulo, Brazil: G-77 SPECIAL MINISTERIAL MEETING. This Special Ministerial Meeting will commemorate the 40th anniversary of the establishment of the G-77. The meeting will, inter alia, review the evolution of the G-77, assess the achievements of the Group over the last 40 years, and analyse the challenges facing developing countries. This meeting will also constitute an opportunity for developing countries to reaffirm their commitment to the continuing validity and relevance of the objectives and principles of the Group. In this regard, the meeting is expected to adopt through a declaration the new strategy of action of developing countries. For further information contact Mourad Ahmia, Executive Secretary of the Group of 77, tel: +1-212-963-3816; fax: +1-212-963-3515; email: g77off@unmail.org; Internet: <http://www.g77.org>

13-18 June 2004, Sao Paulo, Brazil: 11TH UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT. UNCTAD holds its ministerial-level conference every four years to set the organisation's priorities and guidelines for action. The conference is UNCTAD's highest governing body and also includes a high-level debate on current issues involving economics and development. The theme of the 2004 UCTAD XI conference will be "Enhancing coherence between national development strategies and global economic processes towards economic growth and development, particularly of developing countries". For further information visit: <http://www.unctad.org>.

14-15 June, Tampere, Finland: TOWARDS SUSTAINABLE FUTURES - TOOLS AND STRATEGIES. Organised by the Turku School of Economics and Business Administration, Finland Futures Research Centre and Finland Futures Academy. The Conference is aimed at both researchers and corporate representatives. The aim of the multidisciplinary conference is to bring together those interested in sustainable development and futures oriented research. The participants will be offered new perspectives and methods for measuring sustainable development and creating strategies. The conference will also cast a look into how sustainability aspects are actually taken into consideration in corporations. For further information contact Paula Hakola at tel: +358 3223 8363; fax: +358 2481 4630; email: paula.hakola@tukkk.fi; Internet: <http://www.tukkk.fi/tutu/conference2004/default.htm>

14-16 June, São Paulo, Brazil: WAIPA ANNUAL CONFERENCE 2004. The World Association of Investment Promotion Agencies (WAIPA) meeting will be held in parallel with the UNCTAD XI Ministerial Conference and hosted by the Brazilian Government. The theme of the conference will be "Enhancing the Coherence between National Development Strategies and Global Economic Processes towards Economic Growth and Development". Investment strategists, economists and researchers will debate on controversial issues such as: "FDI Creating or Stealing Jobs" and "FDI in a Bad News Environment". WAIPA delegates will also have access to the public meetings and activities of UNCTAD XI dealing with trade, investment, finance, technology and development-related topics. For further information, contact: Ms. Hanna Daoudi, WAIPA Secretariat Coordinator, email: hanna.daoudi@unctad.org; tel: +41 22 907 59 97; fax: 41 22 907 01 97; Internet: <http://www.waipa.org/conferences.htm>

14-25 June, Bonn, Germany: TWENTIETH SESSIONS OF THE SUBSIDIARY BODIES TO THE UNFCCC. For further information contact the UNFCCC Secretariat, tel: +49-228-815-1000; fax: +49-228-815-1999; email: secretariat@unfccc.int; Internet: <http://www.unfccc.int>

16-25 June, Geneva, Switzerland: SEMINAR ON LOCAL BUSINESS, GLOBAL POLICIES: CREATING AN ENABLING ENVIRONMENT FOR TRADE & DEVELOPMENT. Organised by the Centre for Applied Studies in International Negotiations (CASIN), this seminar is the 26th in the "Management of Interdependence" Series. It will focus on business as an actor for development and explore avenues to maximise the private sector's potential to benefit the world's underprivileged. The question of what constitutes an enabling environment for trade and development will be tackled, and current global rules at

play will be critically examined. Some partial and full fellowships are available for participants. For further information, contact CASIN, tel: +41-22-730-8660; fax: +41-22-730-8690; Internet: <http://www.casin.ch/inter/25management.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.

11 June: WTO INTRODUCTION DAY.

11 June: WTO NEGOTIATING GROUP ON MARKET ACCESS.

14&16 June: WTO TRADE POLICY REVIEW BODY - SINGAPORE.

15 June: WTO WORKING PARTY ON THE ACCESSION OF VIET NAM.

16-17 June: WTO COUNCIL FOR TRADE-RELATED ASPECTS OF INTELLECTUAL PROPERTY RIGHTS.

Other Upcoming Events

17 June, Sao Paolo, Brazil: UNCTAD XI ROUNDTABLE ON PROMOTING TRADE FOR SUSTAINABLE DEVELOPMENT. UNCTAD's Trade, Environment and Development Branch will be hosting a "Roundtable on Promoting Trade for Sustainable Development" at UNCTAD XI. Key issues to be addressed by the Roundtable include: opportunities that growing global markets for environmentally preferable products may provide for export diversification, poverty alleviation and rural community development; opportunities for competitiveness gains and possible benefits from enhanced natural resource efficiency, occupational safety, consumer health and improved environmental conditions that can be derived from proactive adjustment policies to environmental requirements in the international marketplace; and the role of environmental goods and services in the sustainable development process of developing countries. For further information contact Sophia Twarog, tel: +41 22 907 5082; fax: +41 22 917 0247; email: sophia.twarog@unctad.org; Internet: http://www.unctad.org/trade_env

21-24 June, Maputo, Mozambique: FOURTH SUMMIT OF ACP HEADS OF STATE. The fourth Summit of the African, Caribbean and Pacific Heads of State will be held under the theme of "Together Shaping our Future". For further information contact the Secretariat of the African, Caribbean and Pacific Group of States (ACP Group), tel: +32-2-743-0600; fax: +32-2-735-5573; email: info@acp.int; Internet: <http://www.acp.int/maputo/>

28 June to 3 July, Rome, Italy: 27TH SESSION OF THE FAO/WHO CODEX ALIMENTARIUS COMMISSION. The session is organised by the Codex Alimentarius Secretariat. For further information contact the Codex Secretariat, tel: +39-06-5705-2287; fax: +39-06-5705-3369; email: codex@fao.org; Internet: http://www.codexalimentarius.net/codex/codex27_en.htm

RESOURCES

TOWARDS A FAIR DEAL FOR MIGRANT WORKERS IN THE GLOBAL ECONOMY. By the UN International Labour Office (ILO). This report is being presented at the International Labour Conference in Geneva 1-17 June. In practically every region, the rising mobility of people in their search for decent work and human security has been commanding the attention of policy-makers and prompting dialogues for multilateral cooperation on how to better manage the flows in the interest of protecting human rights, maximising migration's contribution to growth and development, and preventing clandestine flows and trafficking. This report has been prepared with these questions in mind. It links the ILO's concerns with those of other recent initiatives in the field, incorporates new research and data, and synthesises the lessons that can be drawn from the experience of both origin and host countries in seeking to manage migration to improve the treatment and conditions of migrant workers and members of their families. For further information and to access the report, see <http://www.ilo.org/public/english/standards/relm/ilc/ilc92/pdf/rep-vi.pdf>

WORLD IN TRANSITION: TOWARDS SUSTAINABLE ENERGY SYSTEMS. By the German Advisory Council on Global Change (Earthscan, April 2004). This book underscores the urgent need to transform global energy systems so that the world's population has access to energy based on renewable sources. This is necessary to protect the global climate and to free those in developing countries trapped by energy poverty. Such an approach would also yield a peace dividend by reducing dependence upon regionally concentrated oil reserves. For further information on the book, see

<http://www.earthscan.co.uk/asp/bookdetails.asp?key=4062>

THE TRIPLE BOTTOM LINE: DOES IT ALL ADD UP? Edited by Adrian Henriques and Julie Richardson (Earthscan, March 2004). The concept of the 'triple bottom line' (TBL) - the idea that business activity can simultaneously deliver financial, social and environmental benefits - was introduced in the early 1990s. A decade on, The Triple Bottom Line: Does it All Add Up? brings together the world's leading experts on corporate responsibility to assess the implications, benefits and limitations of the TBL. This collection provides a review of what has already been achieved in stimulating change in corporate culture and bringing businesses to an appreciation of the importance and benefits of corporate social responsibility (CSR) and good environmental performance. For further information on the book, see <http://www.earthscan.co.uk/asp/bookdetails.asp?key=4058>

PRO-POOR GROWTH: A PRIMER. By Martin Ravallion (World Bank Development Research Group Working Paper No. 3242, 17 March 2004). What exactly is "pro-poor growth" and how can we measure it? Is ordinary economic growth always "pro-poor growth" or is that some special kind of growth? And if it is something special, what makes it happen? Ravallion first reviews alternative approaches to defining and measuring "pro-poor growth". He then analyses evidence on whether growth is pro-poor, what factors make it more pro-poor (including the role played by both initial inequality and changing inequality), and whether the factors that make the distribution of the gains from growth pro-poor come at a cost to growth. To access the report, visit <http://econ.worldbank.org/view.php?type=5&id=34168>

COMPETING CONCEPTS OF INEQUALITY IN THE GLOBALISATION DEBATE. By Martin Ravallion (World Bank Development Research Group Working Paper No. 3243, 17 March 2004). Differing value judgments in measuring inequality underlie the conflicting factual claims about how much poor people have shared in the economic gains from globalisation. Opponents in the debate differ in the extent to which they care about relative inequality versus absolute inequality, vertical inequalities versus horizontal inequalities, and whether they are consistently individualistic in assessing the extent of inequality. The value judgments on these issues made by both sides need greater scrutiny if the globalisation debate is to move forward. To access the paper, see <http://econ.worldbank.org/view.php?type=5&id=34170>

"Who Enjoys the Fruits of Growth? Impact of Governments and Markets on Living Standards in

Germany, the Netherlands and the U.S.A., 1987-1996". By Bruce Headey, Stephen Headey, Carla Janssen and Ruud Muffels in *SOCIAL INDICATORS RESEARCH* 65 (2, 2004) pp 125-144. The 1980s and 1990s have been decades of economic growth in North America and much of Western Europe. But how have the fruits of growth been shared? This paper reviews changing income distributions in the US, Germany and the Netherlands. These three countries may be taken as examples of "the three worlds of welfare capitalism". The US is a liberal welfare-capitalist state, Germany a corporatist state, and the Netherlands a social democratic welfare-capitalist state. The paper focuses particularly on income changes in the bottom, middle and top quintiles and takes a ten year period into account. Previous analyses have shown that labor and market income dispersion are increasing, with increased returns to human capital. The potential impact of government through the tax-transfer system has been largely ignored. All three governments redistribute income from the rich to the poor. However, the paper shows that only the Dutch government has redistributed sufficiently to ensure that the bottom quintile has gained along with others. In Germany and the US the poorest quintile was considerably worse off in absolute terms at the end of the decade than the beginning. The German government somewhat counteracted the trend towards greater income dispersion by redistributing to the poorest quintile, so the loss of market income was partly compensated. In the US the impact of government on the poorest quintile stayed about the same, so this group ended up with about the same decrease in disposable income as market income.

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