



INTERNATIONAL CENTRE FOR
TRADE AND SUSTAINABLE
DEVELOPMENT

Bridges

Weekly Trade News Digest

16 June 2004

Volume 8 Number 21

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LEAD STORIES

UNCTAD XI: KEY MEMBERS REPORT GROWING CONSENSUS ON MAIN FARM TRADE ISSUES

Senior trade envoys from the US, EC, Brazil, India and Australia reported very positive and useful outcomes of informal trade talks held on 13 June by the so-called group of 'five interested parties' (FIPs). Meeting at the eve of the 13-18 June UN Conference for Trade and Development (UNCTAD) XI ministerial conference, the ministers attending the four-hour meeting in Sao Paulo, Brazil "found enough convergence to instruct...officials to urgently continue the work," according to Brazil's trade minister Celso Amorim. Participants also reconfirmed their hope that negotiating frameworks -- on agriculture and other key issues -- would be agreed by the end of July this year. WTO Members are currently struggling to find consensus on the basic parameters of a new agriculture trade accord, with market access still being the most controversial issue (see BRIDGES Weekly, 9 June 2004, <http://www.ictsd.org/weekly/04-06-09/story2.htm>). In related news, the Organisation for Economic Cooperation and Development (OECD) released a new report on 10 June, finding that while overall OECD agriculture subsidy levels have decreased over the last 15 years, producer support still represents a share of more than 60 percent of farm incomes in certain OECD countries.

FIPs group sends positive signals from Sao Paulo

In their statements after the FIPs 'micro-ministerial' meeting, participating senior officials expressed their satisfaction with the discussions. Brazil's Amorim described the talks as "very intense" and "very beneficial". Recognising that there still was "a lot of work to do," he stressed that this meeting -- especially against the background of the Cancun failure -- "conveys that there is trust" within the group of five to move forward in the agriculture negotiations.

In terms of substance, EC Trade Commissioner Pascal Lamy explained that the political direction was there and that it was "clear that export support has to be phased out". However, he further added that 'parallelism' -- i.e. phasing out trade distortive elements of other export competition tools such as export credits, food aid and state trading enterprises (STEs) in parallel with the phase out of export subsidies -- was "bound to be the name of the game". According to the EC, parallelism would mean that virtually all government funded export credit programmes (mainly used by the US) should be eliminated, and food aid only provided in grant form, and in response to internationally declared emergencies. Just prior to the meeting in Sao Paulo, the US had failed in its attempt to get the agreement of EU member states France, Germany and Italy at the 9 June G-8 meeting in Sea Island to a commitment to eliminate agricultural export subsidies by a certain date.

On market access, US Trade Representative Robert Zoellick stated that the world was witnessing a "historic opportunity" in agriculture where farm subsidies were being phased out and "market access is going to be increased taking into account special and differential treatment". India's trade minister Kamal Nath further indicated that "there appears to be some convergence on the issues of market access," a negotiating area where especially India has been showing only limited flexibility due to its concern about the livelihoods of its 650 million farmers.

On procedure, WTO Director-General Supachai Panitchpakdi -- also in attendance at the FIPs meeting - - stated that he was still confident that WTO Members could meet the target of agreeing on a 'framework' for the agriculture negotiations by the end of July. "I am not thinking about any plan B. There has to be an agreement... I am still confident that it can be done," he told reporters. However, Panitchpakdi called on Members to aim for greater specificity in the framework negotiations. "If there is no specificity, then things could get stalled," he cautioned. His remarks came in the wake of a market access proposal recently tabled by the G-20 (a group of developing countries including Brazil, India and South Africa), which forwarded only the basic elements for a reduction methodology instead of a concrete formula for tariff reductions. Members such as the EC have indicated that if there is no clarity on the market access pillar, they would not be in a position to accept more specific language in the areas of export competition and domestic support.

WTO Members will convene in Geneva on 23-25 June for another negotiating session on agriculture, where delegations hope to further narrow the remaining gaps in their positions, particularly in the area of market access.

New OECD report

According to a new OECD report on agriculture entitled "Agricultural Policies in OECD Countries: At a Glance - 2004 Edition," levels of agricultural support in OECD countries have increased slightly from last year, but have decreased over the last 15 years. Currently one-third of total farm receipts are a direct result of agricultural subsidies, the report found. It also noted that the composition of these subsidies has been changing. While trade distortive (so-called 'Amber Box') support has decreased, 'Blue Box' (less distortive support under production limiting programmes) and 'Green Box' (only minimally trade distortive support) measures have been on the increase. Across the OECD, the level of subsidy as a percentage of total farm receipts varies substantially, with Australia at the lower end (four percent), Canada and the US in the middle (20 percent), the EU slightly higher (37 percent), and Switzerland and Japan at the high end (over 60 percent).

For more information on the new OECD report, see http://www.oecd.org/document/47/0,2340,en_2649_201185_32019951_1_1_1_1,00.html

ICTSD reporting; "Rich, poor nations break deadlock in trade talks," REUTERS, 13 June 2004; "WTO chief still confident of trade deal in July," REUTERS, 11 June 2004; "G-8 Summit: US fails to win G-8 backing for end to Ag export subsidies by date certain," WTO REPORTER, 9 June 2004; "Agriculture: EU takes hard line on 'parallelism' in Ag talks, calls for end to credit programs," WTO REPORTER, 9 June 2004.

NAMA TALKS PROGRESS IN ANTICIPATION OF AGRICULTURE BREAKTHROUGH

The WTO Negotiating Group on Non-Agricultural Market Access (NAMA) convened in formal sessions on 9 and 11 June, with Members meeting informally between these. Members continued discussing the formula for tariff reductions for industrial goods, with a view to a package to be agreed by the end of July (see BRIDGES Weekly, 9 June 2004, <http://www.ictsd.org/weekly/04-06-09/story1.htm>). Discussions also focused on how to accommodate the weaker and more vulnerable countries, and on non-tariff barriers (NTBs). A limited number of Members led by the US, Canada and Hong Kong, met to discuss options for how to proceed on zero-tariff initiatives in sectors where there was "critical mass" to support such an approach.

NAMA agreement pending ag outcome

During their round of NAMA talks, Members continued consideration of an appropriate tariff reduction formula. According to trade sources, the meetings saw some increase in the level of comfort Members had with the "Derbez text" -- the draft currently under consideration but never adopted at Cancun (see http://www.ictsd.org/ministerial/cancun/docs/draft_cancun_minist_text_rev2.pdf). Although no one is happy with the Derbez text, it could, according to one trade delegate, leave enough space for manoeuvre both for countries in favour of a very ambitious formula and countries looking for significant flexibility. However, an agreement is expected only once further progress is reached in agriculture, currently the centrepiece of the WTO talks (see related story, this issue).

Also under discussion was the issue of how to accommodate weak and vulnerable countries in the NAMA negotiations. In the wake of a letter sent to WTO Members by EC Trade Commissioner Pascal Lamy and Agriculture Commissioner Franz Fischler on 10 May (see BRIDGES Weekly, 13 May 2004, <http://www.ictsd.org/weekly/04-05-13/story1.htm>), Members disagreed on how and whether to operationalise principles supporting the concerns of the WTO's poorest countries. The Lamy-Fischler letter had suggested the weakest countries should not be required to further open their markets, only bind their existing tariffs. This suggestion led to unease in the NAMA group, both because of the implied and unclear differentiation among developing countries, and because some Members felt the issue belonged among other development issues rather than in NAMA specifically.

Members brainstorm on sectoral approach

On 11 June, the US, Canada and Hong Kong organised a plurilateral meeting to explore and garner support among Members on a "critical mass" approach in eliminating tariffs on certain products as part of the NAMA talks. The United Arab Emirates had also submitted a proposal for eliminating tariffs on aluminium to the formal NAMA meeting. A number of developing countries, such as Brazil, which had taken a negative stance on the approach, said that any movement would have to depend on positive outcomes in agriculture and the rest of the NAMA negotiations. After the meeting, the US indicated that support was growing for the "critical mass" approach.

Talks on NTBs remain at a general level

Paragraph 16 of the Doha Declaration states that countries agree to "negotiations which shall aim, by modalities to be agreed, to reduce or as appropriate eliminate tariffs, including the reduction or elimination of tariff peaks, high tariffs, and tariff escalation, as well as

non-tariff barriers, in particular on products of export interest to developing countries". The issue of non-tariff barriers (NTBs), however, has been given scant attention, as Members have put most of their efforts into finding agreement on a formula for tariff reductions. Noting that some discussion surfaced during the previous round of NAMA talks (see BRIDGES Weekly, 19 May 2004, <http://www.ictsd.org/weekly/04-05-19/wtoinbrief.htm>), Chair Johannesson invited Members to comment on how NTBs could be dealt with. Members that recently submitted notifications on NTBs also provided some general information on their experiences.

Overall, Members felt they needed more time to consider NTBs. At this point, Members do not agree on where and how the problem of NTBs should be treated; whether in the NAMA group, in the Committee on Technical Barriers to Trade (TBT); or a combination of the two. Several countries also felt they needed more input from their industries on the situation on the ground, and needed their industries' involvement.

Wrapping up the NAMA negotiations on 11 June, Chair Stefan Johannesson (Iceland), noted that progress in NAMA was linked to any forward movement in agriculture. He stressed, however, that it was important for the NAMA group to move ahead with its work in order to be prepared to make its contribution to an eventual July package.

The next session of NAMA negotiations are tentatively scheduled for 6-8 July.

ICTSD reporting; "U.S. Urges 'Critical Mass' Approach In WTO Non-Ag Market Access Talks," WTO REPORTER, 15 June 2004.

OTHER NEWS

UNCTAD XI PUSHES FOR DEVELOPMENT PRIORITIES

Taking place from the 13-18 June in Sao Paulo, Brazil, the UN Conference on Trade and Development (UNCTAD) XI conference is organised around the main theme of "enhancing the coherence between national development strategies and global economic processes towards economic growth and development, particularly of developing countries". The four sub-themes of the conference are development strategies, building production capacity, assuring development gains from trade, and partnership for development. In an interview,

Rubens Ricupero, Secretary General of the UNCTAD, stated that the emphasis of this conference is placed on encouraging South-South trade, which currently represents 40 percent of the trade countries in the South engage in. As "the population of the South, which is now at 5.6 billion, will increase to 6.4 billion in the future," the speed of South-South trade should increase, as the population of industrialised countries will remain stable at around 1.2 billion," according to Ricupero.

Opening Remarks

In the opening remarks of the conference on 13 June, UN Secretary General Kofi Annan, Brazilian President Luiz Inacio Lula da Silva and Thai Prime Minister Thaksin Shinawatra emphasised the damage that the high subsidies and trade barriers maintained by developed countries bring to the developing world. Annan stated, "Policies ought not to give with one hand and take away with the other... Rules designed to liberate ought not to create new barriers. Countries that press others to liberalise trade should be willing to do the same themselves. If they don't, we politely call it lack of coherence, but we could just as accurately call it discrimination". Commenting on the General System of Trade Preferences (GSTP), Annan noted that the expansion of such a scheme holds great promise. However, he added that it "is not an alternative, but a complement to the multilateral liberalisation process. What we need now is a successful conclusion to the Doha negotiations". The President of the UN General Assembly, Julian Hunt, emphasised the importance of commodities in the trade and development agenda. He called for more urgency in reviewing and addressing the commodity situation and the operation of markets as "some fifty developing countries, a full quarter of the United Nations membership, depend on some two to three commodity exports. Thirty-nine countries depend on exports of a single commodity".

On the sidelines before the meeting

Brazil hosted a separate closed-door meeting on 12 June for the Group of 20 developing nations, who aim to reach a deal by July to re-launch the stalled Doha round of the WTO. After the meeting, Brazilian Foreign Minister Celso Amorim said there have been signs of progress in recent negotiations with developed countries. He added that he did not think US Trade Representative Robert Zoellick and EU Trade Commissioner Pascal Lamy "would come to Brazil if they didn't think, as we think, that there is a possibility of reaching an agreement". Farm issues specifically were also addressed by the so-called group of 'five interested parties' comprising the US, EU, Brazil, India and Australia, meeting just prior to UNCTAD XI (see related story, this issue). The G-20, a group of

developing nations led by Brazil, India and South Africa represent more than 70 percent of the world's farmers.

Civil society, expert input

A Civil Society Forum is taking place in parallel with UNCTAD XI. The Forum is organising numerous meetings, workshops and events, and civil society groups have prepared a Civil Society Declaration, for transmission to UNCTAD XI.

Among civil society initiatives, the International Confederation of Free Trade Unions (ICFTU) and the TUAC (Trade Union Advisory Committee to the OECD) released a statement on 11 June outlining the social implications of economic policies, citing an example of how globalised economies are offering fewer employment opportunities for women. Echoing recommendations made in the International Labour Organisation (ILO) World Commission's report on the social dimensions of globalisation, they renewed their calls for the establishment of an inter-agency Globalisation Policy Forum focusing on the creation of a fairer form of globalisation and monitoring the social impact of development policies in the global economy.

In related news, a new book prepared by a joint project between UNCTAD and the government of India, "Trade Liberalisation and Poverty in India," was launched at UNCTAD XI. The book sought to demonstrate that social spending is necessary, while trade liberalisation can aid in the process of reducing the number of people living below the poverty line. "While trade liberalisation and its concomitant growth can help significantly, it will not take India out of poverty... (This is because) direct government expenditure on health care, education and nutrition are far more critical for poverty alleviation," according to the book. The book also compares agriculture, textiles and services sectors in India, showing how removal of subsidies and quotas affect exports.

Background and looking ahead...

Every four years UNCTAD holds a conference to set its priorities and guidelines, and to provide an opportunity to debate key economic and development issues. The last conference, UNCTAD X, was held in Bangkok, Thailand from 12-19 February 2000 (see <http://www.unctad-10.org>). In addition to a large number of bilateral discussions by some of the 180 nations present, UNCTAD XI features high-level roundtables on: Trade and Development Strategies for LDCs; Innovative Financing for Development; and Trade and Poverty. Trade ministers will finish the meeting on the 18 June and issue a joint statement outlining an UNCTAD strategy for development.

The next issue of BRIDGES Weekly will include an article on the wrap-up of UNCTAD XI as well as the Civil Society Forum.

To access ICFTU's statement, see <http://www.icftu.org/displaydocument.asp?Index=991219322&Language=EN>

For further information on the UNCTAD XI conference, please see: http://www.unctadxi.org/templates/Startpage____4.aspx

"Trade liberalisation can reduce poverty," WEBINDIA123, 16 June 2004; "Poor nations press rich states on fair trade at UNCTAD XI," UN WIRE, 14 June 2004; "UN conference in Brazil focuses on new South-South trade agreements," BUSINESS REPORT, 14 June 2004; "Trade Ministers From 120 Nations Kick Off UNCTAD Talks," WORLD BANK PRESS REVIEW, 14 June 2004; "Trade Union bodies call for an expanded role for UNCTAD," SCOOP, 13 June 2004; "Rich and poor nations start trade talks," REUTERS, 13 June 2004.

G-8 DISCUSSES TRADE, DEVELOPMENT

The Group of Eight Summit (G-8) leaders met from 8-10 June in Sea Island, Georgia, US for their annual summit. While the summit focused largely on security matters, trade and development issues also played an important part in discussions. The G-8 leaders -- from the US, Canada, Japan, UK, Germany, France, Russia and Italy -- issued a statement on trade, reaffirming their commitment to the Doha Round of negotiations and pledging to "move expeditiously" to complete a framework accord on key issues by the end of July this year. To put trade talks on track, they identified as priorities: a reduction of agriculture subsidies and market access barriers; increased market openings for trade in goods; increased opportunities in the services field; and the advancement of development objectives. The G-8 also noted that cotton should be included in the agricultural negotiations. They encouraged the expansion of South-South trade, stressing that the poor not be left behind.

The presidents of Algeria, Ghana, Nigeria, Senegal, South Africa and Uganda also attended the meeting. Following talks with the group of African countries, the G-8 decided to launch a new initiative on "Ending the Cycle of Famine in the Horn of Africa, Raising Agricultural Productivity, and Promoting Rural Development in Food Insecure Countries". This initiative detailed a list of actions to be taken by G-8 countries, including the expansion of support for rural infrastructure development in the Horn of Africa

(Ethiopia, Eritrea, Kenya, Somalia, Djibouti, Sudan and Uganda). The G-8 committed to providing assistance, when needed, for Ethiopia in its negotiations to join the WTO as well as emergency assistance, food and non-food related aid to Ethiopia, Eritrea, Somalia, and Sudan. The G-8 countries also reaffirmed their commitment to fully implementing and financing the Heavily Indebted Poor Countries (HIPC) initiative -- launched in 1996 by the IMF and World Bank -- which provides coordinated action by the international financial community to reduce to sustainable levels the external debt burdens of the most heavily indebted poor countries.

Other issues discussed at the Summit included Middle East reform, conflict and reconstruction in Iraq, development of an HIV vaccine and discussion to invite the world's fastest growing and developing countries India and China to next the G-8 meeting.

To access the G-8 Statement on Trade, see: http://biz.yahoo.com/prnews/040609/dcw053_1.html

For a list of commitments under the initiative "Ending the Cycle of Famine in the Horn of Africa, Raising Agricultural Productivity, and Promoting Rural Development in Food Insecure Countries," see <http://www.whitehouse.gov/news/releases/2004/06/20040610-40.html>

"G-8 divided over Iraq, Middle East," COX NEWS SERVICE, 10 June 2004; "Chair's Summary," WHITEHOUSE PRESS RELEASE, 10 June 2004; "G-8 Leaders' Statement on Trade," WHITEHOUSE PRESS RELEASE, 9 June 2004; "Ending the Cycle of Famine in the Horn of Africa," WHITEHOUSE PRESS RELEASE, 10 June 2004.

US SUPREME COURT RULES AGAINST MORATORIUM ON MEXICAN TRUCKS

The US Supreme Court on 7 June overturned an appellate decision and unanimously found that the Bush Administration could lift a moratorium allowing Mexican trucks to operate in the US without a full environmental impact study. Following complaints from labour and environmental groups, the US Federal Motor Carrier Safety Administration (FMCSA), a division of the Transportation Department, had been obliged to conduct a detailed environmental impact study. The FMCSA had started the study, but simultaneously filed with the US Supreme Court for an appeal of the decision. The Supreme Court ruling came before the expected completion of the US\$1.8 million full environmental impact study this summer.

The Supreme Court found that the FMCSA had fulfilled the US Clean Air Act and National Environmental Policy Act requirements to protect air quality standards from the lifting of the moratorium by conducting a less stringent environmental assessment. The agency had in this assessment ruled that no significant impact would result from the increased traffic of Mexican trucks travelling throughout the US. As a result, the court concluded that FMCSA was not required to perform a full environmental impact study. The verdict added that FMCSA's obligations to enforce national air quality standards under the Clean Air Act did not override the president's authority to lift the moratorium.

The ruling is significant in that it touches upon the relatively uncharted territory of the impact of trade in services (including transport services) on the environment, one that could also affect future WTO and regional trade negotiations. Mexican trucks make approximately 4.5 million border crossings every year and Mexico claims the moratorium has cost it more than US\$2 billion.

The 1993 North American Free Trade Agreement (NAFTA) created a timetable for the removal of barriers to the provision of transportation services among the NAFTA countries for carriage of international cargo and of passengers. For trucks and buses, NAFTA liberalised access for motor carriers on both sides of the border in a phased six-year schedule from entry into force of the agreement and provided for liberalising investment restrictions on trucking companies established in Mexico and the US. Liberalisation was to have started in 1995, but the US postponed implementation due to concerns regarding safety. On 6 February 2001, the US lost its first major case under a NAFTA arbitration panel, which ruled that the US blanket prohibition on processing Mexican applications for operating authority violated NAFTA. The ruling prompted the US to comply with the dispute panel's findings by moving forward with liberalisation.

In a 2002 lawsuit, civil society groups Public Citizen, the International Brotherhood of Teamsters and other labour, environmental and civic groups argued that the FMCSA had failed to analyse the impact of Mexican trucks on the environment as required by federal law. Amicus curiae briefs were also filed by US Senate Members.

Following the Supreme Court ruling, the FMCSA is reportedly in consultation with Mexican authorities to establish safety audit and inspection programmes for the Mexican trucks. According to sources, the approval of applications allowing trucks to operate in the US could be as early as "weeks or months," rather than "days or years".

ICTSD reporting; "Supreme Court to rule on Mexican trucks in U.S.," THE WASHINGTON TIMES, 16 December 2003; "U.S. roadways opened to Mexican trucks: High court ruling a victory for Bush administration," CNN.COM, 8 June 2004; "Access to U.S Highways," TWIN PLANT NEWS, August 2002; "Supreme Court backs Bush decision on Mexican trucks," CLEAN AIR OVERHAUL, 7 June 2004; "No Environmental Review Needed From DOT For Mexican Trucks, Supreme Court Decides," INTERNATIONAL TRADE REPORTER, 10 June 2004; "Mexican trucks gain more access to U.S.," THE DESERT SUN, 14 June 2004.

IN BRIEF

G-77 CELEBRATES FORTIETH ANNIVERSARY

From 11-12 June in Sao Paulo, Brazil, the Group of 77 (G-77) and China held a ministerial meeting to commemorate the group's 40th anniversary. In addition to calling on the international community to fully and speedily achieve the Millennium Development Goals, their Ministerial Declaration noted that countries "are concerned about the adverse effects of domestic support and subsidies granted to the production and export of commodities by some developed countries that causes distortions in international trade and undermines trade opportunities". UN Secretary-General Kofi Annan congratulated the G-77 countries on progress "in raising life expectancy and lowering child mortality, and in some cases achieving spectacular economic growth". Addressing the group, he added that the challenge is now "to consolidate those gains, while at the same time addressing the needs of those countries that have yet to advance or have even regressed". To counter emerging global threats such as the widening gap between the South and the North and problems such as terrorism, contagious diseases and environmental degradation, Yi Xiaozhun, Chinese Assistant Minister of Commerce, suggested that developing countries pool their efforts. Cuban president Fidel Castro also sent a message to this group of countries, affirming "we are a force capable of successfully defending our right to live in a better and more just world, if we act in a united way". G-77, now comprising 132 members, was established in 1964 by 77 developing countries, aiming to boost unity and cooperation among developing nations. This meeting was scheduled to precede UNCTAD XI, held from 15-18 June in Sao Paulo (see related article, this issue).

To read the Ministerial Declaration, see <http://www.g77.org/40/declaration.htm>

"President Fidel Castro sends message to Group of 77," GRANMA INTERNATIONAL, 14 June 2004; "G-77 urged to forge new economic order," XINHUA, 13 June 2004; "G77, China vow to implement MDGs," XINHUA, 13 June 2004; "UN conference in Brazil focuses on new South-South trade agreements," BUSINESS REPORT, 14 June 2004; "Hafeez urges G-77, China to retrieve Doha work program," PAK TRIBUNE, 14 June 2004; "Developing countries aim to reduce mutual trade barriers," TAIWAN NEWS, 14 June 2004.

RIGHTS COMMITTEE EXPRESSES CONCERN OVER IP RULES IN EL SALVADOR

The UN Committee on the Rights of the Child, reviewing the situation in El Salvador, recently raised concern over the potentially negative impacts of tightening intellectual property (IP) rules negotiated in trade treaties. According to the Committee, such rules could hamper access to low-cost generic medicine, and thus interfere with children's right to health. The Committee stated that El Salvador should "systematically consider the best interests of the child" when negotiating or implementing IP rules into national law. The Committee further requested El Salvador to conduct an impact assessment of IP agreements "on the accessibility of affordable generic medicine, with a view to ensuring children's enjoyment of the highest attainable standard of health". El Salvador, along with Costa Rica, Guatemala, Honduras and Nicaragua, signed the Central American Free Trade Agreement (CAFTA) agreement with the US on 28 May. The treaty includes strict rules for IP protection. Civil society group 3D warned that the CAFTA could undermine El Salvador's ability to obtain cheap drugs for children and fulfil its human rights obligations. The CAFTA agreement -- which has yet to be ratified and implemented -- has received mixed reviews, especially concerning environment and labour provisions (see BRIDGES Weekly, 26 February 2004, <http://www.ictsd.org/weekly/04-02-26/inbrief.htm#4>).

To access the UN Committee on the Rights of the Child document see <http://www.unhchr.ch/html/menu2/6/crc/doc/co/El%20S%20alvador-CO2.pdf>

"UN Committee Warns El Salvador that IP Rights in CAFTA Must Not Undermine Children's Rights," 3D PRESS RELEASE, 10 June 2004.

WTO IN BRIEF

US DISMISSES EC'S CLAIMS AT FIRST GMO PANEL HEARING

On 2 June, the WTO panel charged with ruling on the dispute launched by the US against a 'de facto' EC moratorium on the approval and marketing of biotech products held its first hearing. At the hearing, the US pointed to 'overwhelming' evidence of an EC moratorium. The EC, in its first submission on the case, had argued that it had never adopted a general ban on genetically modified organisms (GMOs) (see BRIDGES Weekly, 9 June 2004, <http://www.ictsd.org/weekly/04-06-09/story4.htm>). The US, however, pointed to references to the moratorium "well beyond casual statements" by leading EC officials and the Commission itself. Regarding the EC's claim that its policy on GMOs is consistent with the Biosafety Protocol to the UN Convention on Biological Diversity, the US said the Protocol explicitly provides that parties not disregard their existing international obligations. The US also noted that the issues raised in this case fell within the ambit of the Agreement on Sanitary and Phytosanitary Measures (SPS), which "explicitly requires the consideration of relevant ecological and environmental conditions in assessment of SPS risks". The EC had argued that GMOs are too complex to be governed by the SPS Agreement alone.

The US further asserted that the EC's submissions failed to prove that the moratorium is based on a risk assessment. Finally, the US insisted that the EC's measures cause 'undue delay' particularly because many of the products affected by the moratorium have been positively assessed by the EC's own scientific committees. In the next 2-3 weeks, both parties will file their rebuttal submissions. These will be followed by a second panel hearing.

ICTSD reporting.

VIETNAM PREPARES FOR WTO ACCESSION

Vietnam is in the midst of its eighth round of accession talks in Geneva, scheduled for 9-19 June, with the Working Party on its accession held on 15 June. Led by Deputy Minister of Trade, Luong Van Tu, the Vietnamese party is meeting bilaterally with Uruguay, China, Japan, the EC and the US, while the multilateral negotiations on 15 June with involved the representatives of over 20 countries. Most products on Vietnam's tariff schedule are subject to "tariff bindings," meaning they will not surpass a fixed ceiling. In

services, Vietnam is offering to liberalise 10 general service sectors and 92 sub-sectors. In agriculture, the country is prepared to eliminate export subsidies, with a three-year delay upon its date of accession. US officials, although pleased with the progress since the last meeting in December, indicated an interest in further commitments on the services side, and more stringent rules on the protection of intellectual property rights.

Vietnamese Ambassador to the UN Ngo Quang Xuan highlighted the need for Vietnam to conclude bilateral negotiations with as many countries as possible in order to join the WTO as planned, "bilateral negotiations with each country are decisive to the country's entire process of negotiation for the WTO membership". Tu said Vietnam has made "significant progress" on concluding bilateral deals, however the only agreement concluded so far has been with Cuba. Negotiations with the US and EC continue, although EC Trade Commissioner Pascal Lamy affirmed the EC's commitment to helping Viet Nam become an early member of the WTO during Vietnamese Trade Minister Truong Dinh Tuyen's visit to Brussels in early June. According to the Director of the UNCTAD-UNDP Global Programme Reinaldo Figueredo, Vietnam would need to carefully define its negotiation strategy, with the challenge being to build a complete legal framework in the shortest time possible, especially economic laws, in accordance with the country's commitments during bilateral and multilateral negotiations on the WTO entry. Viet Nam submitted its application to join the WTO in 1994. The country expects to finish negotiations with major partners by the end of the year.

"Viet Nam appeals for regional support in its WTO bid," VNAGENCY, 14 June 2004; "World Bank supports Viet Nam's WTO accession," VNAGENCY, 11 June 2004; "8th round WTO accession talks opens," VOICE OF VIETNAM, 9 June 2004; "EC supports Viet Nam's joining WTO," VNAGENCY, 5 June 2004; "Vietnam outlines latest concessions aimed at securing WTO membership," WTO REPORTER, 16 June 2004.

VACANCIES AT ICTSD

VACANCIES

PROGRAMME OFFICER, DEVELOPMENT ISSUES. ICTSD is implementing an integrated information, dialogue and research programme that aims to support trade and non-trade policy knowledge communities in the challenge of connecting sustainable development

objectives with international trade. The Programme Officer will assist with the design and implementation of projects in ICTSD's 'Building the Trade and Sustainable Development Agenda' (BTSDA) programme, and contribute regular articles on development-related issues to BRIDGES Weekly Trade News Digest. The closing date for applications is 25 June. For further information see http://www.ictsd.org/about/ar/ICTSD_Dev-Issues_Officer.pdf

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: 17 - 23 June

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>.

16-25 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>

17 June, Sao Paulo, 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

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

efa@uni-muenster.de; Internet: <http://www.efa-muenster.de/>

17-19 June, Washington DC, US: SEVENTH ANNUAL CONFERENCE ON GLOBAL ECONOMIC ANALYSIS: TRADE, POVERTY, AND THE ENVIRONMENT. The Seventh Annual Conference is jointly organised by the World Bank and the Center for Global Trade Analysis, with additional support from the U.S. Environmental Protection Agency (EPA), the USDA Economic Research Service (ERS), the Inter-American Development Bank (IDB), and the U.S. International Trade Commission (ITC). The goal of the conference is to promote the exchange of ideas among economists conducting quantitative analysis of global economic issues. Particular emphasis will be placed on applied general equilibrium methods, data, and application. Related theoretical and applied work is also welcome. For further information see http://www.gtap.agecon.purdue.edu/events/Conference_s/2004/default.asp

20-23 June, Manila, Philippines: South East Asia Regional Biodiversity Forum. The aim of the regional biodiversity forum workshops 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. The meeting will be composed of four workshop

streams: Divided, yet United - Development Planning at Regional and National Levels; The Precautionary Principle in Natural Resource Management and Biodiversity Conservation; Developing Work Programmes on Synergies between MEAs and Trade; and Development vs. Poverty. Interested individuals from all sectors of society are invited to submit 1-2 page abstracts of contributions by 5 June 2004 for possible presentation at one of the workshops of GBF-Southeast Asia. For further information contact Rosie Cooney, Coordinator, Precautionary Principle Project, tel: +44-12-2357-9020; fax: +44-12-2346-1481; email: rosie.cooney@fauna-flora.org or pinciple@iucn.org; http://www.gbf.ch/present_session.asp?no=38&lg=EN

20-23 June, Durango, Mexico: CONFERENCE ON FOOD SCIENCE AND FOOD BIOTECHNOLOGY IN DEVELOPING COUNTRIES. This conference is aimed at presenting and discussing research, carried out in developing countries, which is related to food science and biotechnology. For further information contact Instituto Tecnológico de Durango, email: meeting_dgo@prodigy.net.mx; Internet: <http://www.itdposgrado-bioquimica.com.mx/congress2004.htm>

21-23 June, Puebla, Mexico: ELEVENTH REGULAR SESSION OF THE CEC COUNCIL ON ENVIRONMENTAL COOPERATION. During the eleventh session of the Commission for Environmental Cooperation (CEC) the environment ministers of Canada, Mexico and the US will review findings of the ten-year review of the North American Agreement on Environmental Cooperation (NAAEC), in order to chart a path forward for the CEC over the next decade (see <http://www.cec.org/trac/>). The programme of events begins on 21 June with a workshop on the future direction of the NAAEC organised by the Joint Public Advisory Committee (JPAC). The CEC Council will hold a public session, during which a limited number of members from the public will be invited to present oral statements. In parallel to the above meetings, JPAC will hold a regular session on 22-23 June. Members of the public are invited to attend as observers. For further information contact Daniel Brevé, tel: +1 514 350-4368; fax: +1 514 350-4345; email: dbreve@ccemtl.org; Internet: <http://www.cec.org/news/details/index.cfm?varlan=english&ID=2598>

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/>

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.

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

17 June: WTO COMMITTEE ON AGRICULTURE.

18 June: WTO COUNCIL FOR TRADE-RELATED ASPECTS OF INTELLECTUAL PROPERTY RIGHTS - SPECIAL SESSION.

21 June: WTO COMMITTEE ON TRADE AND ENVIRONMENT.

21-23 June: WTO TEXTILES MONITORING BODY.

22 June: WTO COMMITTEE ON TRADE AND ENVIRONMENT - SPECIAL SESSION.

22 June: WTO DISPUTE SETTLEMENT BODY.

22-23 June: WTO COMMITTEE ON SANITARY AND PHYTOSANITARY MEASURES.

23 June: WTO COMMITTEE ON SPECIFIC COMMITMENTS.

23 June: WTO WORKING PARTY ON GATS RULES.

23 & 25 June: WTO COMMITTEE ON AGRICULTURE - SPECIAL SESSION.

Other Upcoming Events

6-8 July, Addis Ababa, Ethiopia: AFRICAN UNION SUMMIT 2004. The third Ordinary Session of the African Union Assembly. For further information contact the African Union Secretariat, tel: +215-1-517-700; fax: +215-1-517-844; e-mail: webmaster@africa-union.org; Internet: <http://www.africa-union.org>

13-15 October, Cape Town, South Africa: INTERNATIONAL CONFERENCE ON AFRICAN DEVELOPMENT AND POVERTY REDUCTION - THE MACRO-MICRO LINKAGE. Hosted by the University of Cape Town's Development Policy Research Unit (DPRU) and Trade and Industrial Policy Strategies (TIPS) in association with Cornell University, this conference will consider evidence-based policy recommendations on trade and investment that stem from analysis of macro-micro linkages in the African context. For further information contact DPRU, tel: +27-21-650-5705; fax: +27-21-650-5711; email: dpruconf@commerce.uct.ac.za; Internet: <http://www.commerce.uct.ac.za/dpru/dpruconference2004/default.htm>

27-28 October, Moscow, Russia: INVESTING IN RUSSIA'S LONG-TERM FUTURE. This conference is being organised by the Royal Institute of International Affairs (Chatham House) and Interfax in association with, among others, the Russian Ministry for Economic Development and Trade and the World Bank Group. The conference will examine the current economic climate in Russia, the fast growing and established business sectors, particularly those where foreign investment is involved, the future of Russia as a consumer market and wider economic issues. For further information, contact Dino Ribeiro, email: dribeiro@riia.org; Internet: <http://www.riia.org/Russia2004>

10-14 January 2005, Port Louis, Mauritius: INTERNATIONAL MEETING FOR THE TEN-YEAR REVIEW OF THE BARBADOS PROGRAMME OF ACTION FOR THE SUSTAINABLE DEVELOPMENT OF SIDS. Note that the meeting has been moved forward from its original dates in August/September 2004. The conference represents the ten-year review of implementation of the Barbados Plan of Action (BPOA). The BPOA set forth specific actions and measures at the national, regional, and international levels in support of the sustainable development of the small island developing States (SIDS). The international meeting will be preceded by two days of informal consultations to be held from 8-9 January. For further information contact Diane Quarless, UNDSO, SIDS Unit, tel: +1-212-963-4135; fax: +1-917-367-3391; email: Mauritius2004@sidsnet.org; Internet: <http://www.un.org/esa/sustdev/sids/sids.htm>

RESOURCES

INVESTMENT AND SUSTAINABLE DEVELOPMENT: A GUIDE TO THE USE AND POTENTIAL OF INTERNATIONAL INVESTMENT AGREEMENTS. By the International Institute for Sustainable Development (June 2004). This new book offers an overview of the features, as well as some of the shortcomings, of international investment agreements. It argues that the agreements should be designed so as to promote sustainable development through foreign investment. Copies are available in PDF-form for free download at <http://www.iisd.org/publications/publication.asp?pno=627>

THE WTO AND THE MULTILATERAL TRADING SYSTEM: PAST, PRESENT AND FUTURE. By Bhagirath Lal Das (Zed Books, May 2004). This book charts the evolution of the multilateral trading system and explores the future outlook for the World Trade Organisation (WTO). Bhagirath Lal argues that GATT/WTO has traditionally been used by the major industrial nations to pursue their own economic and political interests, at the expense of Third World development. This book also traces the links between these deficiencies and the WTO's decision-making processes, which is seen to be dominated by developed country members. For further information see: <http://zedweb.cybergecko.net/cgi-raw/a.cgi?1%2084277%20480%208>

TOWARDS A FAIR DEAL FOR MIGRANT WORKERS IN THE GLOBAL ECONOMY. By the International Labour Office (ILO, June 2004). 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. The issue has prompted dialogues on how to improve multilateral

cooperation 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 issues in mind. It links the ILO's concerns with 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>

"Dirty Tariffication Revisited: The EU and Sugar". By Alan Swinbank in the ESTEY CENTRE JOURNAL OF INTERNATIONAL TRADE LAW AND POLICY, Vol. 5, Nr 1 (2004). Some commentators have claimed that a number of countries, including the EU, engaged in "dirty tariffication" during the Uruguay Round of trade talks. This article examines the EU's record on sugar and finds little evidence to substantiate the claim. However, world prices increased between the base period (1986-88) and the date of implementation (1995), and so tariffication resulted in an increase in the tax that would have been charged on sugar imports into the EU. As well, the Special Safeguard provisions meant that a substantial additional levy could be charged. To access the report, see <http://www.esteyjournal.com>

HOW TO LOBBY AT INTERGOVERNMENTAL MEETINGS. By Felix Dodds and Michael Strauss (Earthscan, March 2004). Organisations spend considerable resources taking staff to international meetings, often without understanding how these meetings work. This book is a unique guide on how to participate and be heard at intergovernmental meetings, whether as a stakeholder or a government official. It contains a wealth of essential reference material including tips for navigating the intergovernmental hot spots of New York and Geneva, lists of UN commissions, conferences and permanent missions, contact details of key international organisations, NGOs and stakeholder groups and useful web addresses. For further information see <http://www.earthscan.co.uk/asp/bookdetails.asp?key=4063>

"The Doha Investment Negotiations: Whither or Wither". By Bill Dymond and Michael Hart in the JOURNAL OF WORLD INVESTMENT & TRADE 5 (2, 2004). At the 2001 WTO Ministerial Meeting, it was decided to delay launching negotiations on a multilateral agreement on investment negotiations until the 2003 meeting, subject to an explicit consensus on the modalities of negotiations. At that meeting, very little was accomplished, as the modalities had not yet been

agreed. What can now be expected of the negotiations? At some point, WTO Ministers will need to dispose of the Doha mandate by deciding on the object and purpose of bringing investment within the WTO family of agreements. This article aims to contribute to that decision. It first reviews the efforts to negotiate multilateral investment agreements in the past and the discussions at the WTO that led to the Doha investment mandate. It then examines the intellectual and policy foundations for a WTO investment agreement. Finally, it discusses some of the major issues that require resolution and offers some recommendations on the way forward, even considering the option of taking investment off the WTO negotiating agenda entirely.

"The Regulatory Philosophy of International Trade Law". By Veijo Heiskanen in the JOURNAL OF WORLD TRADE 38 (1, 2004). The recent failure of the Doha round of trade talks in Cancun, Mexico, has been viewed as yet another signal of a slowdown, if not reversal, of the process of globalisation. While this is not the first time that trade talks have stalled during a negotiation round, the collapse in Cancun, coming as it did only four years after the previous failure in Seattle, has prompted a more serious reflection on the present state of the multilateral trading system. Has the globalisation process reached a turning point where the famous bicycle of market integration has finally started backpedaling? Or, less dramatically, has the decision-making mechanism of the multilateral trading system, which the WTO effectively inherited from the General Agreement on Tariffs and Trade (GATT), reached its limits?

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BRIDGES Weekly Trade News Digest is made possible in 2001 - 2003 through the generous support of the Government of the United Kingdom (DFID). Additional support is provided by ICTSD's core donors: the Governments of Finland, Denmark, the Netherlands and Sweden; Christian Aid (UK), MISEREOR, NOVIB (NL), Oxfam (UK) and the Swiss Coalition of Development Organisations (Switzerland). The **Weekly** also benefits from support for the **BRIDGES** series of publications including: the Rockefeller Foundation, the John D. and Catherine T. MacArthur Foundation and Swiss Development Cooperation. ISSN 1563-00