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LEAD STORIES

WTO AGRICULTURE TALKS: CHAIR SAYS FRAMEWORK DEAL "ABSOLUTELY DOABLE"

Negotiations during the most recent WTO 'agriculture week' ended without a final breakthrough. However, sources reported some progress in talks on market access and export competition. Briefing the full Membership on the outcomes of the 23-25 June special (negotiating) session of the Committee on Agriculture (CoA), Chair Tim Groser (New Zealand) at the concluding 25 June plenary meeting said that, while he still was frustrated at the slow pace of progress, he considered an agreement on a framework accord before the end of July "absolutely doable" due to the accelerating intensity of the negotiations. Informal consultations during the three-day consultations largely focused on a new US on market access proposal. The 'Five Interested Parties' (FIPs) group consisting of the US, EC, Australia, Brazil and India also held intense meetings on the sidelines. The secrecy of the FIPs meetings was heavily criticised by many negotiators, primarily from the G-10 group of countries including Switzerland and Japan who called for greater transparency in the negotiation process. Groser defended the process as a necessity, but indicated he would reveal further details on content when he reported to the Trade Negotiations Committee on 30 June.

Groser defends consultative mode in the negotiations

In response to several delegations' criticism of the lack of transparency of the process -- especially in the consultations of the group of Five Interested Parties (FIPs) -- Groser explained to the plenary that he had to tread a delicate balance between the need to be transparent and inclusive, on the one hand, and the need to let ideas develop before exposing them widely. On the issue of inclusiveness, Groser referred to the "public secret" of the FIPs group, which was trying to hammer out an internal compromise deal in parallel

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consultations -- some of which he attended. Recalling that the group brought together countries with some of the sharpest differences -- both as importers and exporters and developed and developing countries -- he reportedly rejected the idea that the group could swiftly produce an agreement that its members could accept along with the rest of the WTO Membership.

Groser's remarks were prompted by heavy criticism voiced at the opening 23 June informal plenary session by the G-10, including Switzerland, Japan, Norway and Mauritius. These countries expressed their deep concern at being excluded from the FIPs process while not being adequately informed about the discussions taking place. "We will not swallow a piece of paper produced without our participation," Swiss chief negotiator Luzius Wasescha stated. Japan and others reportedly also felt "a great deal of frustration" at their exclusion from the FIPs consultations. One developing country delegate said it would be very difficult for those Members and groupings not included in the talks between the G-20 (including Brazil, India and S. Africa), the Cairns Group (including Australia and Canada), and the US and EC to later reject main elements of the emerging internal agreement. "It's a done deal," the negotiator said.

New market access approach emerging

On market access, which still remains the most difficult issue in the talks, Groser said that negotiators now showed a great deal of flexibility, looking at variations of the "tiered, blended approach". Reportedly, this approach would mean that products are separated into bands or 'tiers' according to their tariff levels, and then each tier further divided into products whose tariffs are reduced by different approaches -- as done, for example, in the 'blended' formula developed earlier by the US and EC, which combined elements of the Swiss and Uruguay Round reduction formulas (see BRIDGES Weekly, 21 August 2003, <http://www.ictsd.org/weekly/03-08-21/story2.htm>).

However, Groser cautioned parties not to move too quickly on this proposal so as to avoid its premature rejection and indicated he was hopeful that its approach might bear fruit. He also said that for the first time, some progress had been made on 'parallelism' in the areas of export competition -- i.e. the EC's demand that others had to phase out the distortive elements of their export competition tools as the EC was expected to eliminate its export subsidy programmes. However, several delegates reportedly commented on Groser's statement, saying that the EC and US were still sharply divided over this issue.

US produces new market access paper

Prior to the kick-off of the penultimate 'agriculture week' before the WTO summer break, the US presented an internal informal paper on market access at a 22 June FIPs meeting. The paper presented a new tariff reduction methodology, including a version of the 'banded' formula (see BRIDGES Weekly, 19 February 2003, <http://www.ictsd.org/weekly/03-02-19/story2.htm>) combined with the 'Swiss' harmonising formula previously promoted by the US. According to sources, the US came up with a revised version of its proposal at the end of the 23-25 June 'agriculture week'.

According to the 22 June paper, Member would have the flexibility to exempt a limited number of 'sensitive products' from the general reduction formula, but would have to provide for effective new market access for these products through a combination of tariff reductions and tariff rate quota (TRQ) expansion. In addition, a maximum ceiling would be established for all tariffs, with the option to exclude a very limited number of products for which -- again -- additional market access would have to be ensured. US sources said this proposal was based on an earlier G-20 market access paper in which the developing country group set out key elements for the tariff reduction formula to be agreed (see BRIDGES Weekly, 2 June 2004, <http://www.ictsd.org/weekly/04-06-02/story1.htm>).

Developing countries would generally be subjected to the same tariff reduction formula, but with several special and differential treatment (S&D) modifications. Least-developed countries (LDCs) would be exempted from any tariff reductions, while the paper made no reference to additional differentiated treatment of other 'weak and vulnerable' countries such as non-LDC African, Caribbean and Pacific (ACP) countries and other Members with particular difficulties. Notably, the US also proposed the establishment of a special safeguard mechanism (SSM) for use by developing countries, as well as the possibility for poorer countries to designate a number of special products (SPs) which would be subject to no, or significantly lower, reduction commitments.

The paper received mixed reactions. India was critical of the proposal because of the inclusion of the Swiss formula, which is based on steeper cuts on higher agricultural tariffs. The G-10 was not enthusiastic over the paper's limited exceptions for sensitive products. Countries such as Switzerland and Japan are reportedly opposing the US approach as they say they would have to "pay twice" through mandatory TRQ expansion if they want to protect their sensitive commodities. The EC thought the formula needed to provide more flexibility for developed countries to maintain relatively high tariffs on a set of important products.

The next 'agriculture week' is scheduled for 14-16 July, but Members are expected to meet both before and after it. Sources reported that the FIPs countries are tentatively planning a high-level meeting scheduled for the week of 5 July in Geneva, followed by a ministerial-level meeting around the weekend of 10-11 July in Paris. In an attempt to reach a framework by the end of July, the agriculture talks will proceed continuously. According to US agriculture negotiator Allen Johnson the negotiations are expected to continue until the end of July or "until we get it done".

ICTSD reporting; "Market Access: WTO Ag Chair Sees Shifts on Market Access, but U.S., EU Still Split on Export Competition," WTO REPORTER, 25 June 2004; "Agriculture: WTO Agriculture Talks End with Chair Citing Gains, but Mum on Details; Full Report Due June 30," WTO REPORTER, 28 June 2004.

SPS COMMITTEE: S&D DEBATE TO CONTINUE

The WTO Committee on Sanitary and Phytosanitary Measures (SPS) failed again to finalise discussions on special and differential treatment (S&D) following objections by Malaysia at its 22-23 June meeting. Also at the session, Members adopted a schedule for reviewing the operation and implementation of the SPS Agreement as mandated by the Doha decision on implementation.

Transparency in S&D

Members continued discussions on Canada's proposal on enhancing transparency of special and differential treatment within the SPS Agreement, which would require Members to engage in bilateral consultations if an exporting country identified significant difficulties in complying with proposed regulations (see BRIDGES Weekly, 24 March 2004, <http://www.ictsd.org/weekly/04-03-24/story2.htm>). Following the consultations, the notifying Member would inform the WTO of the S&D requested and provided (or reasons why S&D was not granted). At the last SPS Committee meeting in March, Members had adopted a revised version of the procedural details put forward by the Secretariat (G/SPS/W/132/Rev.2, searchable at <http://docsonline.wto.org/>) provided that no objections were raised by 30 April.

Malaysia, however, expressed objections by asking for additional time to consult. Specifically, Malaysia took issue with the paper's proposal that importing developed countries should consider S&D in response to requests from exporting developing country exporters. Malaysia said it would like to see the onus placed on developed countries instead. In response,

Canada noted that the SPS Agreement already obliged developed countries to provide S&D. Canada added that the proposal was meant to address developing countries' concerns that the S&D did not meet their needs by allowing them to specify the additional S&D they were seeking. Several other countries -- including Jamaica, Nicaragua, Eduardo, Cuba, Peru, Brazil and the US -- also urged Malaysia to join the consensus. Discussions are set to continue at the next SPS Committee meeting, currently scheduled for 27-28 October.

Schedule for SPS review

Members adopted a schedule for reviewing the operation and implementation of the SPS Agreement. Such a review is mandated to take place at least once every four years pursuant to paragraph 3.4 of the Doha Decision on Implementation-related Issues and Concerns. The report of the next review should be prepared for the sixth WTO Ministerial Conference. According to the schedule, Members are requested to submit to the Secretariat issues that they would like to see considered in the review. The report is tentatively scheduled to be adopted in June 2005.

The next meeting of the SPS Committee is currently scheduled for 27-28 October. The session will be chaired by Gregg Young (US) who took over from Paul Martin (Canada).

ICTSD reporting.

OTHER NEWS

ACP MAPUTO SUMMIT URGES GREATER REGIONAL COOPERATION

Heads of state and government representatives from the African, Caribbean and Pacific (ACP) group held a summit in Maputo, Mozambique from 23-24 June. The summit, the fourth of its kind, focused on the theme 'together shaping our future'. Issues discussed included ACP and EC cooperation, intra-ACP cooperation, the ongoing WTO talks, the UN Millennium Development Goals (MDGs), and security issues confronting ACP countries. The summit concluded by adopting a declaration (the Maputo Declaration) as well as a number of decisions and a Sugar Resolution. In his opening remarks, Joaquim Chissano, President of Mozambique, stressed the importance of ACP unity and encouraged the ACP to ensure that ongoing Economic Partnership Agreement (EPA) negotiations with the EC

were used to enhance regional cooperation and not to weaken regional arrangements.

ACP-EC relations

The ACP leaders emphasised that the EPA trade negotiations, established under the Cotonou Agreement signed between the EC and the ACP in 2000, should contribute to poverty eradication and sustainable development as well as to the gradual integration of the ACP into the global economy. They called on the ACP Council of Ministers to ensure coherence between the EPAs and various regional initiatives on the one hand, and the ongoing WTO negotiations on the other. The ACP leaders also urged the EC to provide the necessary support to address adjustment costs that could result from implementing EPAs.

The ACP leaders encouraged the global community to intensify efforts to realise the MDGs -- in particular poverty alleviation, development and peace and security. The Maputo Declaration also mandated the ACP Council of Ministers to assess the impact of ACP-EU cooperation programmes on the attainment of the MDGs.

WTO negotiations

The ACP leaders expressed concern at the lack of progress in key WTO negotiating areas such as special and differential treatment for vulnerable developing country groups. They welcomed the emergence of the G-90 group within the WTO context, in which the ACP countries have joined force with least developed countries (LDCs) and the African Union to push their positions. The ministers also called for the preservation of existing trade preferences on products of interest to the ACP. While welcoming a recent WTO dispute settlement panel ruling against US cotton subsidies, the Maputo Declaration emphasised that a ruling in favour of the complainants in the ongoing challenge at the WTO brought against the EC's sugar regime could have serious adverse effects on the ACP sugar industry (see BRIDGES Weekly, 22 April 2004, <http://www.ictsd.org/weekly/04-04-22/wtoinbrief.htm>).

Resolution on ACP sugar

In light of the EC's ongoing review of its sugar regime (see related story, this issue), the ACP requested, in a resolution, that the EC maintain "a high remunerative price for the ACP and LDCs supplying States thereby securing the benefits they currently derive from the export of sugar to the EU". Secondly, the Maputo Sugar Resolution urged the EC to guarantee ACP and LDC sugar supplying states "at least the same treatment" as will be provided to EC regions. It reiterated that any price reduction under the Sugar Protocol and the EC's

Everything But Arms (EBA) initiative in favour of LDCs must be accompanied by full compensation. The Maputo Declaration requested that a copy of the Sugar Resolution be transmitted to the President of the European Commission, the Council of Europe, EU member states and the European Parliament.

Under the Sugar Protocol of the Cotonou Agreement, the EC guarantees the import of agreed quantities of sugar from ACP states. The protocol further fixes specific import levels for cane sugar imports from ten ACP countries.

The EBA is a generalised system of preference (GSP) scheme under which the EU grants duty-free access to imports of all products from LDCs (except arms and munitions) without any quantitative restrictions. Under the EBA, duties on certain products, including sugar, will be gradually reduced until they are granted duty free access -- in the case of sugar in July 2009. In the meantime, there are duty free tariff quotas for rice and sugar.

The ACP will meet with their partners in the G-90 at the ministerial level from 15-16 July to consolidate negotiating positions for the ongoing WTO Doha Round.

To access the Maputo Declaration, decisions and Resolution on ACP Sugar, visit <http://www.acp.int/maputo/>

ICTSD reporting; "Conference Of Developing Countries Under Way In Mozambique,"

UNWIRE, 24 June 2004; "Fiji seeks ACP intervention on Sugar Protocol," PANAPRESS, 24 June 2004; "Poor countries urged to unite for EU trade talks MAPUTO," REUTERS, 23 June 2004.

IN BRIEF

EC SUGAR REFORM PROPOSAL TAKING SHAPE

According to a recently leaked report the EC is set to announce reforms to its heavily supported sugar industry in the forthcoming weeks. The proposed changes -- to be released on 14 July by EC Agricultural Commissioner Franz Fischler -- would reportedly include significant cuts to domestic support and production levels across the European sugar industry. According to the plan, the reforms would include cutting

EC sugar prices by approximately 40 percent, eliminating the safety-net intervention system, merging two national production quotas, and reducing overall production from 17.4 million tonnes to 14.6 million tonnes over three years. The results of these changes would be a 37 percent decline in sugar beet prices and an overall drop in EC sugar output from 20.5 million to 17.5 million tonnes a year. The proposals would take effect from July 2005, with far-reaching impacts on domestic producers. Uncompetitive sugar-growing areas would likely see production disappear under a reformed sugar regime. The EC would offer aid packages to lessen the impact of these changes. The proposal, which has been in the works for months, is part of the overall EC Common Agricultural Policy (CAP) reform (see BRIDGES Weekly, 10 March 2004, <http://www.ictsd.org/weekly/04-03-10/story4.htm>).

These changes come at a time when the EC is facing unprecedented pressure to reform its sugar regime. It is currently being challenged by Brazil, Thailand and Australia in a WTO dispute settlement panel and a delayed provisional ruling is expected in September (see related story, this issue). In addition to the legal challenge, the EC faces continuing pressure from aid groups, which argue that the high levels of subsidies are impeding the ability of developing countries to compete. Currently European farmers are paid prices more than three times above the world market. Brazil estimates its sugar industry loses US\$900 million annually due to Europe's sugar export subsidies.

"EU Commission Proposes Sweeping Sugar Reform," REUTERS, 23 June 2004; "EU Sugar Plan to Help Trade Talks, Hit Industry," REUTERS, 24 June 2004.

OECD STEEL SUBSIDIES TALKS SUSPENDED; US INDUSTRY BLAMES EC ENVIRO POLICY

On 29 June, 37 major steel producing countries negotiating a multilateral agreement to discipline steel subsidies formally decided to suspend the talks. Disagreements in three areas in particular had plagued the 18-month talks, hosted by the Organisation for Economic Cooperation and Development (OECD). The EC -- strongly opposed by the US -- favoured allowing subsidies for environmental purposes and for research and development. The EC supported disciplining the use of trade remedies, which the US opposed. The third contentious area related to how to make arrangements for special and differential treatment for developing countries. Participants agreed, however, to continue negotiations on an informal basis, and the steel group is planning to meet again in 2005 to assess the situation. A US steel industry representative commented that a

multilateral, rather than piecemeal bilateral solutions, has to be found in an area as plagued by subsidies and overcapacity as steel. Another representative blamed the EC for the breakdown of the talks, stressing that EC insistence on retaining the possibility to subsidise steel producers to offset costs related to the implementation of the Kyoto Protocol -- a treaty rejected by the US -- had led to the failure.

Steel was high on the WTO agenda after US President Bush decided to impose tariffs of eight to 30 percent on most steel imports in March 2002 to help defend the country's struggling steel industry against cheap imports, partly blaming the decision on other countries' subsidies. Following an unfavourable ruling by a WTO dispute panel and the threat of sanctions by trading partners, the Bush administration finally backed off and repealed the tariffs in December 2003 (see BRIDGES Weekly, 11 December 2003, <http://www.ictsd.org/weekly/03-12-11/wtoinbrief.htm>).

To access the communiqué of the steel meeting see http://www.oecd.org/document/5/0,2340,en_2649_201185_32362885_1_1_1_1,00.html

"Steel nations suspend talks on subsidy deal," REUTERS, 29 June 2004; "US steel industry blames EU for delay in deal," REUTERS, 29 June 2004.

EC DENIES CHINA MARKET ECONOMY STATUS

On 28 June, the EC announced it was unable to grant China market economy status (MES) following a request by Beijing last June. The EC listed four conditions China would first have to fulfil: reducing state interference with companies; increasing the level of compliance with accounting law; ensuring the equal treatment in bankruptcy law and respect for property and intellectual property rights; and applying market rules in the banking sector. In reaction, Chinese Foreign Ministry spokeswoman Zhang Qiyue said, "China has made a lot of efforts to fulfil its commitments to the WTO. We have revised and updated nearly 3000 laws and regulations related to the economic policy to match the international standards". She added that it would "benefit not just the economic development of China but also the cooperation between the EC and China".

In trade defence investigations (anti-dumping and countervailing measures), China is currently treated as an economy in transition, assuming prices and costs are influenced by the state. Other countries can use prices of third-country markets as a benchmark to compare with domestic prices to determine whether China is dumping or over-subsidising products. If China

gains MES recognition, investigating authorities will be able to use prices and costs reported by individual companies, subsequently boosting China's ability to fight anti-dumping charges. Beijing has acquired MES recognition from New Zealand, Singapore, Malaysia, Thailand and Kyrgyzstan but is awaiting approval from the US and the EC, its biggest trading partners. The EC currently has 32 anti-dumping measures in force and 22 ongoing anti-dumping investigations (six new cases and 16 reviews) against China. The US has 52 anti-dumping measures in force against China.

"Market economy status in trade defence investigations," EU PRESS RELEASE, 28 June 2004; "China says EU refusal to give market economy status unreasonable," EU POLITIX, 29 June 2004; "FM spokeswoman: EU should recognise China's market economy status," XINHUANET, 29 June 2004.

GLOBAL COMPACT MEETING ADDS PRINCIPLE ON FIGHTING CORRUPTION

At the Global Leaders Summit held in New York on the 24 June, UN Secretary-General Kofi Annan urged over 400 business and labour leaders attending the summit to promote human rights, protect the environment and fight corruption by signing onto and following the principles of the Global Compact, a voluntary corporate citizenship initiative with the twin objectives of mainstreaming a set of ten principles in business activities and catalysing actions in support of UN goals. "Of all such efforts, the Global Compact alone is based on universal principles that have been endorsed by all the world's governments," Annan said at the meeting. "And more than any other, it engages the developing countries, which are home to half its participating firms... and four-fifths of humanity". Launched in 1999 at the World Economic Forum in Davos, Switzerland, the Global Compact saw the addition of a tenth principle at the 24 June summit. The principle requires participating corporations to take measures to fight corruption. In addition to three roundtable discussions on the past, present and future of the Global Compact, the daylong meeting included a keynote address by Brazilian President Luiz Inacio Lula da Silva. While noting that the Millennium Development Goals "are far from being achieved," da Silva welcomed the opportunity to meet with business leaders to "find solutions instead of pointing fingers of blame". In his speech he called business leaders to "make an important contribution" by helping the struggle against "destructive farm subsidies in industrialised countries," referring to the ongoing WTO negotiations.

On 23 June, just prior to the meeting, a group of nongovernmental organisations, including Greenpeace and the Women's Environmental and Development

Organisation (WEDO) held a "Counter Summit". In their final statement, they said that the Compact, as a voluntary initiative, "cannot adequately address corporations' negative social and environmental impacts. They said the Compact distracts government and the UN from the necessary steps to establish an effective intergovernmental framework on corporate accountability. They called for the creation of a means of corporate accountability enforcement, starting with a "norms" agreement written by the UN Human Rights Commission in 2003.

To access the Global Compact Leaders Statement see <http://www.un.org/News/Press/docs/2004/eco70.doc.htm>

To access the Counter Summit Civil Society Statement see <http://www.earthrights.org/news/ngogcstatement.shtml>

"Major Investment Houses Endorse Global Compact Initiative," UN GLOBAL COMPACT PRESS RELEASE, 25 June 2004; "Global Compact Summit adds a 10th principle: Anti-Corruption," UNION NETWORK, 25 June 2004; "Global Compact backed," AP, 25 June 2004; "Managerial Practices to Align With Global Compact," ACCRA, 25 June 2004; "Annan Says Global Compact Is Starting 'New Strategic Concept,'" UN WIRE, 25 June 2004; "New Book to Help Companies Incorporate UN Global Compact Principles," ETHICAL CORPORATION, 29 June 2004.

NORTH AMERICAN TRADE-ENVIRONMENT BODY CELEBRATES TENTH ANNIVERSARY

The North American Commission for Environmental Cooperation (CEC) celebrated its tenth anniversary on 23 June, with environment ministers from the three member countries -- Canada, Mexico and the US -- adopting a declaration outlining future cooperation (the Puebla Declaration). The Puebla Declaration lays out the priorities for continued cooperation on environmental matters among the three countries, identifying as top priority the improvement of environmental information, capacity building (especially for environmental management in Mexico), and furthering the understanding of trade and environment linkages. The Puebla Declaration notes that the CEC will continue to work with the North American Free Trade Agreement (NAFTA) Free Trade Commission to develop a strategic plan on trade and environment, in areas which could include: establishing key elements to enhance markets for renewable energy; addressing issues related to trade pathways for invasive species; trade and enforcement of environmental laws, including

enforcement of domestic laws that address transboundary trade in environmentally sensitive goods; and market-based approaches to connect North American eco-regions.

The CEC was established under the environmental side agreement to NAFTA in 1994 to address regional environmental concerns, help prevent potential trade and environment conflicts, and to promote the effective enforcement of environmental law in its member countries.

To see the Puebla Declaration visit http://www.cec.org/files/PDF/COUNCIL/Puebla-Declaration-2004_en.pdf

"CEC Council sets vision to guide the North American environmental agenda, CEC RELEASE," 23 June 2004.

WTO IN BRIEF

WTO PANEL DELAYS SUGAR RULING

The WTO panel examining a case brought by Brazil, Australia and Thailand against the EC sugar regime recently said it needed more time to provide its ruling. According to the judges, the case -- in which Brazil claims that the EC sugar regime has flooded the international market and brought down prices due to illegal subsidisation (see BRIDGES Weekly, 18 March 2004, <http://www.ictsd.org/weekly/04-03-18/story1.htm>) -- was so complex that they needed more time to examine econometric and other data. The ruling is now expected in early September this year, two months later than originally planned. The EC is currently in the process of reviewing its sugar regime (see related story, this issue).

"WTO delays ruling in Brazil-EU sugar spat," REUTERS, 28 June 2004.

EVENTS & RESOURCES

EVENTS

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

would like to submit an event, please email events@ictsd.ch.

Coming Up: 1-7 July

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

30 June to 2 July, Rome, Italy: TECHNICAL CONSULTATION ON THE USE OF SUBSIDIES IN THE FISHERIES SECTOR. This meeting is organised by the UN Food and Agriculture Organisation (FAO) fisheries department. For further information contact Ulf Wijkström, FAO, email: ulf.wijkstrom@fao.org; Internet: http://www.fao.org/fi/NEMS/events/detail_event.asp?event_id=12110

5-6 July, London, UK: CONSUMERS, FARMERS AND FOOD - RECONCILING THE FUTURE. Organised by the Royal Institute of International Affairs (RIIA) in partnership with New Scientist magazine, this conference will provide a forum for issues such as animal welfare, food safety, GMOs, biodiversity and the environment to be debated by all interested parties: consumer groups, food companies, NGOs, supermarket chains, governments and farmers' representatives. Delegates will discuss those issues with players at all stages of the food chain, including seed manufacturers, agrochemical companies, food processors, food retailers, consumer associations, farming representatives, citizen's groups, policy-makers, food safety, environmental and social experts. For further information contact Dino Ribeiro, RIIA, at tel: +44 (0)20 7957 5753, email: dribeiro@riia.org, Internet: <http://www.riia.org/index.php?id=5&cid=55>

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>

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.

1 July: WTO TRADE NEGOTIATIONS COMMITTEE.

1 July: WTO COMMITTEE ON TECHNICAL BARRIERS TO TRADE.

2 July: WTO COUNCIL FOR TRADE IN SERVICES - SPECIAL SESSION.

2 July: WTO COMMITTEE ON MARKET ACCESS.

5 July: WTO COUNCIL FOR TRADE IN GOODS.

6 July: WTO DISPUTE SETTLEMENT BODY.

6-8 July: WTO TEXTILES MONITORING BODY.

Other Upcoming Meetings

15-16 July, Mauritius: G-90 MINISTERIAL MEETING. The G-90, comprised of the least developed countries (LDCs), African, Caribbean, Pacific states (ACP) and African Union will meet to consolidate positions in preparation for the WTO end-July deadline for negotiating frameworks. For further information see http://www.crnw.org/ca_july.htm

RESOURCES

AN AGENDA FOR THE DEVELOPMENT ROUND OF TRADE NEGOTIATIONS IN THE AFTERMATH OF CANCÚN. By Joseph E. Stiglitz and Andrew Charlton (Initiative for Policy Dialogue, June 2004. Prepared for the Commonwealth Secretariat, this report recommends that the Doha Development Round should promote fair trade for developing countries, including proposals to prioritise free trade in commodities and services that facilitate the movement of unskilled labour to enable workers in poor countries to provide services to markets in rich countries. The report highlights the need to address non-tariff barriers, which have taken on increasing importance as tariffs have come down. It points out the importance of revising intellectual property provisions (TRIPS) to narrow the 'knowledge gap' between rich and poor countries and stresses that developing countries should not be forced to accept obligations which overly restrict their scope for active development policies.

To access the 16-page report, visit http://www.thecommonwealth.org/shared_asp_files/uploadedfiles/{F1997C23-BC54-44D0-8E66-7D1166FC9937}_StiglitzPaperComsec.pdf

THE WTO, DEVELOPING COUNTRIES AND THE DOHA DEVELOPMENT AGENDA: PROSPECTS AND CHALLENGES FOR TRADE-LED GROWTH. Edited by Basudeb Guha-Khasnobis (Palgrave Macmillan, June 2004). The "development credibility" of the current trade regime in general, and the WTO in particular, is at stake. The Doha Round aims to reverse the brewing scepticism by providing a reliable engine of trade-led growth and development. The essays in this volume identify the key challenges in this regard, make an assessment of the current situation in agriculture and manufacturing market access and evaluate alternative policy options that will make the goal attainable. For further information on this UNU-WIDER publication see <http://www.palgrave.com/products/Catalogue.aspx?is=1403934835>

WTO MARKET ACCESS NEGOTIATIONS AND INDIAN SMALL SCALE INDUSTRY. By Rajesh Mehta & Pooja Agarwal (Research and Information System for the Non-Aligned and Other Developing Countries, May 2004). A large section of Indian small-scale industrial sector had been protected from the rivalry of the large-scale industries. The ongoing trade liberalisation and globalisation talks can put these industries in problem. The main aim of this paper is to assess the implications of present round of WTO negotiations on Indian products, which are for exclusive manufacture by small-scale sector. At present around 66 percent items of Indian small-scale industry are bound, which is higher than the all-India level. India cannot a priori exclude any item from negotiation in the present round. The preliminary results of the study, based on alternate scenarios, proves that the WTO-NGMA formula would cause a 53 percent reduction in the current bindings of the products reserved for the exclusive production of small-scale industry in India. To download a copy visit http://www.ris.org.in/dp74_pap.pdf

"International Trade and Environmental Governance: Relating Rules (and standards) in the EU and the WTO". By Joanne Scott in the EUROPEAN JOURNAL OF INTERNATIONAL LAW 15 (2, 2004) pp. 307-354. This article examines the relationship between 'negative' (market) and 'positive' (policy) integration in the EU and the WTO. It does so in relation to trade in goods, and takes as its example the area of environmental law. It argues that the strong role accorded to instruments of policy coordination in the EU (through the adoption of European standards and harmonising legislation) is tied to the fact that such measures are contestable, so that authority and contestability go hand in hand. Contestation proceeds by way of administrative and judicial channels, and serves to instill a measure of accountability and to protect diversity. In the WTO, by contrast, the Appellate Body has shown a marked reluctance to accord authority to international standards and - important

developments in Shrimp/Turtle notwithstanding - deep uncertainty persists as to the relationship between the free movement norms and multilateral environmental agreements. This paper argues that in defining the role of these instruments, the Appellate Body would do well to regard their authority as contingent. In the WTO - as in the EU - contestability could contribute to ensuring forms of transnational governance which are more accountable and appropriately respectful of diversity.

"The Big Chill: the WTO and Multilateral Environmental Agreements". By Robyn Eckersley in *GLOBAL ENVIRONMENTAL POLITICS* 4 (2, 2004) pp. 24-50. The increasing scope and disciplinary force of international trading rules have generated concern in the international environmental community concerning how far different types of trade restrictions in multilateral environmental agreements (MEAs) are compatible with the rules of the WTO. Environmental Nongovernment Organisations (ENGOS) have argued that the WTO exerts a form of disciplinary neoliberalism that has a 'chilling effect' on both the implementation and negotiation of MEAs. This paper assesses this claim, particularly in the light of the stalled deliberations of the WTO's Committee on Trade and Environment and recent WTO jurisprudence, and concludes that the WTO's trade agreements do serve to limit the scope and operation of MEAs, albeit mostly in subtle rather than direct ways. After exploring a range of options for reform it concludes that the prospects for greening the WTO from both within and without are by no means bright.

"Are Eco-labels Consistent with World Trade Organisation agreements?" By Manoj Joshi in the *JOURNAL OF WORLD TRADE* 38 (1, 2004) pp. 69-92. The increasing environmental concerns of consumers are leading to more information about the environmental characteristics of products being made available by producers through what is called "eco-labelling". Eco-labelling has thus become the medium promoting both the production and consumption of products that are "more environment friendly" than competing products available in the market. Due to this, eco-labelling has generated substantial debate with regard to its implications for market access of similar products and also with regard to the legality of demanding eco-labelling on products, especially in the WTO.

"Environmental Goods and Services: Defining Negotiations or Negotiating Definitions?" By Alexey Vikhlyayev in the *JOURNAL OF WORLD TRADE* 38 (1, 2004) pp. 93-122. At the Fourth WTO Ministerial Conference in Doha in November 2001, WTO Members agreed to negotiations on "the reduction or, as appropriate, elimination of tariff and non-tariff barriers to environmental goods and services" (EGS). The Doha

Ministerial Declaration states that negotiations on trade liberalisation in EGS should enhance the mutual supportiveness of trade and the environment, suggesting a potential for "win-win" outcomes. The uncertainty about definitions and classification of the environmental industry enhances the impression that there is everything to play for in the negotiations and that there are potential gains for developed and developing countries.

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