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LEAD STORIES

WTO MEMBERS GEAR UP FOR RENEWED AGRICULTURE NEGOTIATIONS

On 24 September, delegates to the WTO met informally to discuss the way forward in agriculture negotiations. The meeting was the first to follow a Framework Agreement reached at the end of July that effectively salvaged the Doha negotiations (see BRIDGES Weekly, 2 August 2004, <http://www.ictsd.org/weekly/04-08-03/story2.htm>). The discussions on the agriculture section of the "August Decision" (see http://www.wto.org/english/tratop_e/dda_e/draft_text_gc_dg_31july04_e.htm) had been particularly sensitive. After the intense negotiations in late July, the Geneva process is expected to pick up only slowly. The initial work will be based on a list of technical issues compiled by Tim Groser, who chairs the Committee on Agriculture (CoA) special (negotiating) session.

Chair Groser stakes out road ahead

At the 24 September informal meeting, Chair Groser suggested that Members focus their talks on technical issues over the next two months. These technical issues would build on the July Framework Agreement, and their further elaboration based on the political decisions taken. Chair Groser specified that he would serve as coordinator of the talks and that the meetings would be held both formally and informally, in different configurations. He stressed that Members needed to make progress on these technical issues, paving the ground for the next set of political decisions to be made. As such, this was not the time for Members to be commenting on the July Framework, but for them to take the decisions of the Framework forward. He suggested that Members begin by exploring technical issues under all three pillars. The EC and Switzerland, speaking on behalf of the G-10 (a group comprising food importing developed countries), felt non-trade concerns should also be considered. Chile intervened to comment on the limited expectations Members had for progress prior to the next WTO ministerial meeting, to be held in Hong Kong in December 2005.

Talks to focus on three pillars

The upcoming technical discussions on the July Framework -- as outlined by Chair Groser -- will focus on a number of specific issues under the three pillars of domestic support, export competition and market access. Under domestic support, Members will consider issues related to the review and clarification of the so called "green box" containing at most minimally trade distorting support. They will also explore the question of how to define "support for subsistence and resource-poor farmers" and the exemption of developing country support in this regard under the "amber box" of distorting support measures.

Under export competition, technical discussions will revolve around the concept of parallelism. In practical terms, this involves ways to ensure that not only direct export subsidies, but also export credits, export guarantees, and certain types of food aid and practices of state trading enterprises do not distort markets. For the time being, Members will focus on elaborating key definitions and other technical issues.

Regarding market access, Members will, among other things, revisit technical issues related to a "special safeguard mechanism," which developing countries can use to shield themselves against import surges.

Regular session to convene informal talks on net food-importers

In the regular session of the CoA on 23 September, Members considered a number of routine items involving the review of notifications by Members. Notifications that attracted particular attention included US food aid in the form of skim milk powder, with New Zealand, Argentina, Australia, Brazil, Canada and the EC asking whether the aid displaced commercial sales. Members further raised questions regarding the implications of the enlargement of the European Union, and how certain subsidies would be adjusted in the new members.

Also at the regular session, Members decided to hold informal consultations on net food-importing developing countries prior to their next meeting. The discussion of possible flanking measures for net food-importing countries is among a set of specific decisions on special and differential treatment (S&D). Under the August Decision, Members are to "expeditiously complete the review of all the outstanding Agreement-specific proposals and report to the General Council, with clear recommendations for a decision, by July 2005".

The next regular session of the CoA is scheduled for 18 November. The Committee will meet in special session on 8 October, with informals taking place on 6 and 7 October.

ICTSD reporting.

COUNTRIES CONSIDER ADJUSTMENT COST OF TEXTILE QUOTA PHASEOUT

Countries are positioning themselves in advance of a 1 October meeting of the WTO Council for Trade in Goods, where Members will address the issue of phase-out of import quotas for textiles scheduled for 1 January 2005. WTO Members whose economies may not be able to compete with volume textile producers such as China and India want the WTO to discuss solutions. Meanwhile, China is signalling that other countries should refrain from barring access to its expected increase in textile exports in 2005.

At a meeting on 28 September, US textile industry officials met with representatives from thirteen countries that support some action to prevent larger developing countries such as China and India from dominating the world textile and clothing market in 2005. Those countries -- which included Mexico, Tunisia, Jordan, Sri Lanka, Bangladesh, Turkey, Peru, Italy, Germany, Portugal, Indonesia, Madagascar and Great Britain -- were "unified in that we need a solution to this problem," said Auggie Tantillo, executive director of American Manufacturing Trade Action Committee. "They are now willing to take this issue forcefully to the WTO and to demand that the WTO address it and come up with a structure for a finding a solution". At least one WTO Member may propose to extend the 1 January 2005 deadline for quota elimination, but Cass Johnson, president of the US National Council of Textile Organizations, said US industry groups do not expect the Goods Council to support that call.

Earlier, representatives of 22 developing countries whose textile and clothing industries face difficult adjustments in the face of quota phase-outs met in Geneva on 24 September to discuss how their views should be addressed at the Goods Council. Participants were concerned that the elimination of remaining textile and clothing quotas will impact on their ability to compete in key markets in developed countries. While the phase-out of the quota system enshrined under the WTO Agreement on Textiles and Clothing (ATC) was supported by the participants, the elimination of guaranteed access to developed country markets has led to concerns that heightened price and quality competition may adversely affect textile and garment industries in small developing countries. Nonetheless, the possibility of delaying the elimination of quotas was not considered. "It was not even mentioned," said one

participant in regards to the contentious push to extend the quotas. "Not a single country brought it up".

In order to ensure that their adjustment challenges are kept on the agenda of the WTO, meeting participants agreed to a number of different strategies. They planned to urge the 1 October meeting to establish adjustment issues as a permanent item for discussion at future Goods Council meetings, and called for the WTO Secretariat to produce a study on the effect of quota elimination on smaller, more vulnerable producers. The WTO published a paper in August 2004 suggesting that the quota phase-out can be expected to result in a shift of market share towards large developing countries such as India and China (see BRIDGES Weekly, 1 September 2004, <http://www.ictsd.org/weekly/04-09-01/story2.htm>).

The meeting was organised by Mexico and attended by Guatemala, the Dominican Republic, El Salvador, Venezuela, Bolivia, Chile, Romania, Colombia, Sri Lanka, Bangladesh, Ecuador, Indonesia, Jordan, Tunisia, Bulgaria, Nicaragua, Morocco, Israel, Mauritius, Turkey, and Haiti.

China urges US to refrain from use of textile restrictions

On 23 September, China's Ministry of Commerce warned the US against imposing special restrictions on textile imports from China. "If the US government is to review the request (of industry groups), that would brazenly breach the WTO rules...and seriously hurt the confidence of Chinese firms and public in the global trade environment," a Chinese trade ministry spokesperson said in an interview. The spokesperson warned that such a breach could also exert a negative influence on Sino-US bilateral economic and trade relations. Likewise, on 9 September Haiyun Liu, first secretary at the Chinese Embassy in Washington, warned that the US could face a challenge at the WTO if it moved to block an expected surge of textile imports from China. He also said Beijing would not agree to voluntarily restrict textile and apparel shipments to the US. On 14 September US Undersecretary for International Trade Grant Aldonas clarified that the US was not asking China to voluntarily cap its textile exports, but added that Washington could take action against Chinese textile makers if the US industry could back up claims that it would be harmed by a flood of cheap Chinese imports.

Earlier this month, several coalitions of US textile producers indicated their intention to file threat-based safeguard claims in anticipation of surges of Chinese textile imports in 2005 (see BRIDGES Weekly, 8 September 2004, <http://www.ictsd.org/weekly/04-09-08/inbrief.htm#2>). Undersecretary Aldonas said that

current procedures for considering requests for import restraints under the China textile safeguard mechanism allow for petitions based on threat of injury. On 13 September, US retailers said that such an action was a breach of a promise the Bush Administration had made to not to pre-emptively block imports of Chinese clothing. The National Retail Federation and clothing importers expressed their frustration in a letter to Aldonas, saying that his decision to consider US textile industry requests "is contrary to the assurances you provided to us".

The impact of Chinese market shares after the 1 January 2005 quota liberalisation remains a contentious issue in relations between China and the US. While admitting China's textile exports to countries including the US may grow to a "certain extent" in the short term, a spokesperson from China's Ministry of Commerce suggested such growth would be a very normal phenomenon as the global trade system becomes more liberalised. He added that such fast growth isn't sustainable in the longer term due to local supply constraints in both raw materials and electricity, as well as other restrictive factors. However, according to a survey by trade sourcing group Global Sources, nearly 90 percent of China's garment manufacturers intend to increase capacity when garment and textile quotas are abolished from 1 January next year. Michael Kleist, general manager for content development at Global Sources, said some of the bigger companies have been told by their foreign buyers to expect an increase in orders of between 10 and 15 percent in 2005.

Lamy advocates regional linkage on textiles at Euromed meeting

In related news, on 27 September EU Trade Commissioner Pascal Lamy attended a Euromed Conference in Tunisia to discuss the challenges faced by the Euro-Mediterranean area in future textile and clothing markets. The Conference was attended by EU and Mediterranean trade ministers and focused on ways to strengthen the Euromed area's competitiveness so that it can continue to attract investment in the textile industry. Ministers also discussed sustainable development, the fight against counterfeit goods, and regional integration of the Euromed area. Regarding the impact of the phase-out of textiles on the region, Lamy said, "The way to remain competitive in textiles and clothing is to create an integrated trade and investment area around the Mediterranean rim".

"Growing WTO Support for Textile Fix," REUTERS, 28 September 2004; "Worried Textile Producers to Meet Sept. 24 On Strategy to Cope With Quota Elimination," WTO REPORTER, 23 September 2004; "Worried Textile Producers Seen Refraining From Proposing Quota Extension at Meeting," WTO REPORTER, 27

September 2004; "China Govt Warns US Against Restricting Textile Imports," DOW JONES, 23 September 2004; "China Urges U.S. to Refrain From Seeking Textile Caps," BLOOMBERG, 19 September 2004; "Retailers protest Bush reversal on China textiles," REUTERS, 13 September 2004; "U.S. not asking China for voluntary textile caps," REUTERS, 14 September 2004; "China may challenge US textile curbs at WTO," REUTERS, 13 September 2004; "China urges U.S. to scrap textile import quotas," REUTERS, 24 September 2004; "China garment manufacturers to increase capacity when quotas end: survey," AFP, 27 September 2004; "EU Trade Commissioner Attends Textile Conference," JUST-STYLE, 27 September 2004.

OTHER NEWS

BRAZIL SERVICES OFFER AIMS TO ATTRACT INVESTMENT

A new offer from Brazil on services trade submitted to the WTO in July has just recently been made public. Brazil made its long-awaited initial offer (TN/S/O/BRA, 21 July 2004, not yet available online) conditional on developments in other areas, including agriculture. The Brazilian offer makes a number of market access commitments of interest to various developed and developing country trading partners, with most of the commitments are in so-called Mode 3 (commercial presence), demonstrating Brazil's interest in attracting investment in those areas falling under this mode.

The new Brazilian offer establishes a clear link to negotiations in other fields. As such, Brazil has indicated that its offer is conditional on other WTO Members making satisfactory offers in areas where it has an interest, including agriculture, other modes of services supply such as Mode 4 (movement of natural persons) and advancement in the rule-making area under the General Agreement on Trade in Services (GATS). The Brazilian submission makes clear from the beginning that its proposal cannot be constructed as offering in any way the privatisation of public undertakings or as preventing Brazil from regulating public and private services. This approach follows the same line as India. In its initial offer, India emphasised the importance of policy and regulatory space for public objectives through the use of flexibility in its schedule. India further clarified that its offer could not be interpreted as pushing for privatisation (see BRIDGES Weekly, 28 January 2004, <http://www.ictsd.org/weekly/04-01-28/story3.htm>).

Market access improvements under Mode 3

Most of the market access commitments offered by Brazil are presented under Mode 3 liberalisation in both the market access and the national treatment sections of the Brazilian offers schedule of commitments. There are a number of services sub-sectors covered by new Mode 3 commitments. These include among others: architectural and engineering services (subject to joint venturing in relation to market access), veterinary services, management consulting services, placement and supply of services personnel, maintenance of maritime and aircraft equipment, packaging services, convention services, general construction services, building an competition of work, commission of agents' services, travel agencies and tour operators, and sporting services.

Brazil's offer shows a great interest in attracting investment in the above-mentioned areas and also a willingness to increase levels of ambition of the current round, especially if services are linked to negotiating issues. Global investment in services is growing rapidly, as demonstrated by a report issued earlier last week by the UN Conference on Trade and Development (see related In Brief, this issue). The only sub-sectors where new commitments can be found outside Mode 3 are veterinary services, which also include Modes 1 (cross border supply) and 2 (consumption abroad). One trade source indicated that the proposal calls the attention to the fact that there are no offers of commitments under Mode 4, which is one of the modes where developing countries have expressed relatively more interest than developed countries.

E-work permits: Switzerland presents its experience in the WTO Services Council

In related news, Switzerland has presented, on 23 September, to the WTO Council for Trade in Services its experience on e-work permits as a way to stimulate discussion on accompanying measures that enhance effectiveness of market access commitments under Mode 4 (see TN/S/W/22, 17 September 2004, at <http://docsonline.wto.org>). The paper explaining the Swiss experience indicates that the speed of processing work permit applications will play a central role in promoting technology and knowledge transfer and improve suppliers' efficiency. The Swiss experience comes from the Canton of Zurich, which has implemented a digitalised desk for processing work permits. The system used by Zurich deals with registration, applications, and transmission of data, inquiries about status and maintenance of relevant information. It use has attracted many applicants covering more than 37 percent of all applications in Switzerland for work permits. According to one trade source, the example presented by Switzerland is self-

explanatory and could encourage other WTO Members to implement a similar system.

ICTSD reporting.

DRAFT PLAN RELEASED ON MILLENNIUM DEVELOPMENT GOALS

On 23 September an advisory body to UN Secretary-General Kofi Annan -- the Millennium Project -- released a preliminary draft report on meeting the Millennium Development Goals. The draft report, now open for public consultation, is based on the interim reports issued by the ten task forces overseen by the Millennium Project. The document will undergo revisions before the final report of the Project is published in January 2005 to be used by a UN Summit reviewing progress towards achieving the Millennium Development Goals.

Background - MDGs and the Millennium Project

During the Millennium Summit held in New York in September 2000, all 189 UN member states adopted the Millennium Declaration, which contained a core group of goals and targets that have since become known as the Millennium Development Goals (MDGs). These eight goals are centred on national targets for poverty, child mortality, maternal health, education, gender equality, and environmental sustainability. They also include targets for establishing an international trade and finance policy framework that favours development. Numerical targets have been set for each goal, most of which are set to be achieved by 2015.

The Millennium Project is an independent advisory body to the UN Secretary-General commissioned with recommending, by June 2005, the best strategies for meeting the MDGs. This includes reviewing current innovative practices, prioritising policy reforms, identifying frameworks for policy implementation, and evaluating financing options. Directed by Professor Jeffrey Sachs, the Project's ultimate objective is to help ensure that all developing countries meet the MDGs.

Trade seen as piece of development puzzle

As part of efforts to achieve Goal 8 "a global partnership for development," the 23 September draft report draws on the interim report of the Millennium Project's Task Force 9 on open, rule-based trading systems that was published on 20 April 2004.

While both documents stress that increased openness to trade is key to economic development, they note that it is not a "magic bullet" for developing countries.

Rather, they suggest that trade policy is complementary to other parts of development policy such as infrastructure investments and social programs, in accordance with the project's overall emphasis on the achievement of the basic needs enshrined in the MDGs. In particular, the draft report criticises agricultural protectionism in wealthy countries and urges developing countries to seek enhanced market access in the agricultural sector. Namely, the documents suggest that agricultural domestic support should be decoupled from production and subject to an overall, low limit, though "Green Box" (at most minimally trade distorting) agricultural subsidies should be permitted for the poorest countries.

On the non-agricultural front, the draft report places emphasis on full elimination of all textiles and clothing quotas at the end of 2004 in accordance with the WTO Agreement on Textiles and Clothing. However, they note that poor countries that suffer adjustment shocks from loss of quotas should be offered additional financial and technical assistance.

The report further suggests that in terms of the WTO General Agreement on Trade in Services, developing countries' commitments to open up in Mode 1 (cross-border supply of services) and Mode 3 (foreign direct investment in services) should be traded for real offers on Mode 4 (the temporary movement of labour to provide services). Lastly, it recommends that the WTO focus solely on trade liberalisation rather than on other global governance areas, such as those put forward in the Singapore issues (investment, competition, transparency in government procurement and trade facilitation), leaving such tasks to other multilateral or regional entities.

For further information on the Millennium Development Project and the draft "Global Plan to Achieve the Millennium Development Goals" see <http://www.unmillenniumproject.org/html/about.shtm>

"Draft Global Plan to Achieve the Millennium Development Goals," MILLENNIUM DEVELOPMENT PROJECT, 23 September 2004; "Interim Report of Task Force 9 on Open, Rule-Based Trading Systems: Trade, Development and the WTO: An Action Agenda Beyond the Cancun Ministerial," MILLENNIUM DEVELOPMENT PROJECT TASK FORCE 9, 20 April 2004.

TRADE AND DEVELOPMENT REPORT 2004: UNCTAD OUTLINES GROWTH, ADVOCATES COHERENCE

According to the UN Conference on Trade and Development (UNCTAD)'s Trade and Development Report 2004, released on 16 September, the global economy is looking better than it was a year ago, as are the prospects for developing countries. However, greater openness to international trade and finance has not enabled developing countries to establish a virtuous interaction between external financing, domestic investment and export growth. To achieve this, the report argues, a feasible development agenda has to be based on the concept of 'coherence'.

Following two years of slow growth, the world economy experienced a 2.6 percent expansion in 2003, according to the Trade and Development Report. This is expected to increase to 3.8 percent this year as a result of growth in the US economy and economic expansion in East and South Asia. Though many view this recovery as an indicator of future growth and prosperity for both developed and developing countries, others worry that imbalances in the world economy and uncertainties about oil prices, exchange rates, and the longer-term health of the US economy may counteract such optimism. It is uncertain whether the US will sustain the growth stimulus it offered the rest of the world in 2003 and the first half of this year. Though the global economy has always been dependent on US economic performance, the US' deficits are far greater today than they were in the late 1990s. UNCTAD consequently questions the sustainability of the pattern of world growth.

Developing countries expanded last year at a rate of 4.5 percent, and transition economies at a rate of 5.9 percent, thereby surpassing growth in the developed world (2.0 percent). Despite such growth, income distribution is extremely unequal. Nevertheless, both East and South Asia experienced considerable growth. Latin America had an increase in output growth as well. Africa benefited less, with the exception of North Africa, which experienced growth as a result of higher oil prices and a revival of tourism. Per capita income is stagnating in most of sub-Saharan Africa, where poverty and social deprivation have yet to improve.

Trade expands, but not equitably

The UNCTAD Trade and Development Report also chronicled rapid growth in world trade. The expansion has primarily been a result of a surge in the dollar unit value of exports, driven by the recovery in the US and rapid growth in export volume in developing and transition countries. According to the report, in 2002

and 2003 developing and transition countries accounted for around three quarters of the increase in export volume, and for 60 percent of the increase in import volume.

These changes represent the increasing relocation of manufacturing production and the international pattern of demand growth. Countries are expanding their own manufacturing industries and serving as important markets for an array of manufacturers and commodities. Growth in manufacturing requires more inputs of metals and other agricultural raw materials than growth based on expansion of the services sector. Rapidly expanding populations put an additional demand on food products.

Yet another factor influencing world trade was a dramatic increase in the inflow of private capital to developing and transition economies, which rose from US\$47 billion in 2002 to US\$131 billion in 2003. This increase was the result of a sharp rise in credits and short-term capital flows attracted by high interest rates or the expectation of currency appreciation. However, capital flowed to economies with substantial current account surpluses, where they added to the accumulation of foreign exchange reserves, and not to developing countries with pressing external financing needs and low investment rates. Such countries consequently received little benefit. Given such imbalances, the report said the world should take note of developing countries' legitimate fear of floating their currencies in the face of changing expectations on international financial markets and work instead to establish a rule-based, multilateral international monetary system.

The Trade and Development Report also focused on the developmental effects of closer integration into the world economy. The "openness model" supported by international financial institutions has not enabled developing countries to foster a harmonious interaction between international finance, domestic capital formation and export growth, for it is too narrow a basis for development through integration. A more comprehensive policy framework that acknowledges the need to bolster coherence between the international trading system and the international monetary and financial system is necessary, the report said. Though the WTO's Doha round aims at greater liberalisation of international trade, it focuses on reducing trade barriers and restricting trade-distorting domestic policies, instead of analysing trade imbalances and distortions in the monetary and financial system. A more comprehensive and cohesive approach could maximise the developmental effects of integration into the world economy.

For highlights and downloads of the Trade and Development Report 2004, visit <http://www.unctad.org>.

ICTSD reporting.

IN BRIEF

WORLD INVESTMENT REPORT 2004: UNCTAD NOTES SHIFT TOWARD INVESTMENT IN SERVICES

According to the World Investment Report 2004 issued by the UN Conference on Trade and Development (UNCTAD), the structure of foreign direct investment (FDI) has shifted noticeably toward services. Services accounted for two thirds of the total FDI inflows during 2001-2002, with a value of more than USD 500 billion. But this shift could be even higher in coming years, the report says, as the services trade continues to increase compared with growth of trade in goods. According to UNCTAD, as trade and trade-supported services by transnational corporations have expanded, other services sub sectors also grew rapidly. This has been the case of business services, tourism and financial services. Another cause for the shift in the FDI composition is the increased tradability of services, which implies that services can be totally or partially distributed from locations offshore. The 2004 World Investment Report has been welcomed by many developing and developed countries, as it gives a clearer idea of the economic reality over investment in services, an area where little statistical information exists. The last 22nd of September the (UNCTAD) published its 2004 World Investment Report. The World Investment report is intended to indicate the latest trends and tendencies regarding FDI, with an emphasis on the performance of developing countries.

For highlights and downloads of the World Investment Report 2004, visit <http://www.unctad.org>.

"World Investment Report: the Shift Toward Services," UNCTAD, 22 September 2004.

DECLARATION ON FUTURE OF WIPO URGES BALANCED APPROACH TO INTELLECTUAL PROPERTY

A 13-14 September conference organised by the Transatlantic Consumer Dialogue (TACD) released a declaration calling on the World Intellectual Property

Organisation (WIPO) to change its ways. The declaration, termed the 'Geneva Declaration on the Future of WIPO', emphasises that there are fundamental flaws in the governance of knowledge, technology and culture, and points to the importance of alternative incentive systems of innovation. While acknowledging the role of WIPO for setting the standards that regulate the production, distribution and use of knowledge, the declaration challenges WIPO "...to enable its members to understand the real economic and social consequences of excessive intellectual property protections, and the importance of striking a balance between the public domain and competition on the one hand, and the realm of property rights on the other." Calling for a moratorium on new treaties and standards that expand and strengthen monopolies and further restrict access to knowledge, the declaration says that WIPO must now address the substantive concerns of civil society, such as the protection of consumer rights and human rights. "For generations WIPO has responded primarily to the narrow concerns of powerful publishers, pharmaceutical manufacturers, plant breeders and other commercial interests...Long-neglected concerns of the poor, the sick, the visually impaired and others must be given priority." The declaration is open online for signatures from groups and individuals. Signatories include Consumers International and Medecins sans Frontieres, as well as two Nobel laureates.

The declaration comes at a time when WIPO is under heavy scrutiny from civil society organisations, academics and some of its member governments. A proposal initially drafted by Argentina and Brazil, demanding the establishment of a development agenda in WIPO, will be discussed on 30 September during the organisation's ongoing General Assembly (see BRIDGES Weekly, 8 September 2004, <http://www.ictsd.org/weekly/04-09-08/story1.htm>).

For the Geneva Declaration, please refer to: <http://www.cptech.org/ip/wipo/genevadeclaration.html>

For the Future of WIPO Conference, please refer to: <http://www.tacd.org/cgi-bin/db.cgi?page=view&config=admin/docs.cfg&id=259>

For the proposal drafted by Argentina and Brazil, please refer to: http://www.iprsonline.org/resources/docs/BrazilArgentina_WIPO.pdf

ICTSD reporting.

N. AMERICAN ENVIRONMENT COMMISSION LAUNCHES STUDY INTO ST. LAWRENCE POLLUTION

On 20 August 2004, the Council of the Commission for Environmental Cooperation of North America (CEC) instructed the CEC Secretariat to prepare a factual record on allegations that Canada is failing to effectively enforce section 36(3) of the Fisheries Act against the City of Montreal in relation to the discharge of toxic pollutants from the city's Technoparc site into the St. Lawrence River. The CEC Council is made up of the environment ministers from the three members of the North American Free Trade Agreement (NAFTA) -- Canada, Mexico and the US.

The Montreal Technoparc submission was filed on 14 August 2003 by a number of local environment groups, including Waterkeeper Alliance, Lake Ontario Waterkeeper, Societe pour Vaincre la Pollution, Environmental Bureau of Investigation and the Upper St. Lawrence Riverkeeper. The submitters claim that Technoparc, the site of a historic industrial and municipal waste landfill now owned by the City of Montreal, is discharging polychlorinated biphenyls (PCBs), polycyclic aromatic hydrocarbons (PAHs) and other pollutants into the St. Lawrence. According to Environment Canada, PCBs are toxic carcinogens that are "too dangerous to the ecosystem and to humans to permit their release in any quantity". The environment groups allege that Technoparc discharges are consequently an offence under section 36 (3) of the Canadian Fisheries Act, which prohibits the deposit of a deleterious substance into water frequented by fish or in any place under any conditions where the substance may enter such water. In response to the Montreal Technoparc submission, the CEC released its overall workplan to develop a factual record.

An additional submission was made by the Friends of the Oldman River on 10 September 2004 claiming that Canada has failed to effectively enforce sections 35, 37 and 40 of the Federal Fisheries Act and section 5(1)(d) of the Canadian Environmental Assessment Act (CEAA). The CEC Secretariat is currently analysing the submission to determine whether it meets the requirements of Article 14 of NAFTA's environmental side agreement, the North American Agreement on Environmental Cooperation (NAAEC). Article 14 of the NAAEC enables any individual or nongovernmental organisation to submit a claim alleging that a NAFTA partner has failed to effectively enforce its environmental law. Following the submission, the CEC Secretariat can investigate the matter and pursue a factual record of its findings. Citizen submissions thus serve as a whistle-blower on matters of environmental law enforcement while offering a means to address

environmental issues in North America from a continental perspective and to focus on the concerns that arise in the context of liberalised trade.

For further details, visit <http://www.cec.org/news/details/index.cfm?varlan=english&ID=2623>.

"CEC Receives Submission On Enforcement Of Canadian Environmental Assessment Act And Fisheries Act," 20 September 2004, NORTH AMERICAN COMMISSION FOR ENVIRONMENTAL COOPERATION; "Citizen Submissions On Enforcement Matters: Montreal Technoparc," 14 August 2003, NORTH AMERICAN COMMISSION FOR ENVIRONMENTAL COOPERATION; "CEC Council Orders Factual Record For Montreal Technoparc Submission," 26 August 2004, NORTH AMERICAN COMMISSION FOR ENVIRONMENTAL COOPERATION.

BRAZIL SUBMITS PIRACY REPORT TO USTR TO RETAIN GSP STATUS

In an attempt to avoid the potential withdrawal of US trade preferences, Brazil this week submitted a report to the US describing actions taken to prevent piracy. The US recently threatened to suspend its Generalised System of Preferences (GSP) programme -- which allows developing countries preferential market access to the US -- over what it sees as Brazil's violations of intellectual property protection law. Brazil commissioned the report to help convince US officials not to withdraw Brazil's GSP eligibility. Loss of GSP status could cost the South American country over US\$ 2 billion in exports annually.

In the report, Brazil recognises that piracy is a national problem and is taking measures to prevent it in the future. According to Luiz Paulo Barreto, Executive Secretary of the Brazilian Ministry of Justice, for every street vendor who sells black market products in certain sectors, six to ten jobs are lost. Aside from the loss of jobs, Barreto also argued that piracy creates a loss of US\$ 1.39 billion annually within the Brazilian economy. Brazil includes in its report changes in its legislation that both recognise piracy as a crime and recommend measures suggested by the Joint Congressional Investigation Commission. The creation of a Council to Combat Piracy under the direction of the Brazilian government with influence of both civil society and private enterprises was also suggested. In July, Brazil's GSP status was renewed for three months rather than the customary year. The Brazilian report on combating piracy will be reviewed in the US before a decision is made regarding the extension of the GSP.

"U.S. to Review Brazil Anti-Piracy Measures," ASSOCIATED PRESS, 22 September 2004; "Brazil promises U.S. stronger anti-piracy effort," REUTERS, 22 September 2004; "Brazil Hands IPR Report To USTR To Avoid Sanctions," AGÊNCIA BRASIL, 23 September 2004.

WTO IN BRIEF

CANDIDATES EMERGE FOR WTO DIRECTOR-GENERAL

Mauritian Trade Minister Jayakrishna Cuttaree is expected to announce himself this week as a potential candidate for the WTO's top job of Director-General. Currently, only the former Uruguayan trade envoy Carlos Perez del Castillo is competing for the position, but Cuttaree has indicated that he is seriously considering seeking election. "I'm being persuaded by many friends and African colleagues to contest for the World Trade Organisation's Director-General," he said. Trade experts also expect former Canadian trade envoy Sergio Marchi to announce his candidacy this year.

This position, now occupied by Thailand's Supachai Panitchpakdi, is the most senior position in the WTO and provides the successful candidate with excellent experience, exposure, and influence. The position of Director-General will become vacant in August 2005, but elections are anticipated to occur before the end of this year.

"Mauritian Trade Minister to bid for WTO's top job," TRALAC (Trade Law Centre for Southern Africa), 20 September 2004.

NO HEADWAY MADE ON GI REGISTER FOR WINES AND SPIRITS

On 23 September, the special session of the Council for Trade-related Aspects of Intellectual Property Rights (TRIPS) met to continue negotiations on developing a multilateral register for geographical indications for wines and spirits. The meeting showed little change in positions from previous sessions, with delegations confirming their earlier stated views on the potential nature of the multilateral register (see BRIDGES Weekly, 22 April 2004 <http://www.ictsd.org/weekly/04-04-22/story5.htm>). Sponsors of a joint proposal by 'new world' countries -- including Argentina, Australia, Canada, Chile, the US and others -- maintained their

position on seeking a passive database system, whereas the EU pushed for a more rigid and complex system based on registration. The differing costs of the two approaches remained the principle issue of debate.

The next meeting of the TRIPS Council special session on the multilateral register will take place on 30 November.

ICTSD reporting.

EVENTS & RESOURCES

VACANCY

International Environmental Agreements (INEA) Politics, Law and Economics Journal is seeking individuals to sit on the journal's Scientific Advisory Board. INEA is a peer-reviewed, multidisciplinary journal focusing on theoretical, methodological, and practical dimensions of cooperative solutions to international environmental problems. Published quarterly, the journal's scope encompasses the full range of environmental and natural resource issues. Scientific Advisory Board members are responsible for reviewing two to three articles per year, completing each review within one month of reception. Background, knowledge, or experience in the following areas is preferred: water, biodiversity, pollution, waste, Antarctica, and sustainability. For further information and to apply please contact Joyeeta Gupta, Editor-in-Chief, at mail: Institute for Environmental Studies, Vrije Universiteit, Amsterdam, De Boelelaan 1087, 1081 HV Amsterdam; email: joyeeta.gupta@ivm.vu.nl.

EVENTS

ICTSD Event

ROUNDTABLE ON EMERGING ISSUES IN THE RELATIONSHIP BETWEEN THE CLIMATE AND TRADE REGIMES (CLIMATE CHANGE MITIGATION, ADAPTATION AND THE WTO). The International Centre for Trade and Sustainable Development (ICTSD) is organising a roundtable on trade and climate change on 14 October 2004 in Geneva, Switzerland. The objective of the roundtable is to examine the linkages between two major aspects of current global change -- the processes of trade liberalisation and global warming. Presentations will explore the

relationship between the climate change regime and trade rules, including the implications of the current Doha Round of trade negotiations. Discussions will seek to identify areas of potential synergies and conflict between the two sets of rules, and explore windows of opportunity for promoting sustainable development. The interaction between trade liberalisation with both climate change mitigation and adaptation will be addressed. For further information see <http://www.ictsd.org/dlogue/2004-10-14/invite-cc-and-trade.pdf>

Other 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: 29 September - 6 October

26-30 September, Montpellier, France: EIGHTH INTERNATIONAL SYMPOSIUM ON THE BIOSAFETY OF GENETICALLY MODIFIED ORGANISMS. Organised by the International Society for Biosafety Research, this symposium will be held under the theme "How Scientific Research Informs Biosafety Decisions". A special workshop will discuss North-South issues related to biosafety of GMOs. For further information contact the International Society for Biosafety Research; tel: +33-1-30-83-37-30; fax: +33-1-30-83-37-28; e-mail: isbgmo@versailles.inra.fr; Internet: <http://www.inra.fr/gmobiosafety/aboutsymposium.php>

4 October, Geneva, Switzerland: UNCTAD XI CIVIL SOCIETY HEARING. As part of the São Paulo Consensus, the Trade and Development Board will meet with civil society representatives in this half-day informal hearing to allow non-State actors to express their views on the issues before the Board. For further information contact the Civil Society Outreach at UNCTAD, email: civil.society@unctad.org; Internet: <http://www.unctad.org>

4 October, Copenhagen, Denmark: SEMINAR ON DEVELOPMENT IMPACTS OF REGIONAL AND BILATERAL TRADE AGREEMENTS. This seminar is organised by the 'WTO, Trade & Development' network, an initiative based at the Danish Institute for International Studies (DIIS). The aim of the network is to provide an international forum for the discussion and dissemination of research and policy-relevant information on trade and development issues. The seminar is part of the 'Trade Mondays' series, with a seminar once a month at DIIS. For further information on the network and the 'Trade Mondays', contact

Stefano Ponte, Seminar Coordinator, email: spo@diis.dk

4-5 October, Geneva, Switzerland: MANAGING THE MOVEMENT OF PEOPLE: WHAT CAN BE LEARNED FOR MODE 4 OF THE GATS? This seminar is a follow up to the 12-14 November 2003 trade and migration seminar organized by the OECD, IOM and the World Bank, which created a greater understanding between the trade and migration policy communities of the issues, opportunities, and challenges related to Mode 4 movement. The 4-5 October 2004 seminar will explore the key issues identified in the 2003 seminar, particularly further work by the trade and migration communities together, in greater depth and detail. The seminar will take place at the World Meteorological Organization, Geneva, Switzerland. For more information see http://www.iom.int/en/know/idm/tms_200410.shtml.

4-15 October, South Africa: BUILDING COMPETENCIES FOR MAINSTREAMING TRADE & DEVELOPMENT WORK. DFID in collaboration with the Trade Law Centre for Southern Africa (TRALAC) in South Africa will hold a 2-week intensive training programme on trade and development topics to around 30 trainees. The course is aimed at programme managers and advisory staff interested in developing their competence to work on trade and development. The programme will focus on key trade and development issues for developing countries at the national level and in the context of the bilateral, regional and multilateral agenda. The course aims to give participants an understanding of, inter alia, the theory and evidence linking trade, growth and poverty reduction and the principles/practice behind mainstreaming trade within national strategies for poverty reduction and sustainable development. For further information and to apply, contact Hushe Mzenda, DFID, email: h-mzenda@dfid.gov.uk or Paul Leenane, tel: +44 20 7023 0892; email: p-leenane@dfid.gov.uk.

5 October, Hyderabad, India: SEMINAR ON 'FUNCTIONAL COMPETITION POLICY FOR INDIA.' This seminar, organised by CUTS Centre for Competition, Investment & Economic Regulation (C-CIER), seeks to bring national and international experts on competition to facilitate exchange of ideas for developing a functional competition policy for India. The seminar is divided into two parts, the first will focus on international experiences in competition policy while the second will look at national and sub national experiences in India. For further information contact Mr. Manish Agarwal, email: c-cier@cuts-international.org; Internet: <http://www.cuts-international.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.

30 September: WTO TRADE POLICY REVIEW BODY - RWANDA.

30 September: WTO COMMITTEE ON IMPORT LICENSING.

30 September: WTO WORKING PARTY ON THE ACCESSION OF THE REPUBLIC OF BELARUS.

1 October: WTO COUNCIL FOR TRADE IN GOODS.

1 October: WTO COUNCIL FOR TRADE IN SERVICES - SPECIAL SESSION.

4 October: WTO WORKING GROUP ON TRADE, DEBT AND FINANCE.

4 - 5 October: WTO NEGOTIATING GROUP ON MARKET ACCESS.

Other Upcoming Events

30 October, Bonn, Germany: THE WORLD DOESN'T NEED GENETIC ENGINEERING IN AGRICULTURE: INTERNATIONAL MEETING ON THE CARTAGENA PROTOCOL. Organised by the German Forum on Environment and Development together with the Church Development Service EED, BUND and others, this meeting hopes to foster a debate on gene technology and its regulation in developing countries. To register for the meeting contact: Rudi Buntzel, EED, phone: +49-30-20355-225 or email: r.buntzel@gkke.org.

RESOURCES

MAKING TRADE WORK FOR DEVELOPMENT: TRADE-RELATED ASSISTANCE UPDATE: A SELECTION OF CASE STUDIES FROM AROUND THE WORLD. By the European Commission (21 September 2004). This report, launched by EU Commissioners Pascal Lamy and Poul Nielson, focuses on success stories from the EU's trade-related assistance program. Between 2001 and 2004 the

European Commission has spent € 2.8 billion in supporting developing countries' efforts to benefit from trading opportunities, meaning new commitments of around €700 million per year. A total of 121 new projects were launched in 2003. Success stories featured in the report include those of Myner Exports Kenya, whose trade with the EU has increased threefold in the two years it has been participating in the ACP-wide Pesticides Initiative Programme. Also discussed are fair trade projects in India and Mexico that have boosted micro-businesses, brought women into the labour markets and launched new brands. For further information and to access the report visit http://europa.eu.int/comm/trade/issues/global/development/pr210904_en.htm

"The First Meeting of the Parties to the Cartagena Protocol on Biosafety". By Robert Falkner in ENVIRONMENTAL POLITICS 13:3 (Autumn 2004), pp 635-641. This article reviews the outcomes of the first meeting of the parties (MOP) to the Cartagena Protocol, which took place from 23 to 27 February 2004 in Kuala Lumpur, Malaysia. The first MOP was a significant step forward especially given continued controversy over regulating GMOs. The fact that most GMO exporting nations, including the United States, Canada and Argentina, have yet to ratify the agreement gave the existing parties an opportunity to take some strong decisions on implementing the biosafety treaty. However, the ability of the Protocol to provide a working biosafety governance system has yet to be seen and will have to be balanced with the need to encourage ratification by some of the world's largest agricultural trading nations.

TAKING LIBERTIES: POOR PEOPLE, FREE TRADE AND TRADE JUSTICE. By Christian Aid (23 September 2004). The report calls for an end to the era of free trade in favour of a more pragmatic approach that allows poor countries to protect their vulnerable producers and fledgling industries. Using case studies from Mozambique, India and Honduras, *Taking Liberties* explores how government intervention in trade can play a positive role in fighting poverty. It also raises questions about the impact of Economic Partnership Agreements (EPAs) on poverty. For more information and to access the report visit <http://www.christianaid.org.uk/indepth/409trade/index.htm>

CONSUMERS INTERNATIONALS' DECISION-MAKING IN THE GLOBAL MARKET: HOW TO IMPROVE CONSUMER INPUT IN SETTING INTERNATIONAL FOOD STANDARDS. By Steve Suppan, Institute for Agriculture and Trade Policy (IATP) (August 2004). Consumers International, of which IATP is an affiliate member, has presented this paper on reform of the Codex Alimentarius

Commission. The Codex Alimentarius Commission is a global food standards setting body. It is not well known among most consumers, though Codex standards may be adopted as national food legislation designed to protect consumer health as well as in the WTO Sanitary and Phyto-Sanitary Agreement. The paper suggests a number of reforms to Codex in order to enhance protection of consumer health and provide greater input from consumer organisations. For further information and to access the report visit <http://www.tradeobservatory.org>

"Transforming International Product Chains Into Channels of Sustainable Production: The Imperative of Sustainable Chain Management". Edited by Teun Wolters in GREENER MANAGEMENT INTERNATIONAL 43 (Autumn 2003). This is a special theme issue of Greener Management International that considers the social, environmental, and economic elements of sustainability as represented in large international trading and manufacturing companies operating in developing countries. Responding to demands for corporate responsibility and accountability, the publication examines the relevance of Sustainable Chain Management, a process that makes it possible for organisations in the different links of a product chain to work together for a sustainable product and bring it to market. For further information and to access the publication visit <http://www.greenleaf-publishing.com/gmi/gmi43.htm>

"Anti-dumping in the Doha negotiations: fairy tales at the World Trade Organization". By William A. Kerr and Laura J. Loppacher in JOURNAL OF WORLD TRADE 38 (2, 2004), pp 211-244. If anti-dumping were simply poking a bit of fun at human vanity like Hans Christian Andersen's fairy tale about the "Emperor's New Clothes", there would be no harm. On the contrary, anti-dumping is the cause of considerable disruption in commercial activity and wastes resources in its application. In the wake of decades of success in multilateral trade liberalisation, dumping has moved from being an almost unused anachronism in commercial policy to a major weapon in the protectionist arsenal. Further, its use is growing by leaps and bounds as developing countries are discovering its usefulness as a way to circumvent WTO disciplines as well as how it can be used strategically to harass developed countries in the rough and tumble of commercial policy.

"Export Cartels -- A Developing Country Perspective". By Aditya Bhattacharjea in JOURNAL OF WORLD TRADE 38 (2, 2004), pp 331-359. While some scholars and several WTO Members have recently condemned export cartels, others have argued that they allow efficiency gains that actually promote competition and trade. After summarizing the contending views, and

also the scanty theoretical literature on the subject, this paper reviews the treatment of export cartels in various jurisdictions and the limited empirical evidence that is available on their prevalence, efficiency justifications, and effects on international trade. Insights from economic theory are then applied to the arguments for and against export cartels, suggesting criteria that could help to determine their validity and an importing country's best response. The paper concludes that while importing countries should evaluate foreign export cartels under a "rule of reason", most developing countries will be constrained by a lack of technical expertise and limited enforcement capacity. It suggests a novel approach, based on parallels with anti-dumping procedures, which would strengthen their hands.

"Globalisation and Poverty: How Can Global Value Chain Research Inform the Policy Debate?" By Khalid Nadvi in IDS BULLETIN 35 (1, 2004), pp 20-30. This article reviews the link between globalisation and poverty, by drawing on evidence from global value chain studies on garments, horticulture and textiles. To date, most value chain studies concentrate on ties between global buyers and local suppliers, often ignoring labour. Revisiting the value chain model with a stronger poverty and labour focus shows how insertion into global value chains, and the dynamic processes that ensue within the chain, can have important pro-poor implications. The findings from the studies indicate significant employment and income gains to workers, especially women workers, from export manufacture. They also show how competitive challenges from within the chain, and through changes in trade rules, result in differentiated gains, with winners and losers among workers, and changing employment contracts. This raises important policy lessons for pro-poor development, in terms of developing country strategy and with respect to the impact of developed country policies and enterprise strategies.

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