



INTERNATIONAL CENTRE FOR
TRADE AND SUSTAINABLE
DEVELOPMENT

Bridges

Weekly Trade News Digest

6 October 2004

Volume 8 Number 33

LEAD STORIES

MOVING FORWARD THE 'DEVELOPMENT AGENDA' IN WIPO	1
WTO AGRICULTURE SESSION ADDRESSES NEXT STEPS FROM JULY FRAMEWORK	2
WTO DEVELOPMENT COMMITTEE FOCUSES ON TECHNICAL ASSISTANCE, COMMODITIES, SUSTAINABILITY	3
WTO MEMBERS BRACE FOR TEXTILE QUOTA LIBERALISATION	4

OTHER NEWS

JAPAN'S FISHERIES SUBSIDIES POSITION UNDER FIRE AT WTO RULES MEETING	6
WTO CHALLENGES EMERGE OVER EU EXPANSION	7
EU-MERCOSUR TRADE DEAL ON ROPES OVER LACK OF ACCEPTABLE OFFERS	8
OFFICIALS MEET ON GATS MODE 4, MIGRATION	8

IN BRIEF

RUSSIA'S KYOTO RATIFICATION REACHING HOME STRETCH?	9
US-SACU FTA DEADLOCKED	10
LATIN AMERICA, ACP DISAGREE ON FUTURE EU BANANA TARIFFS	10
UGANDAN COFFEE EXPORTERS CONCERNED OVER DDT USE	10

WTO IN BRIEF

WTO MARKET ACCESS NEGOTIATING GROUP MEETS ON JULY FRAMEWORK	11
---	----

EVENTS & RESOURCES

EVENTS	11
RESOURCES	13

BRIDGES Weekly Trade News Digest is [also available online](http://www.ictsd.org/weekly) and is updated every week. To subscribe to BRIDGES Weekly Trade News Digest, please visit the ICTSD website at <http://www.ictsd.org/subscribe>

If you require any assistance setting up your BRIDGES Weekly Trade News Digest subscription, please contact Malena Sell, Editor, by email at: msell@ictsd.ch, or by telephone at: (41-22) 917-8336

LEAD STORIES

MOVING FORWARD THE 'DEVELOPMENT AGENDA' IN WIPO

In response to a proposal put forward by Brazil and Argentina, the World Intellectual Property Organization's (WIPO) General Assembly (GA), taking place from 29 September to 5 October in Geneva, adopted a decision to move forward the discussions on a 'development agenda' in WIPO by initiating a series of inter-sessional meetings, which will report to the next General Assembly. Discussions also took place regarding the current work on the Substantive Patent Law Treaty (SPLT), the increase of Patent Cooperation Treaty (PCT) fees and a WIPO response to a request for information by the Parties to the Convention on Biological Diversity (CBD) on the relationship between the disclosure of origin and intellectual property.

WIPO takes up 'development agenda'

Brazil and Argentina had submitted a proposal to the General Assembly (WO/GA/31/11) on integrating a development agenda into all bodies of WIPO (see BRIDGES Weekly, 8 September 2004, <http://www.ictsd.org/weekly/04-09-08/story1.htm>). During the Assembly meeting, 12 additional countries joined the proposal as co-sponsors, namely Bolivia, Cuba, Dominican Republic, Ecuador, Egypt, Iran, Kenya, Peru, Sierra Leone, South Africa, Tanzania and Venezuela. Furthermore, some other countries during the GA expressed specific development-related concerns related to WIPO's work, including the EU, which requested the WIPO Secretariat to analyse the impact of its work on the Millennium Development Goals.

The Assembly adopted a decision to carry out inter-sessional meetings, that should be open to member states, IGOs and accredited NGOs. Moreover, a report will be produced by 30 July 2005, which will then be submitted to the next WIPO General Assembly in September 2005. Even though Brazil and Argentina had originally suggested the establishment of specific 'working groups', the decision on the inter-sessional meeting series was seen as a success for continuing the debate on the issue. WIPO also committed itself

during the GA to organise joint international seminars on intellectual property and development with other multilateral organisations, such as UNCTAD, UNIDO, WHO and the WTO.

Two-staged process for SPLT negotiations meets with resistance

The Assembly also addressed the question of how to move ahead on discussions surrounding the SPLT. Two main issues were raised in this context. First, countries discussed a proposal put forward by Japan, the EU and the US at the Standing Committee on the Law of Patents (see BRIDGES Trade BioRes 28 May 2004, <http://www.ictsd.org/biores/04-05-28/story1.htm>), which identified four issues that should be given priority. These would include definitions of prior art, grace period, novelty and inventive step (non-obviousness). In a later stage the Committee would then cover the current draft SPLT as a whole and consider issues such as declaration of origin of genetic resources and TK, public health and exceptions to patentability criteria.

No consensus could be reached on this matter, as developing country did not agree with moving ahead on the SPLT in a two-staged process that would leave aside many of the their proposals. The Director-General will now undertake consultations on this matter outside the GA. No date for the next meeting of the Standing Committee will be set until these consultations have been finalised.

Too much, too little: PCT fees

An additional item of discussion was the suggestion of the WIPO Secretariat to increase PCT fees. According to the Secretariat, it is running on deficit with respect to its expenses, and -- in order to cover the increasing costs of its activities -- suggested the increase of fees. While some developed countries did not want to see the PCT fees increase, many developing countries did not consider the proposal as negative, especially if such an increase would allow expansion of the technical cooperation activities. In the end, no consensus could be reached on this issue and it was decided that the Programme Budget Committee of WIPO would discuss the question of fee adjustment and defer any changes made to the fees until the next meeting. This debate may take place in an exceptional meeting of the General Assembly in the future.

WIPO addresses CBD request on disclosure of origin

The Assembly also established a framework to respond to the invitation of the Conference of the Parties (COP) to the CBD -- made at the 7th meeting of the COP in February (see BRIDGES Trade BioRes, 20 February

2004, <http://www.ictsd.org/biores/04-02-20/story1.htm>) - to examine and, where appropriate, address the interrelation of access to genetic resources and disclosure requirements in intellectual property rights applications. During the discussions, WIPO members were divided over whether the response should be prepared by the WIPO Intergovernmental Committee on Intellectual Property and Traditional Knowledge, Genetic Resources and Folklore (IGC), the Standing Committee on Patents (SCP) or the Working Group on the PCT Reform (WGPCT). While most developed countries wanted the process to be carried out by the IGC, developing countries insisted that the process should also include other relevant WIPO bodies, such as the SCP and the WGPCT. The final framework creates a new process that will be led by the Director-General of WIPO and will include comments and reactions of different WIPO bodies as well as observers to WIPO.

"Members states agree to further examine proposal on development," WIPO, 4 October 2004; "Notes for WIPO General Assembly," CPTECH, 27 September 2004; "WIPO to convene meetings on development agenda," SUNS, 5 October 2004; "Strong support from South for WIPO "development agenda," SUNS, 4 October 2004.

WTO AGRICULTURE SESSION ADDRESSES NEXT STEPS FROM JULY FRAMEWORK

Following on from an informal meeting on 24 September (BRIDGES Weekly, 29 September 2004, <http://www.ictsd.org/weekly/04-09-29/story1.htm>), WTO Members convened on 6 October for an informal special (negotiating) session of the Committee on Agriculture. Discussions, chaired by Ambassador Tim Groser of New Zealand, focused mainly on how to carry the momentum forward from the recent July framework agreement (see BRIDGES Weekly, 3 August 2004, <http://www.ictsd.org/weekly/04-08-03/story2.htm>). The July agreement, which gave a much-needed boost to the Doha Round, established a framework for conducting future substantive trade negotiations, including in agriculture. The informal talks are being held in advance of a formal special session of the Committee on Agriculture on 8 October.

A number of Members said the talks should aim to complete full "modalities" in agriculture by the next WTO Ministerial Conference in Hong Kong in December 2006, though they were cautious not to make this a firm deadline.

Many Members pointed out that further technical work needed to be conducted in a range of areas. The EC,

for instance, pushed for geographical indications and non-trade concerns, while Colombia and Ecuador said they wanted tropical products and crops grown as replacements for illicit narcotics on the agenda. Jamaica advocated for the preservation of preferences. However, Costa Rica, Colombia and Ecuador voiced concerns about preferences, with Costa Rica saying that although it had benefited from preferential market access, the gains it had acquired were far less than the costs of the obstacles to market access that preferences presented. Ecuador said that it had not been included in consultations on preferences because it is not a member of any group. The G-20 group of developing countries emphasised that the real problem that needed to be addressed was trade-distorting domestic support in developed countries.

Indonesia, together with many members of the G-33 (Friends of Special Products) group emphasised the importance of special products and a special safeguard mechanism for developing countries. They said they should not have to reduce tariffs or expand quotas on special products, and that these and the special safeguard mechanism should be flexible and "user-friendly" enough to allow them the freedom to meet their development objectives.

Speaking for the African Group, Nigeria urged that a sub-committee on cotton referred to in the July framework be set up quickly, and said it would submit proposals on this. Benin said the sub-committee should discuss both the development and trade aspects of the cotton issue.

On process, many delegations said that regardless of what was included in the agenda for negotiations, the list of topics should be announced in advance so that countries could prepare their positions. The EU suggested that in order to speed up work, some working groups could meet in between the negotiating sessions. Egypt was willing to consider this provided small delegations would not be over-stretched. However, the G-10 group of pro-multifunctionality industrialised countries opposed the disproportionate role accorded to a small group of countries (understood to be a reference to the self-appointed role of the Five - Australia, Brazil, EU, India and US). Chair Groser said he would attempt to strike a balance between organising the talks flexibly and setting up a structure that allows delegations to prepare in advance for the topics to be discussed.

On 7 (and possibly 8) October, Members are scheduled to engage in informal technical negotiations on a number of areas, including: domestic support (green box); export competition (how to achieve parallelism through definitions for export credits, export credit guarantees or insurance programmes, trade-distorting

practices of exporting state trading enterprises, and food aid practices as described in the framework); market access (ad valorem equivalents of specific duties; and a special safeguard mechanism for developing countries).

BRIDGES Weekly will report further on the meetings in next week's edition.

ICTSD reporting.

WTO DEVELOPMENT COMMITTEE FOCUSES ON TECHNICAL ASSISTANCE, COMMODITIES, SUSTAINABILITY

Following on from an informal meeting on 24 September (BRIDGES Weekly, 29 September 2004, <http://www.ictsd.org/weekly/04-09-29/story1.htm>), WTO Members convened on 6 October for an informal special (negotiating) session of the Committee on Agriculture. Discussions, chaired by Ambassador Tim Groser of New Zealand, focused mainly on how to carry the momentum forward from the recent July framework agreement (see BRIDGES Weekly, 3 August 2004, <http://www.ictsd.org/weekly/04-08-03/story2.htm>). The July agreement, which gave a much-needed boost to the Doha Round, established a framework for conducting future substantive trade negotiations, including in agriculture. The informal talks are being held in advance of a formal special session of the Committee on Agriculture on 8 October.

A number of Members said the talks should aim to complete full "modalities" in agriculture by the next WTO Ministerial Conference in Hong Kong in December 2006, though they were cautious not to make this a firm deadline.

Many Members pointed out that further technical work needed to be conducted in a range of areas. The EC, for instance, pushed for geographical indications and non-trade concerns, while Colombia and Ecuador said they wanted tropical products and crops grown as replacements for illicit narcotics on the agenda. Jamaica advocated for the preservation of preferences. However, Costa Rica, Colombia and Ecuador voiced concerns about preferences, with Costa Rica saying that although it had benefited from preferential market access, the gains it had acquired were far less than the costs of the obstacles to market access that preferences presented. Ecuador said that it had not been included in consultations on preferences because it is not a member of any group. The G-20 group of developing countries emphasised that the real problem that needed to be addressed was trade-distorting domestic support in developed countries.

Indonesia, together with many members of the G-33 (Friends of Special Products) group emphasised the importance of special products and a special safeguard mechanism for developing countries. They said they should not have to reduce tariffs or expand quotas on special products, and that these and the special safeguard mechanism should be flexible and "user-friendly" enough to allow them the freedom to meet their development objectives.

Speaking for the African Group, Nigeria urged that a sub-committee on cotton referred to in the July framework be set up quickly, and said it would submit proposals on this. Benin said the sub-committee should discuss both the development and trade aspects of the cotton issue.

On process, many delegations said that regardless of what was included in the agenda for negotiations, the list of topics should be announced in advance so that countries could prepare their positions. The EU suggested that in order to speed up work, some working groups could meet in between the negotiating sessions. Egypt was willing to consider this provided small delegations would not be over-stretched. However, the G-10 group of pro-multifunctionality industrialised countries opposed the disproportionate role accorded to a small group of countries (understood to be a reference to the self-appointed role of the Five - Australia, Brazil, EU, India and US). Chair Groser said he would attempt to strike a balance between organising the talks flexibly and setting up a structure that allows delegations to prepare in advance for the topics to be discussed.

On 7 (and possibly 8) October, Members are scheduled to engage in informal technical negotiations on a number of areas, including: domestic support (green box); export competition (how to achieve parallelism through definitions for export credits, export credit guarantees or insurance programmes, trade-distorting practices of exporting state trading enterprises, and food aid practices as described in the framework); market access (ad valorem equivalents of specific duties; and a special safeguard mechanism for developing countries).

BRIDGES Weekly will report further on the meetings in next week's edition.

ICTSD reporting.

WTO MEMBERS BRACE FOR TEXTILE QUOTA LIBERALISATION

WTO Member countries are preparing a variety of different initiatives intended to ease the impact of the

phase-out of textile and clothing quotas at the end of this year. At a WTO Goods Council meeting on 1 October, seven countries submitted a proposal for WTO action to address the impact of the upcoming elimination of quotas on their fragile textile and clothing industries. The proposal -- from Bangladesh, Mauritius, the Dominican Republic, Fiji, Madagascar, Sri Lanka and Uganda -- asks the WTO Secretariat to prepare a study on adjustment-related issues and costs arising from quota elimination and to establish a WTO work programme to discuss possible solutions to the problems identified in the study.

The programme of action, however, was not adopted due to a cool reaction from China and several other WTO Members. The chairman of the Goods Council, Ambassador Alfredo Vicente Chiaradia of Argentina, agreed to hold informal consultations among Members as soon as possible to further discuss the proposal. Nevertheless, the Mauritian ambassador to the WTO, S.B. Servansing, said he was satisfied with the results of the meeting and that "thirty-eight countries took the floor today in support of the proposal, so I don't think the WTO could shut this down now."

Despite speculation that at least one Member would call for an extension of quotas beyond the 1 January 2005 deadline, no such request was forwarded. Prior to the meeting, the Global Alliance for Fair Textile Trade (GAFFT), an alliance representing textile industry associations in the US and more than 50 other countries, had pushed hard for such an extension.

Positions taken by key players

Several key countries weighed in on their preferred course of action to alleviate problems caused by the textiles phase-out. China said that the phase-out must take place as planned and that the best way to handle adjustment costs was to enhance the assistance programs of the World Bank and the International Monetary Fund while removing impediments to the trade of smaller more vulnerable producers such as preferential rules of origin. The US indicated its interest in further discussions but said that China needed to take some responsibility for the adjustment costs smaller countries will face as a result of anticipated increases in Chinese exports. "We believe that large apparel exporting countries have an obligation to look beyond their own borders on this and work with developing countries to ease the transition," an official from the US mission in Geneva said.

According to several sources, including a WTO report released this summer, the phase-out of quotas at the end of this year will lead to a dramatic increase in exports from large developing countries such as China and India. This increase could have potential adverse

implications for smaller developing countries such as Bangladesh and Mauritius that have thus far based the development of key textiles and clothing industries upon guaranteed quota access to developed country markets (see BRIDGES Weekly, 29 September 2004, <http://www.ictsd.org/weekly/04-09-29/story2.htm>).

Pakistan's Commerce Minister, Humayun Akhtar Khan, welcomed the elimination of textile and apparel quotas, but said "I don't think much can be done at the WTO" on the issue of adjustment costs. Instead, he said that it was up to individual countries to "exercise their rights available to them in defensive trade measures". According to Indian senior government officials, India at the Goods Council meeting sought a reduction in tariff peaks maintained on its textile exports, and urged developed countries to lower their average tariffs in the sector. Officials said India also emphasised that no new trade protection measures or rules of origin should be introduced that would deny developing countries the benefits of trade liberalisation in the textiles and clothing sector.

Restrictive rules of origin blamed

Munir Ahmad, executive director of the International Textile and Clothing Bureau, said that the real problem for small developing countries' textile and clothing industries is not just the elimination of quotas but the restrictions imposed by strict rules of origin by the US and the EU (see BRIDGES Monthly, September 2004, <http://www.ictsd.org/monthly/bridges/BRIDGES8-8.pdf>). Such rules of origin, enshrined in agreements like the EU's Everything But Arms initiative and the US African Growth and Opportunity Act (AGOA), hinders textile exports from developing countries to developed countries, thereby stunting their economic growth.

Small countries struggle to prepare industry

Meanwhile, smaller developing countries attempted to assess the impact of the phase-out and develop adjustment mechanisms. The seven proponents of the WTO proposal cited estimates that up to 27 million jobs worldwide may be lost as a result of quota elimination, and Servansing said that "there will be more losers than winners" in the quota elimination process. Bangladesh's WTO Ambassador Toufiq Ali noted that 80 percent of his country's exports were in the garments sector and that the vast majority of these exports were made possible through guaranteed quota access. Production of ready-made garments has been one of the most important sectors of Bangladesh's economy, employing about 1.6 million workers, or one-third of its industrial labor force. The changing marketplace could not only affect the economy, but social relations as well. Millions of women and girls, whose destinies are entwined with the fortunes of the country's garment sector, may be

affected by the quota changes. Bangladeshis hope that the international community will lend support such as aid and technical assistance to efforts to upgrade skills and retrain displaced workers.

Cambodia is another country that has been trying to come to grasp with the phase-out of quotas. Foreign investment in recent years has been concentrated in the flourishing garment sector, which employs 240,000 workers and provides family income for up to a million people. Given lower production prices in other parts of Asia, Cambodia has been hoping to survive the post-quota environment by publicising its ethical label to discriminating consumers. Cambodian garments are sold to the West with the certified seal of ILO approval, which entails recognition of trade unions, overtime payment, and acceptable working conditions. The country is promoting its garment industry as a role model for ensuring compliance with international labour standards and preventing the exploitation of child labour.

US groups prepare China safeguard

In related news, on 29 September a US official said that the Bush administration would consider requests to limit textile and apparel imports from China based on the threat they pose of market disruption, despite comments from Chinese officials that such a move would be challenged at the WTO. Grant Aldonas, US Commerce Undersecretary for international trade, said that the Commerce Department would consider the evidence presented and that "the best evidence would be rising imports". However, he mentioned that the Department was drawing up guidelines that would describe other kinds of evidence the US textile industry could present to demonstrate the threat, such as increased investment by China in textile and apparel production. A confrontation between China and the US regarding the textile safeguard may come earlier, he mentioned, if US industry groups try to extend in late December the restrictions placed on imports of Chinese brassieres, dressing gowns, and knit fabrics imposed last year.

"The Price of Free Trade - Part I: Bangladesh," YALE GLOBAL, 29 September 2004; "The Price of Free Trade - Part II: Cambodia," YALE GLOBAL, 1 October 2004; "U.S. to Consider Textile Petitions Despite Threat From China of WTO Case," WTO REPORTER, 30 September 2004; "WTO Members to Continue Talks on Proposal To Examine Global Quota Elimination Impacts," WTO REPORTER, 4 October 2004; "Pakistan Set for Textile Quota Removal But Seeks Greater Access to United States," WTO REPORTER, 4 October 2004; "Poor textile producers seek WTO help on quotas," REUTERS, 1 October 2004; "WTO study of global impact of phasing out textile quotas proposed,"

ASSOCIATED PRESS, 1 October 2004; "Textile industry begins political campaign Monday in N.C.," ASSOCIATED PRESS, 1 October 2004; "Textile quota phaseout gives WTO a headache," THE TELEGRAPH (INDIA), 3 October 2004; "Poor nations seek WTO textile aid," WALL STREET JOURNAL, 2 October 2004; "India seeks cut in tariffs on textile exports," BUSINESS STANDARD, 5 October 2004.

OTHER NEWS

JAPAN'S FISHERIES SUBSIDIES POSITION UNDER FIRE AT WTO RULES MEETING

The WTO Negotiating Group on Rules met from 28-30 September, where delegates focused on rules addressing anti-dumping, subsidies and countervailing measures. The ongoing negotiations on disciplining subsidies in the fisheries sector featured high on the agenda. Discussions focused mainly on a Japanese proposal on fisheries subsidies disciplines presented at the last meeting (see BRIDGES Weekly, 9 June 2004, <http://www.ictsd.org/weekly/04-06-09/story3.htm>)

Japan outlines criteria for permitted, prohibited subsidies

In a communication dated 24 September (TN/RL/W/164, available at <http://docsonline.wto.org>), Japan proposed rules on fisheries subsidies that would "strike the balance between promotion of the trade in fisheries products and conservation of natural resources". Japan opposed a blanket ban on subsidies, and instead proposed that each type of subsidy be evaluated and placed in a "box" according to its effect.

Thus, legal subsidies supportive of sustainable development would end up in a "green box". These could include subsidies that "promote the conservation and sustainable utilisation of fisheries resources," including specific measures such as management plans, environmentally friendly fishing gear, surveys, research and monitoring, measures to enhance stocks, preserve habitats, and the development and diffusion of new technologies. In addition, the "green box" could include measures that, as long as there is an adequate management plan in place, do not have any harmful effects.

Illegal subsidies supporting illegal, unregulated and unreported (IUU) fishing or over-capacity would be

placed in a "red box", including subsidies "related to IUU fisheries and fishing vessel construction engaging in poorly managed fishery, which are against the conservation and sustainable utilisation of fisheries resources and encourage the fishing activities that exacerbate the status of the resources". Here, Japan differentiates between vessel construction in cases where fisheries are properly managed and where they are not, with construction subsidies prohibited in the latter case.

Certain subsidies fall outside the remit of fishing subsidies, according to the Japanese paper. These subsidies include: capacity building/human resources development; relief from natural disasters; and certain types of structural adjustment and regional development assistance.

Members respond to Japanese proposal

Reacting to the Japanese proposal, the US -- a member of the so-called "Friends of Fish" -- said Japan would be able to exempt its subsidies from any disciplines under the proposal, and that the proposal was a "significant step backwards", and unworkable. Instead, the US, together with Argentina, Chile, Ecuador, Iceland, New Zealand, Norway, Peru and the Philippines, supported an approach proposed by New Zealand, which would prohibit all subsidies, spelling out certain exceptions only. New Zealand also suggested that the Japanese proposal served to safeguard existing Japanese subsidies, and the EC commented that the proposed "green box" seemed rather full as compared to a slim "red box".

On the other hand, Chinese Taipei and Korea supported the Japanese approach, with Korea commending its focus on conservation, and also noting that whether subsidies are harmful depends on the specific circumstances.

Brazil, Malaysia and Mauritius reminded Members of the fact that special provisions needed to be agreed for developing countries in any deal struck on fisheries subsidies, and that developing countries should be allowed the space to support the development of their fisheries sectors.

The next Rules meeting is scheduled for 1-3 November.

ICTSD reporting; "United States Blasts Japanese Proposal On WTO Disciplines for Fisheries Subsidies," WTO REPORTER, 30 September 2004.

WTO CHALLENGES EMERGE OVER EU EXPANSION

The enlargement of the European Union from 15 to 25 members on 1 May has been met with concern voiced by the US and other WTO Members relating to inconsistent customs administration across EU member states and higher tariffs on certain EU imports.

Inconsistent customs administration complaints

On 21 September, the US submitted a request to the WTO seeking consultations with the EU on the lack of uniform administration of customs laws and judicial procedures across the 25 EU member states. The US alleged that several EU council regulations that established customs regulations dating as far back as 1987 are "complicating the efforts of US companies to export to the union". The US pointed out in its request that companies in the field of agriculture, textiles and technology claim their products are often subject to varying sets of criteria for entry into different EU countries.

A statement issued by the Office of the US Trade Representative (USTR) gives three reasons for requesting WTO consultations. First, the USTR claims that the EU enlargement has further compounded the "trade barrier inherent in lack of uniform customs administration". By filing this request now, the US hopes the EU will tackle this problem early in the process of dealing with the challenges of enlargement. Second, the USTR notes that pressing a major trading bloc to administer its customs laws and regulations uniformly will help to advance WTO talks on trade facilitation, which were launched following a framework agreement negotiated at the end of July earlier this year. Finally, the USTR statement vaguely notes that this development is part of an effort "to work with the Commission to address the concerns of US exporters", and that "although Commissioner Lamy and his staff have tried to help with individual problems, it has become clear that the allocation of authorities within the EU and even the Commission has precluded achieving the necessary systemic solutions".

US industry groups affected by the alleged inconsistencies have expressed their support for the US initiative launched at the WTO. The Brussels-based Global Express Association (GEA), an international alliance of express delivery operators that includes major firms such as FedEx, UPS and DHL issued a statement on 24 September noting that "the ability of other nations to trade with the EU in an efficient and predictable manner is highly dependent on uniform application of customs procedures and rules throughout the EU."

In response to the US complaint, European Commission spokesperson Arancha Gonzalez said that the US the complaint had no legal basis and that the EU complied fully with all WTO rules relating to customs matters. This statement is in contrast to the EC's alleged response to a critical report in 2001 prepared by the European Court of Auditors in which the EC noted that for the union to conduct itself as a "real customs union" that treats all imported goods uniformly, it must be "operating on the basis of a single customs administration, which is not the case."

If the US and the EU fail to settle their differences within 60 days, the US can request for the appointment of a WTO dispute panel to rule on its complaint.

EU extends deadline for enlargement negotiations relating to compensation

In a related development, the EU notified the WTO on 30 September that it would extend a 1 November 2004 retaliation deadline by six months for countries affected by high tariffs resulting from EU enlargement. In order to join the EU, the 10 new members -- Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia, and Slovenia -- were required to replace their national tariffs with the EU's common external tariff regime, leading to higher tariffs on certain products.

Under WTO rules, when a WTO Member that forms a customs union, such as the EU in this case, proposes to increase a bound rate of duty, affected countries who have submitted damage claims must first engage in negotiations with that Member to seek compensatory adjustment. If negotiations fail, the customs union is to offer compensation which may take the form of reductions of duties on other tariff lines. These procedures must be undertaken before affected Members exercise their right to withdraw substantially equivalent concessions to the losses they have suffered.

Under the above rules, therefore, Members seeking compensation from the EU had six months from the date of EU enlargement to withdraw trade concessions in the event negotiations were unfruitful. The rules also required 30 days advance notice from the retaliation deadline of 1 November before such action was taken - effectively mandating the affected countries to withdraw concessions by 1 October. The extended deadline means that affected countries have more time to negotiate for concessions with the EU.

The US has revealed that it will consider raising tariffs on selected EU imports -- particularly food and agricultural products -- if negotiations fail. In a parallel development, EU officials have reported that talks with

the US on a dispute relating to increased rice tariffs are running smoothly.

Argentina, Australia, Brazil, Canada, Costa Rica, Colombia, Ecuador, Guatemala, India, Japan, Malaysia, New Zealand, Pakistan, Panama, Philippines, South Korea, Taiwan, Thailand and Uruguay, who welcomed the extended deadline, are also in negotiations with the EU.

The USTR statement is available at: www.ustr.gov

The EU's WTO consultation request (G/L/695) is available at: <http://docsonline.wto.org>

ICTSD reporting; "EU Trading Partners Welcome Move To Give More Time on Enlargement Talks," WTO Reporter, 4 October 2004; "EU Gives More Time for Negotiations on Compensation Following Enlargement," WTO Reporter, 1 October 2004; "The EU's Customs Cacophony," The Washington Times, 28 September 2004; "U.S. Proposes New Punitive Tariffs On Many Imported Goods," Mondaq's Article Service, 20 September 2004.

EU-MERCOSUR TRADE DEAL ON ROPES OVER LACK OF ACCEPTABLE OFFERS

South American trade bloc Mercosur made an offer to the EU on 24 September in the hope of advancing stalled trade negotiations and completing a trade deal by the 31 October deadline. The EU submitted its 'response' offer on 29 September, but neither offer helped to progress trade negotiations, making a free trade agreement between the two blocs an increasingly distant prospect.

According to Brazil's Foreign Ministry, Mercosur -- comprised of Argentina, Brazil, Paraguay and Uruguay, with Bolivia, Chile, Peru and Venezuela as associate members -- offered to increase the list of EU imports covered by the free trade agreement from 88 to 90 percent. Though the total number of products with reduced duties was increased, the number of EU goods that could enter Mercosur duty-free after 10 years was diminished. The Brazilian Foreign Ministry also claimed Mercosur's offer addressed European concerns regarding access to financial services and telecommunications sectors while giving European business preferential treatment for government contracts with the four core Mercosur members.

The European offer made little improvement on earlier submissions, and instead fell short of the offers it made officially in May and unofficially in early September. Though the quotas for farm products remained the same, "new conditions" were introduced, according to

Brazil, and any increase in quotas was made dependent on the results of the WTO's Doha Round of talks on agricultural trade liberalisation. Brazil and Argentina said they were extremely disappointed in the EU's offer, as they had hoped for greater access to the lucrative EU agriculture market. Brazil's Foreign Ministry said the offer is "below the quantitative levels that were indicated by the EU earlier this month in Brussels, it does not look like this [EU] Commission is ready to do a deal." Likewise, the EU viewed Mercosur's offer as a last-minute attempt to conclude long-troubled negotiations before the October deadline and consequently produced an offer that was equally minimalist, suggesting that trade negotiations between the two regions are not likely to overcome the tensions surrounding agriculture before a new EU Trade Commission takes office on 1 November.

These most recent events suggest that nine years of negotiations to reach a free trade agreement between South America's Mercosur trade bloc and the European Union have failed. Some private sector consultants blame the failure on weak political will and internal disputes both within the two blocs and within member countries. The conflicting objectives of the agricultural sector versus the industrial sector, for instance, illustrate the conflicts of interest between Mercosur member nations and between different sectors within each country. Similarly in the EU, internal disputes have prevented the EU from substantially opening its heavily protected agricultural market, despite Mercosur's persistent demands.

"South Americans Make Offer to EU on Trade," AP, 26 September 2004; "Brazil Says EU Trade Offer Puts Deadline In Doubt," REUTERS, 29 September 2004; "Mercosur Submits New Free Trade Offer To EU, Toughens Proposals On Duties," INTERNATIONAL TRADE REPORTER, 30 September 2004; "Trade: Deadline For Mercosur-EU Talks Jeopardised," TERRAVIVA, 4 October 2004.

OFFICIALS MEET ON GATS MODE 4, MIGRATION

Representatives from the international trade and migration communities met in Geneva on 4-5 October for a conference organised jointly by the International Organisation for Migration (IOM), the World Bank (WB), and the WTO. The event, entitled "Managing the movement of people: what can be learned for Mode 4 of the WTO General Agreement on Trade in Services (GATS)," was a follow-up to a similar conference held in November 2003. Conference sessions focused on unilateral, bilateral, and regional arrangements for managing the movement and temporary stay of workers in the hopes of clarifying the role and potential of GATS

Mode 4 in facilitating the temporary movement of service workers. The issue is of particular importance to developing countries who have pushed for greater consideration of Mode 4 services at the WTO for a number of years. Participants made it clear that although Mode 4 migration was a very small part of global migration flows, and was a small part of trade liberalisation efforts, the conference provided an important opportunity for bringing together trade and migration officials to discuss and understand each other and how to unite the fields in upcoming services negotiations at the WTO.

In his summary and analysis of the conference, World Bank Lead Economist Aaditya Matoo suggested that GATS Mode 4 differs from unilateral, bilateral, and regional agreements in that within GATS, the Most Favoured Nation clause applies – that is, host countries choosing to open sectors for foreign workers must do so for all countries on a non-discriminatory basis. He noted that under GATS Mode 4, the only obligation is for host countries to grant market access, thereby foregoing the pre-, during, and post-movement responsibilities often included in unilateral, bilateral, and regional agreements for host and origin countries. Such conditionalities, which include pre-movement screening of potential migrants by host countries, and post-movement responsibilities of ensuring the migrants return to the country of origin, have become increasingly abundant in unilateral, bilateral, and regional treaties in the context of fears of irregular migration, security threats, proper qualifications, and failure of temporary migrants to return home. Matoo suggested that such non-trade concerns must be incorporated into GATS liberalisation. He also noted that GATS has a real role to play insofar as multilateral action can focus on contractual service providers, eliminate inequalities in bilateral granting of access, create a balance of offers, and grant flexibility in migration flows, for example by tying quantities of permitted migrants into a country to unemployment rates in that country.

Anya Oram of the European Commission also noted the importance of building mutual trust between host and origin governments. She suggested including a broader range of ideas relating to migration, such as social security, worker rights, and security, into further GATS Mode 4 discussions. She cautioned, however, about being too ambitious on the scope of Mode 4. Sergio Marchi, former Ambassador of Canada to the WTO and Commissioner, Global Commission on International Migration, said that migration and trade officials appear to approach migration from cross purposes; migration officials attempt to manage the migration of people and see the service rendered as somewhat incidental, whereas trade officials attempt to liberalise the provision of services and see the

movement of people as somewhat incidental. Nonetheless, he stressed that both migration flows and trade liberalisation, despite their negative popular portrayal, have immense potential as a powerful and positive force to build countries. As such, he urged trade officials to consider the full range of migration issues to make GATS Mode 4 a more valuable instrument of migration, and urged migration officials to consider the nature of the trade negotiation framework, including the possibility of asymmetric offers within Mode 4 to balance other services offers, in their creation of a coherent migration system.

For further information on the conference, see http://www.iom.int/en/know/idm/tms_200410.shtml.

ICTSD Reporting; "WTO Chair Cites Absence of Initial Offers As Major Problems Facing Services Talks," WTO REPORTER, 5 September 2004.

IN BRIEF

RUSSIA'S KYOTO RATIFICATION REACHING HOME STRETCH?

On 30 September, the Russian Cabinet approved a draft law aimed at the ratification of the Kyoto Protocol, which would trigger the Protocol's entry into force. For Russian ratification to proceed, the law has to be approved by the State Duma (the lower house of the Russian parliament, which is dominated by President Vladimir Putin's United Russia party). President Putin is pushing through the ratification against the opinions of some of his economic advisors, such as the outspoken Andrei Illarionov, who claimed the treaty would be disastrous to economic growth. Economy Minister German Gref, on the other hand, supported the treaty, although he said "the Protocol hardly has any real impact on improving ecology. It is fairly symbolic". Russia has been stalling on ratification since Putin announced, at the World Summit on Sustainable Development in September 2002, that the country would ratify "soon". The move towards ratification is considered to be political, and follows support by the EU of Russia's WTO accession, formalised at a summit in May (see BRIDGES Weekly, 2 June 2004, <http://www.ictsd.org/weekly/04-06-02/story5.htm>).

The news prompted positive responses in the EU and among environmental groups. Joke Waller-Hunter, Executive Secretary of the UN Climate Change Convention, commented that, "President Putin has given an inspiring signal to the international community.

By giving industry, local authorities and consumers incentives to take action on climate change, Russia and the 29 other industrialised countries that have joined the protocol will set themselves on a path to greater economic efficiency". Friends of the Earth International's Catherine Pearce said "If Russia ratifies Kyoto it will be a significant step forward in the fight against global warming. It will also turn up the heat on President Bush and other world leaders who have refused to join the only international treaty that could help avoid a global catastrophe". The US, which announced in 2001 that it would not ratify, will also remain outside an international carbon trading market set up under Kyoto. The Kyoto Protocol, which obliges developed countries to reduce carbon emissions by five percent as compared to 1990-levels, is considered by climate scientists to be only a small first step on a long road ahead.

"Putin revives hopes for Kyoto Protocol," EURAKTIV, 1 October 2004; "Russia backs Kyoto climate treaty," BBC, 30 September 2004; "Russia to ratify Kyoto treaty, GUARDIAN," 1 October 2004; "Climate Change Treaty Only One Step Away?," FOEI RELEASE, 29 September 2004.

US-SACU FTA DEADLOCKED

Negotiations on a Free Trade Agreement (FTA) between the US and the five-member Southern African Customs Union (SACU) appear to have been postponed due to differences on subject matters for negotiations (see BRIDGES Weekly, 3 March 2004, <http://www.ictsd.org/weekly/04-03-03/story3.htm>). SACU members -- Botswana, Lesotho, Namibia, South Africa and Swaziland -- have offered to continue talks on market access, but have requested to leave out investment, intellectual property, labour and government procurement. The US has rejected this approach, arguing that it has a Congressional mandate to negotiate on all subjects. A meeting between US and SACU negotiators which had been scheduled for this month has been cancelled in order for both sides to "clarify issues internally." South Africa's chief negotiator, Xavier Carim, has admitted this impasse in a press address and indicated that the parties would meet if they had, "good reasons to meet" and "[could] move the process forward."

ICTSD reporting; "SACU-US talks seesaw back towards pessimism," *tralac News*, 20 September 2004.

LATIN AMERICA, ACP DISAGREE ON FUTURE EU BANANA TARIFFS

The EU is set to begin informal talks this week with Ecuador, the world's leading banana exporter, on future banana import tariffs. This development is in line with the EU's latest round of bilateral discussions with some of the world's major banana suppliers on a tariff system for bananas to take effect from 2006 -- replacing the EU's current quota system which was the subject of a long-standing WTO challenge in the late 1990s (see BRIDGES Weekly, 24 April 2001, <http://www.ictsd.org/html/weekly/24-04-01/story3.htm>). The EU's current quota system amounts to 3.4 million tonnes. Out of this amount, African, Caribbean and Pacific (ACP) countries have a duty-free quota of 750,000 tonnes, while Latin American producers face a tariff of 75 euros on the remaining quota -- a preferential margin which they are keen to maintain or even lower further. The ACP, on the other hand, are pushing for the EU to raise banana tariffs above the current base level of 75 euros to 275 euros to protect their preferential access to the EU market. The ACP position is backed by France and Spain, Europe's only banana producers.

ICTSD reporting; "Latin America squares up for banana trade fight with EU," Reuters, 23 September 2004; "EU may present banana proposal by year-end," Reuters, 24 September 2004; "Banana imports: Commission proposes to open tariff-only negotiations," EC Press Release (IP/04/707), 2 June 2004.

UGANDAN COFFEE EXPORTERS CONCERNED OVER DDT USE

The Ugandan Health Ministry's approval of the use of DDT for the prevention of malaria has raised concerns among coffee farmers in Uganda over possible negative impacts on coffee exports. Uganda's Parliament and Health Ministry recently sponsored a South African tour on DDT application to study South Africa's successful indoor residual spraying of DDT, a method the Health Ministry would now like to use in Uganda. Despite the ban of DDT in agriculture, it remains an effective tool for public health programmes. However, the prospect of further DDT use for the prevention of malaria has raised concern for coffee-exporting farmers. DDT, though sprayed in houses, could easily spill into agricultural fields, thus contaminating agricultural products that are then exported to Western countries with extremely strict market requirements. According to Clayton Arinanye, the executive director of the Uganda Coffee Trade Federation, if Europe -- which is Uganda's biggest coffee importer -- tested any of Uganda's agricultural

products and found DDT residues, they would suspend Uganda's exports. "The result would be catastrophic not only to the private sector but also the government," said Arinanye. Given these consequences, much attention has been given to consultations and public awareness seminars about the use of DDT. During the private sector consultative workshop of the East African Customs Bill, exporters demanded that the government explain to the public the effects of DDT use to an agricultural economy such as Uganda's. Farmers argue that since DDT has been banned in the USA and other countries, it would be best for Uganda to consider other options.

"DDT Use Irks Coffee Exporters, "NEW VISION, 28 September 2004; "MPs Back DDT To Curb Malaria, " NEW VISION, 1 October 2004; "Uganda's New War, " TECH CENTRAL STATION, 26 May 2004; "Anti-Malaria Use Of DDT May Be Necessary Evil, " REUTERS, 2 April 2003; "Flower Farmers Petition Parliament Over DDT, " THE MONITOR, 20 September 2004.

WTO IN BRIEF

WTO MARKET ACCESS NEGOTIATING GROUP MEETS ON JULY FRAMEWORK

The WTO Negotiating Group on Non-agricultural Market Access (NAMA) met on 4 October, for the first time after the July General Council meeting where Members agreed on the framework to continue negotiations under the Doha Round. Discussions centred on how to advance the work programme set out in Annex B of the July Package (see http://www.wto.org/english/tratop_e/dda_e/ddadraft_31jul04_e.doc). While most of the delegations agreed that the text in Annex B could be taken as a starting point to agree on a work programme leading up to the next WTO Ministerial Conference -- scheduled for Hong Kong in December 2005 -- a few developing country delegations argued that further interpretation of the text was needed before a work programme could be set.

On the substantive front, delegates discussed how to proceed with the additional negotiations required under Paragraph 1 of the Annex. This paragraph states that "the initial elements for future work on modalities" is contained in the framework agreed on in July, but that "additional negotiations are required to reach agreement on the specifics of some of these elements", including: the configuration of a tariff-reduction formula, the treatment of unbound tariffs, flexibilities for

developing country participants, and participation in the sectoral tariff component. At the meeting, there was some disagreement on sequencing of the talks. Members disagreed over whether future work should concentrate on first defining the formula for tariff reduction, and once that was decided, to address the issues related to flexibility for developing countries and then participation in the sectoral tariff component, or if future work should address the three issues simultaneously. No agreement was reached on this point.

During the meeting, the WTO Secretariat provided the delegations with a presentation on the technical aspects and mechanisms of different possible formulas to be taken into account for the NAMA negotiations.

ICTSD reporting.

EVENTS & RESOURCES

EVENTS

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

Coming Up: 7-13 October

7-11 October, New York, US: INFORMAL CONSULTATIONS ON THE MAURITIUS SIDS INTERNATIONAL MEETING. Organised by Don MacKay, Permanent Representative of New Zealand to the UN, these consultations will address remaining pending issues in relation to the outcome document of the International Meeting to Review the Implementation of the Programme of Action for the Sustainable Development of Small Island Developing States (SIDS). For further information contact the New Zealand Mission to the UN, tel: +1-212-826-1960; fax: +1-212-758-0827; email: nzmissionny@earthlink.net; Internet: <http://www.un.org/Docs/journal/En/lateste.pdf>

8 October, Cape Town, South Africa: CLOTHING AND TEXTILE WORKSHOP. This event is organised by the Trade Law Centre for Southern Africa (TRALAC) and will focus on the implications of local and international changes in the textiles and clothing industry on Southern Africa. Domestically, exporters are taking strain from the relative strength of the Rand, while imports continue to flood the market. Internationally the

pending expiry of the critical WTO Agreement on Textiles and Clothing (formerly known as the Multifibre Agreement) sees the removal of quotas on 1 January 2005, holding the danger that retailers and producers will gravitate to the low-cost countries in the Far East. Also discussed will be the implications of AGOA, SACU, SADC, and MMTZ on the industry. For further information contact Ann Cloete, email: anncloete@tralac.org; Internet: <http://www.tralac.org/scripts/content.php?id=2668>; tel: +27 (0)21 883 2208; fax: +27 (0) 21 883 8292.

8-13 October, West Lafayette, Indiana, USA: SECOND ANNUAL SHORT COURSE IN GLOBAL TRADE ANALYSIS. Organised by Purdue University, this course aims to: introduce participants to a dynamic model designed for conducting global trade analysis in an applied general equilibrium setting; provide participants with hands-on training with software that has been tailored for undertaking analysis using a dynamic recursive model; and give participants the opportunity to interact with economists working on global trade and resource use issues. For further information contact Judy Connor, email: connerjr@purdue.edu; Internet: <http://www.gtap.org>; tel: (011) 765-494-4267.

10-12 October, Egypt: BUSINESS IMPLICATIONS FOR THE PRIVATE SECTOR IN AFRICA ON THE WTO AGREEMENT ON SPS. This workshop is organised by the International Trade Centre's World Trade Net, a project under the auspices of UNCTAD and the WTO that responds to the requests for information, practical advice and training for the business community on WTO issues that are directly relevant to their business operations. This topical workshop will look into the practical implications of the Sanitary and Phyto-Sanitary Agreement on the African Private Sector. For further information contact Sabine Meitzel, email: meitzel@intracen.org; Internet: <http://www.intracen.org/worldtradenet/welcome.htm>

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

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.

7-8 October: WTO COMMITTEE ON REGIONAL TRADE AGREEMENTS

8 October: WTO COMMITTEE ON AGRICULTURE -- SPECIAL SESSION

11 October: WTO WORKSHOP ON ENVIRONMENTAL GOODS

12-13 October: WTO TEXTILES MONITORING BODY

12-13 October: WTO COMMITTEE ON TRADE AND THE ENVIRONMENT - SPECIAL SESSION

13 October: WTO COMMITTEE ON TRADE AND ENVIRONMENT

Other Forthcoming Events

14 October, Washington D.C., USA: INTERNATIONAL TRADE RESPONDS TO TERRORISM - HOW CAN SECURITY AND COMMERCE COEXIST? Sponsored by the Washington International Trade association, this event will feature Robert Perez, Director of C-TPAT Office, U.S. Customs and Border Protection, and Department of Homeland Security. Companies participating in the international trade arena -- manufacturers, importers, exporters, transportation providers, and freight forwarders -- have been substantially impacted by the post-9/11 terror-business dynamic, including: terror threats, heightened security, modification of logistics, and new laws and regulations affecting international trade and customs. This panel will address current and proposed government security measures and industry initiatives in light of terror threats. What is the future of trade in the post 9/11 environment? For further information contact WITA, email: events@wita.org; Internet: www.wita.org; tel: (011) 202-312-1600.

19 October, Washington D.C., USA: THE INTERSECTION OF TRADE AND CORPORATE SOCIAL RESPONSIBILITY. Sponsored by the Washington International Trade Association (WITA),

this event will feature Ivvan Viera of the Russell Corporation, Susan Aaronson of the Kenan Institute in Washington, and Richard Feinberg of The Gap. Over the past decade, companies around the world have become increasingly focused on social responsibility issues and concerns. Motivated in part by their many stakeholders - workers, shareholders, customers - and by a growing realization that socially responsible production practices are good for business, the private sector has developed a range of monitors, inspection programs, and codes of conduct to ensure that goods produced around the world are done so in an ethical, legal, and humane manner. This event will provide an overview of corporate social responsibility issues in context to free trade agreements. For further information contact WITA, email: events@wita.org; Internet: www.wita.org; tel: (011) 202-312-1600.

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

25-26 October, Nairobi, Kenya: REGIONAL SEMINAR - CAN AFRICA TRADE HER WAY OUT OF POVERTY? This seminar is organised by CUTS-Centre for International Trade, Economics & Environment (CUTS-CITEE) and Nairobi in partnership with Friedrich Ebert Stiftung. The overall objective of the seminar is to uncover the lessons, ideas and experience in making and implementing those policies that can help reduce poverty in Sub-Saharan Africa. The seminar will provide a platform to different stakeholders to discuss and debate policy issues regarding trade and economic liberalisation and poverty reduction; and prepare an agenda for future activities of the non-state actors in monitoring the trade and economic policy regime and its impact on poverty. For further information, contact: David Maina or Clement Onyango; Telefax +254-20-572790; Email: cuts-nairobi@cuts-international.org & website: www.cuts-international.org

28 October, New Delhi, India: REVIEW MEETING ON STOCKTAKING OF PROGRESS TOWARDS SUSTAINABILITY: A PILOT STUDY OF INDIAN INITIATIVES. This meeting will be held to review the current findings of the ongoing research project titled 'Stocktaking of Progress towards Sustainability,'

implemented by CUTS -- Centre for International Trade, Economics and Environment with the support of the Ministry of Environment and Forests and the Government of India (MOEF, GOI). The above research intends to measure India's progress towards sustainable development by studying the appropriateness of a basket of environmental laws, vis-à-vis the Johannesburg Plan of Implementation and the UN Guidelines for Consumer Protection. For further information contact Rajeev Mathur at Email: citee@cuts-international.org, Tel: +91.141-228 2821-3, Fax: +91.141-228 2485, Internet: www.cuts-international.org.

Ongoing, European Union and United States: PUBLIC CONSULTATION ON THE STRENGTHENING OF EU-US ECONOMIC PARTNERSHIP. The European Commission invites the business community, environmental and consumer organizations, trade unions and other interested groups and individuals to provide their views on the obstacles they face when trading or investing in each other's market and on future trade and economic relations between the European Union and the United States. This public consultation of stakeholders on how to enhance Transatlantic Economic Partnership is the first step towards implementing the "EU-US Declaration on strengthening our Economic Partnership" adopted at the EU-US Summit on 26 June 2004 in Ireland. If you wish to share your thoughts on any part of this consultation document, please send your reply by 30 November 2004. To answer the consultative questionnaire visit <http://europa.eu.int/yourvoice/forms/dispatch?form=340>.

RESOURCES

THE CITES TREATY AND COMPLIANCE: PROGRESS OR JEOPARDY? By Rosalind Reeve (Sustainable Development Programme), September 2004. The Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) is an international agreement between governments meant to ensure that international trade in specimens of wild animals and plants does not threaten their survival. This paper examines recent developments in the current CITES compliance regime and assesses whether negotiations for new guidelines on compliance threaten to undermine the existing regime. For further information and to access the report, visit www.chathamhouse.org.uk/sustainabledevelopment.

ENDING POVERTY IN AFRICA: PROSPECTS FOR THE SMALL FARMER.

By the International Food Policy Research Institute (IFPRI), September 2004. Recent successes in African small-holder farming show that agriculture could play a

key role in helping the region reach the Millennium Development Goals (MDGs). African governments and the donor community have recognized this potential and have pledged to help generate agricultural progress. This policy brief considers recent trends in poverty, malnutrition, and growth; outlines some of the challenges to boosting agricultural growth; and highlights cases of agricultural success in specific countries. For more information and to access the report visit <http://www.ifpri.org/pubs/ib/ib16.pdf>.

THE TREATY DATABASE: A MONITOR OF U.S. PARTICIPATION IN GLOBAL AFFAIRS. By Patricia Jurewicz and Kristin Dawkins (Institute for Agriculture and Trade Policy), 29 September 2004. According to this new report on the United Nations treaty system by IATP, the U.S. is adopting fewer international treaties, opting out of previous treaty commitments, and often finds itself isolated among the international community on treaties that limit nuclear arms and protect workers, the environment, women and children. The report suggests that the U.S. retreat from participation in the UN system makes it much harder for the Bush Administration to lead at the international level in multiple fora. For further information and to access the report visit <http://www.tradeobservatory.org/>

"Social learning and sustainability science: which role can stakeholder participation play?" in *INTERNATIONAL JOURNAL OF SUSTAINABLE DEVELOPMENT* 7 (2, 2004), pp 146-163. By Bernd Siebenhuner. Claims for the involvement of societal stakeholders in processes of knowledge generation abound in discussions about sustainability science and new modes of scientific research. Their participation is seen as a means for empowerment and education as well as for increasing the legitimacy of scientific research. In addition, proponents of sustainability science regard stakeholder participation as a way to integrate municipalities, interest groups, industry, and environmentalist groups into both the generation of knowledge and its practical implementation. The paper gives an account of a number of these experiences and analyses these procedures in the light of criteria derived from the discussions around sustainability science. It is the objective of the paper to deduce lessons for future approaches to participation in sustainability science.

"World globalization, sustainable development and scientific cooperation" in *INTERNATIONAL JOURNAL OF SUSTAINABLE DEVELOPMENT* 7 (2, 2004), pp 99-120. By Jean-Claude Bolay. Development-related questions have been raised periodically for over forty years. Development cooperation, in its turn, is also controversial, especially since its role is to make good intentions real, i.e. transform them into projects, programmes and other policy instruments generating investments that are much more pertinent than mere

declarations of intent. Starting from an overview of the links between the profit-oriented trends of the globalisation process, and the non-profit aims pursued by the "development cooperation world", this article outlines the specific role that the scientific community plays or will have to play in international exchanges in order to steer the fundamental changes that contemporary societies are going through for the benefit of the greatest number.

"Policies on managing risk in agricultural markets" in *WORLD BANK RESEARCH OBSERVER* 19 (2, 2004), pp 199-230. By Donald F. Larson, Jock R. Anderson, and Panos Varangis. Over the past dozen years, policymakers have largely abandoned long-standing popular approaches for addressing risk in agriculture without fully resolving the question of how best to manage the negative consequences of volatile agricultural markets. The article reviews the transition from past policies and describes current approaches that distinguish between the trade-related fiscal consequences of commodity market volatility and the consequences of price and production risks for vulnerable rural households and communities. The benefits and limitations of market-based instruments are examined in the context of risk management strategies, and innovative approaches to extend the reach of risk markets are discussed.

"Much ado about nothing? Do domestic firms really benefit from foreign direct investment?" in *WORLD BANK RESEARCH OBSERVER* 19 (2, 2004), pp 171-197. By Holger Gorg and David Greenaway. Governments the world over offer significant inducements to attract investment, motivated by the expectation of spillover benefits to augment the primary benefits of a boost to national income from new investment. There are several possible sources of induced spillovers from foreign direct investment. This article evaluates the empirical evidence on productivity, wage, and export spillovers in developing, developed, and transition economies. Although theory can identify a range of possible spillover channels, robust empirical support for positive spillovers is at best mixed. The article explores the reasons and concludes with a review of policy aspects.

Back issues of **BRIDGES Weekly Trade News Digest**© can be accessed at: <http://www.ictsd.org/weekly/archive.htm>

BRIDGES Weekly Trade News Digest© is published by the International Centre for Trade and Sustainable Development (ICTSD), <http://www.ictsd.org/>. Electronic distribution is carried out by the Institute for Agriculture and Trade Policy (IATP).

Contributors to this issue of **BRIDGES Weekly Trade News Digest**© are Yvonne Apea, Johanna von Braun, Eduardo Escobedo, Karen Martell, Sarah Mohan and Malena Sell. Editor: Malena Sell, msell@ictsd.ch. Director: Ricardo Meléndez-Ortiz, rmelendez@ictsd.ch. ICTSD is an independent, not-for-profit organisation based at: ch. de Balxert 7, 1219 Geneva, Switzerland, tel: (41-22) 917-8492; fax: 917-8093. Excerpts from **BRIDGES Weekly Trade News Digest**© may be used in other publications with appropriate citation. Comments and suggestions are welcomed and should be directed to the Editor or the Director.

BRIDGES Weekly Trade News Digest is made possible in 2001 - 2004 through the generous support of the Government of the United Kingdom (DFID). Additional support is provided by ICTSD's core donors: the Governments of Finland, Denmark, the Netherlands and Sweden; Christian Aid (UK), MISEREOR, NOVIB (NL), Oxfam (UK) and the Swiss Coalition of Development Organisations (Switzerland). The **Weekly** also benefits from support for the **BRIDGES** series of publications including: the Rockefeller Foundation, the John D. and Catherine T. MacArthur Foundation and Swiss Development Cooperation. ISSN 1563-0