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LEAD STORIES

WTO NEGOTIATIONS COMMITTEE LOOKS AHEAD TO 2005

WTO Director-General Supachai Panitchpakdi told the Trade Negotiations Committee (TNC) at its 9 December meeting that he plans to launch consultations early next year to encourage Members to "collectively reflect" on the organisation's objectives for 2005.

Despite fears that negotiations would be put on hold by political transitions in the EU and the US, Supachai said that "recent political events in some Members do not appear to have led to any significant hiatus or transition period," with US Trade Representative Robert Zoellick remaining in his job and new EU Trade Commissioner Peter Mandelson declaring the successful conclusion of the Doha Round his top priority.

Chairs' reports in

The chairs of the non-agricultural market access (NAMA), agriculture, services, trade facilitation and development committees reported to the TNC on the progress -- in most cases, the lack thereof -- made in negotiations since October.

NAMA Chair Ambassador Stefan Johannesson of Iceland said that although Members have been expressing their views, there has been little progress. He urged Members to move from clarification exercises to substantive proposals, so as to make the negotiations 'real' rather than technical. Brazil noted that Members disagree on some of the central aspects of the discussions. Trinidad and Tobago, speaking for the group of African, Caribbean and Pacific countries (ACP), said that NAMA negotiations must deliver policy instruments, policy space, and "targeted provisions which facilitate the broadening of the narrow industrial base of [ACP countries], as well as safeguard the development... process."

Ambassador Tim Groser of New Zealand, Chair of the special (negotiating) session of the Committee on Agriculture, said that though the negotiations had benefited from the political attention they had received, progress thus far had not been significant, owing to the

complexity of the technical questions involved. In his report to the TNC, he noted that there would be five "agriculture weeks" between February and July 2005, preceded by an informal consultation on 13-14 December 2004, an informal special session on 15 December (see "Agriculture Informals At WTO Address Export Financing, Blue Box," this issue) and a formal special session on 17 December of this year.

Ambassador Alejandro Jara of Chile, Chair of the special session of the Council for Trade in Services, informed the TNC of new services offers from El Salvador, Malaysia and Egypt. However, he said it was "worrying" that approximately 45 offers remain outstanding, and pointed out that negotiations were lacking in terms of substance (see BRIDGES Weekly, 8 December 2004, <http://www.ictsd.org/weekly/04-12-08/story3.htm>). Several ACP countries stressed that services liberalisation has thus far failed to redress "imbalances in supply-side capacity, efficiency and competitiveness which exist among Members."

Some Members tried to de-emphasise the importance of agriculture to the negotiations as a whole, and talked about the importance of services. Others countered that agriculture was of central importance. Supachai said that Members must recognise the linkages between negotiating positions in different sectors such as agriculture, NAMA, and services.

Malaysian Ambassador Muhamad Noor Yacob, Chair of the newly-created Negotiating Group on Trade Facilitation, said that the body's two meetings thus far had focused on context-setting aspects of the negotiations with presentations by the United Nations Conference on Trade and Development (UNCTAD), the World Bank and the World Customs Organization.

The Chair of the special session of the Committee on Trade and Development, Faizel Ismail of South Africa, said that little progress had been made on the 88 outstanding special and differential treatment (S&D) proposals, though he advised that negotiations could be more productive if they focused on the issues underlying the proposals. ACP members stressed that their first priority was an early harvest on agreement-specific S&D proposals that delivered economic value and made S&D more precise, effective and operational.

Speculation on pre-Hong Kong process continues

Brazil, Switzerland, Singapore and Hong Kong suggested that the December 2005 Ministerial Conference in Hong Kong should aim to complete modalities for agriculture and NAMA, including details on tariff cuts for agricultural, consumer and industrial goods. The EU and Japan suggested that if all goes well, the Hong Kong meeting should accomplish

enough to enable the completion of the Doha Round in 2006. US Trade Representative Zoellick said in a 7 December press conference that he supported a 2006 timeframe, but that "a lot of things have to come together to make that successful."

Observers expect that several "mini-ministerials" will be held in coming months to take stock of the current negotiations and to prepare for Hong Kong. A number of such meetings of trade ministers from key WTO Members were held prior to the 2001 Doha and 2003 Cancun Ministerial Conferences. Although they often draw criticism due to their lack of transparency and exclusion of many WTO Member states, mini-ministerials are nevertheless seen by major WTO economies as a useful forum for moving negotiations forward. China, a regular participant at mini-ministerials, has warned about the need to ensure that countries not feel left out of the negotiation process.

Already, a small group of trade ministers are planning on holding a half-day meeting in Davos, Switzerland on the sidelines of the World Economic Forum in late January. The meeting's organisers refuse to describe the meeting as a mini-ministerial, but participants are nonetheless expected to focus on WTO issues, as occurred in a similar gathering last year. Some Members are eyeing a mini-ministerial in Mombasa, Kenya, in February or March. Mini-ministerials during the Organization for Economic Cooperation and

Development (OECD) ministerial in May 2005 and the Asian Pacific Economic Cooperation (APEC) summit in November 2005 are also rumoured.

The next TNC meeting will be held on 14 February 2005.

ICTSD reporting; "Supachai Cites Positive Spirit in Doha Talks, Urges Early Planning for Hong Kong Meeting," WTO REPORTER, 10 December 2004; "Supachai Announces Process For Setting Objectives For Hong Kong Ministerial," THIRD WORLD NETWORK, 12 December 2004; "WTO Members Look To Mini-Ministerials To Move Doha Forward," WORLD TRADE ONLINE, 10 December 2004; "WTO Eyes Early 2005 'Mini-Ministerial' In Kenya; Talks Still in Preliminary Phase," WTO REPORTER, 15 December 2004; "Bangladesh Is Surviving to Export Another Day," NEW YORK TIMES, December 14, 2004.

GENERAL COUNCIL REVIEWS YEAR'S PROGRESS

In a 13 December meeting of the WTO General Council (GC), Members approved accession requests by Afghanistan and Iraq, and will now set up Working

Parties on their accession. This came after the United States blocked consensus on a similar request from Iran, saying that it was still studying Iran's request to start accession talks -- the same reason it has given for doing so repeatedly over the past three years.

Washington has a broad regime of economic sanctions in place against Iran, which it accuses of supporting terrorism and trying to develop nuclear weapons. The Chinese delegation made a strong point of saying that the Iranian accession request should have been considered, arguing that the American move was motivated by political concerns unrelated to trade.

Iraqi Trade Minister Mohammed al-Jibouri told the GC that re-integration into the international trading system was essential to Iraq's pursuit of "political stability, economic prosperity and social development." Sources indicate, however, that some countries were wondering aloud if countries such as Iraq and Afghanistan would benefit from negotiating disciplines in the WTO, given the precarious security situation in the two countries.

Business proceeded largely as expected at the meeting. China submitted its transitional review to the GC (see "China Marks Three Years In WTO," this issue), and annual reports from a number of WTO bodies (including the Dispute Settlement Body, the Committee on Trade and Development, and the GC itself) were adopted.

Benin and Burkina Faso thanked Director-General Supachai Panitchpakdi for his report (WT/GC/83, available online at <http://docsonline.wto.org>) on the development assistance aspects of the cotton-related elements of the July Package (see BRIDGES Weekly, 8 December 2004, <http://www.ictsd.org/weekly/04-12-08/WTOinbrief.htm#1>). Uganda took the opportunity to remind Members that though it was in Eastern Africa, it too produced cotton.

In his capacity as Chair of the Trade Negotiations Committee (TNC), Supachai reported to the General Council on its work (see "WTO Negotiations Committee Looks Ahead To 2005," this issue). All of the negotiating bodies established by the Doha mandate report to the TNC. Switzerland welcomed the work that had been done on geographical indications. Nigeria expressed hope for a more transparent, inclusive negotiating process in 2005, as well as for a greater emphasis on development issues. Speaking on behalf of the least-developed countries (LDCs), Zambia appealed for the help of developed and the larger developing countries. Linking its remarks to the WTO debates on trade facilitation, the Zambian delegation said that market access alone would not be sufficient to address LDCs' problems; supply-side constraints must be addressed as well.

Honduras and Guatemala told the GC that they should be compensated for the May 2004 enlargement of the European Union, on the grounds that the General Agreement for Tariffs and Trade (GATT) 1994 provides for Members to be compensated when they suffer losses as a result of the establishment of a new customs union. Banana exports to the EU are important to both countries. In response to the countries' request that the GC Chair start consultations on the issue, the EC argued that consultations were unnecessary as the issue was a bilateral one. The Chair agreed to "reflect" on the matter.

Members will soon start consultations on the replacement of the Chairs of some 37 different WTO bodies. The WTO Secretariat put forward a list of the countries that have chaired the various bodies over the past four years to help Members ensure that the posts are fairly distributed.

Director-General Supachai also wrote a letter to all Members about the WTO's 10th anniversary in January 2005. He told them that the Sutherland Report -- a one-time report by a consultative board that includes former GATT/WTO Director-General Peter Sutherland and Columbia University economist Jagdish Bhagwati -- would be circulated in mid-January. The report is expected to cover issues including decision-making within WTO, internal and external transparency, and the position of developing countries in the multilateral trading system. Sources indicate that the report will made be public after its release.

The next GC session is scheduled for 15-16 February 2005, but it will meet on 26 January to discuss the appointment of the next Director-General of the WTO. The candidates for the position will make their presentations at this meeting.

ICTSD reporting; "WTO agrees entry talks with Iraq, U.S. blocks Iran," REUTERS 13 December 2004.

ZOELLICK, AFRICAN LEADERS DISCUSS COTTON, TEXTILES, US-SACU FTA

During a week-long trip to West and Southern Africa from 7 to 13 December, a US team led by US Trade Representative (USTR) Robert Zoellick met with African leaders to discuss a range of issues. These included the current round of multilateral trade liberalisation talks, West Africa's concerns about cotton, the imminent phase-out of textile quotas, and the difficult free trade agreement (FTA) negotiations between the US and members of the Southern African Customs Union. SACU comprises South Africa, Botswana, Lesotho, Namibia and Swaziland (for further information on the US-SACU FTA see BRIDGES Weekly, 6

October 2004, <http://www.ictsd.org/weekly/04-1006/inbrief.htm#2>).

Africa's concerns about cotton

Senegalese Commerce Minister Mamadou Diop Decroix enquired when the US would eliminate its cotton subsidies, and raised the possibility of "protection measures in order to support African cotton producers" until the US has done so. In response, Zoellick pointed to ongoing work within the WTO Doha talks on agriculture to address cotton; US domestic efforts, including aid programmes, to enhance African cotton; and emphasised that the market access dimension of cotton also had to be addressed in light of the fact that "some of the biggest cotton users such as India, Pakistan and China have high barriers to the sale of your cotton and our cotton."

AGOA and textiles

When questioned about the possibility of further improving market access under the African Growth and Opportunity Act (AGOA) to enhance the competitiveness of African textiles after the quota phase-out in January 2005, Zoellick offered no assurances, saying that "under AGOA we actually extended the ability of African countries to get fabric from third countries -- Asia, and elsewhere -- but only for a couple of years because our African counterparts said it's important to develop their own industry." For further information on AGOA's textile benefits see BRIDGES Weekly, 14 July 2004, <http://www.ictsd.org/weekly/04-07-14/story1.htm>.

The Millennium Challenge Account

The Senegalese minister also enquired about the implementation of US commitments under the Millennium Challenge Account (MCA), an initiative by the Bush administration in which development assistance would be provided to countries that fulfil certain good governance criteria. Senegal is eligible to receive benefits under the programme. Zoellick responded that he would be meeting with the MCA board upon his return to the US and would relay further information on this issue to the Senegalese government.

Addressing the US-SACU FTA

In Namibia, Zoellick and Southern African leaders discussed how to advance the US-SACU FTA talks, which have stalled over issues such as intellectual property rights, services and investment -- areas that SACU members argue should be excluded from the negotiations. South African Trade and Industry Minister Mandisi Mphahlela hinted at a proposed mechanism

currently being "examined" in the SACU camp to kick-start the talks and to prevent negotiators from "finding themselves stuck simply because ministers can't meet." Expressing a similar interest in moving the FTA talks forward, Zoellick agreed that "on some of these issues we are going to have to do some more homework. We are going to have to do some trade capacity building [for SACU members]."

Further information on the MCA is available at: http://www.mca.gov/about_us/overview/index.shtml

Full transcripts of Zoellick's meeting with African leaders during this trip are available on the Office of the USTR website at: http://www.ustr.gov/Document_Library/Recent_News/Section_Index.html

ICTSD reporting, "US African Countries Discuss Free Trade," Associated Press, 10 December 2004.

CHINA MARKS THREE YEARS IN WTO

China marked the third anniversary of its membership in the WTO on 11 December by announcing a series of liberalisation measures. The US and the EC, for their part, reviewed China's efforts to adhere to its WTO commitments more favourably than they have in past years. Meanwhile, foreign businesses operating in the country hailed it as a "responsible" Member of the WTO.

China announces liberalisation measures

In keeping with its WTO obligations, China removed import restrictions on steel, natural rubber, wool, acrylic fibres, and plywood. Prior to 11 December, the Chinese government permitted only a limited number of companies to engage in restricted trade in these commodities. That same day, China also liberalised its insurance sector well ahead of its end-2006 deadline to do so, allowing foreign insurers to set themselves up anywhere in the country to sell group, health, and pensions insurance. Insurance brokers are now also allowed to own majority shares in joint ventures that they establish.

USTR finds Chinese WTO compliance "impressive" though incomplete

China's progress as a WTO Member came up for examination both in the WTO General Council, which met on 13 December (see related story, same issue), and in the US Congress, which received an annual report on Chinese trade policy from the Office of the United States Trade Representative (USTR).

As required by the terms of its WTO accession, China submitted to the General Council a review (WT/GC/84) of its balance of payments, foreign direct investment flows, trade policies, institutions, and revenues from trade-related taxes and tariffs. At the meeting itself, the Chinese delegation drew attention to the country's extraordinary import growth -- imports have increased by over 40 percent annually in both 2003 and 2004 -- pointing out that China is now the world's third-largest importer of products from least-developed countries (LDCs). China also noted that many foreign banks and other services companies were operating in the country. Zambia welcomed the Chinese efforts to comply with WTO law. The US agreed that China had largely been living up to its commitments, but said that doing business in China was still unpredictable due to the "systematic opacity" of its regulatory regimes; it also complained that China fails to strictly enforce intellectual property rights (IPR) protections. The EC expressed doubt that China was upholding all of its commitments on services and automobile tariffs.

The USTR report to the US Congress found China's efforts to comply with its WTO obligations "impressive," but went on to note that they were "far from complete," particularly with regard to IPR protections and services.

A recent survey of 1,000 foreign-owned businesses by a Shanghai-based think tank showed that 93 percent of those interviewed were satisfied with China's performance since it joined the WTO in 2001, describing it as a "responsible" Member of the organisation.

China to tax textile exports

In related developments, the Chinese Ministry of Commerce announced over the weekend that it will levy duties on certain textile exports to curb excessive growth when quotas restricting trade in textiles and clothing expire at the end of 2004 (see BRIDGES Monthly Review, October 2004, <http://www.ictsd.org/monthly/bridges/BRIDGES8-9.pdf>). The move comes amid fears that the removal of quotas will result in a flood of Chinese exports that will devastate textile producers in other countries, wiping out millions of jobs. The European Union and other countries have asked China to exercise moderation in its textiles trade.

In its three years in the WTO, China has doubled its trade volume, which surpassed USD 1 trillion in value in the first eleven months of 2004, making it the fourth biggest trader in the world behind the US, the EU, and Japan. The world's new economic giant is increasingly perceived as an influential player in WTO negotiations; it is a member of the G-20 grouping of developing

countries and has become a mainstay of 'mini-ministerial' and other key negotiating meetings.

ICTSD reporting; "China lifts import restrictions on steel and other commodities," AGENCE FRANCE PRESSE, 11 December 2004; "China makes good on WTO insurance vows, some early," REUTERS, 11 December 2004; "China keeping WTO commitments" CANADIAN BROADCASTING CORPORATION, 11 December 2004; "Foreign businesses affirm China's WTO membership," XINHUANET, 11 December 2004; "China WTO Compliance Effort 'Impressive,' But Lags in IPR, Other Areas, USTR Reports," WTO REPORTER, 15 December 2004; "China to Charge Duties on Textile Exports to Curb Trade," DOW JONES, 12 December 2004.

US, EGYPT, ISRAEL SIGN 3-WAY TRADE PACT; MAY FALL FOUL OF WTO

Egypt, Israel, and the US have inked a three-way trade pact under which the US will grant tariff-free access to goods produced in certain areas of Egypt that contain a minimum percentage of Israeli inputs. However, the WTO compatibility of the unilateral market access scheme remains in question.

Officials from the US, Egypt, and Israel met in Cairo on 13-14 December to sign the deal establishing "Qualified Industrial Zones" (QIZs) in Egypt and Israel. If QIZ factories add 35 percent to the value of a product, with Egypt and Israel contributing at least one-third (11.7 percent) each, the product will receive duty-free access to the US market. Similar QIZs have existed in Jordan since 1998.

Supporters of the accord say that it will create 200,000 to 300,000 jobs, mostly in the textiles sector, in the first year after its implementation in 2005; they expect garment exports to the US to double to around USD 1 billion by the end of the year. The Egyptian trade minister also said that the pact "will contribute to a just and comprehensive peace" in the region. Opponents call these projections exaggerated, and argue that the deal is biased in Israel's favour, noting that Jordanian QIZs have an Israeli content requirement of only eight percent. Sources suggest that concerns about competitiveness after the phase-out of textiles quotas in January 2005 may have prompted Egypt to agree to the deal, which has been on the table since 1996.

However, some experts say that the agreement may be discriminatory according to WTO law. Israel is classified as a developing country in the WTO, but the 11.7 percent minimum content requirement does not extend to all developing country Members. The United States has bilateral free trade agreements (FTAs) with Israel

and Jordan. It does not have one with Egypt, though the two countries have been discussing a possible FTA for some time.

ICTSD reporting; "Egypt Trade Deal With Israel Stirs Debate," ASSOCIATED PRESS, 12 December 2004; "United States, Egypt and Israel to Launch Historic Trade Partnership: USTR Zoellick to Participate in Signing in Cairo," OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE PRESS RELEASE, 12 December 2004; "Missing a Chance," INTERNATIONAL HERALD TRIBUNE, 20 November 2004; "Egypt, Israel, U.S. Sign Partial Free Trade Deal," REUTERS 14 December 2004; "Moving closer to a US-Egypt FTA," Al-Ahram Weekly Online, 1-7 July 2004.

AGRICULTURE INFORMALS AT WTO ADDRESS EXPORT FINANCING, BLUE BOX

WTO Members met informally on 13 and 14 December for agriculture negotiations that included discussions on a new draft text on export financing, and on 15 December to debate additional disciplines for so-called "blue box" domestic support.

The new export financing text, presented on 14 December by Agriculture special session Chair Tim Groser, closely resembles the document proposed by former Chair Stuart Harbinson in February 2003 that sought to present new disciplines on government-backed export financing under Articles 9 and 10 of the Agreement on Agriculture. However, the new text incorporates the decision of the July Package (agreed on 1 August 2004) to limit repayment periods for export credits to a maximum of 180 days, revises the language on minimum interest rates for export financing, and introduces a new risk-sharing requirement. However, it leaves the details of special and differential treatment for developing countries open for further negotiations. The 13-14 December meeting also discussed the special safeguard mechanism, the methodology for product-specific caps on aggregate measure of support (AMS), and the base/reference periods in the context of domestic support commitments.

The 15 December meeting focused on possible new criteria for disciplining blue box payments (partially decoupled farm payments under production-limiting programmes) for the first time since the July Package was agreed. The meeting included a presentation from the G-20 group of developing countries calling for the establishment of product-specific spending caps for blue box programmes similar to those proposed for the amber box (trade-distorting subsidies). The G-20 group insisted that the blue box is only designed to help major

subsidisers reform their agricultural programmes, and that such programmes should therefore be considered temporary in nature.

A formal meeting of the special session of the Committee on Agriculture will be held on 17 December. ICTSD will provide coverage of the full "agriculture week" in the next issue of BRIDGES Weekly.

ICTSD reporting; "WTO Members Review Draft Chair Text On Export Credits for Agriculture Trade," WTO REPORTER, 15 December 2004; "G-20 Seeks More Limits, Product Caps On 'Blue Box' Domestic Farm Supports," WTO REPORTER, 15 December 2004.

IN BRIEF

AFRICAN TRADE EXPERTS DISCUSS WTO AGRICULTURE TALKS

African trade experts are meeting in Addis Ababa, Ethiopia, for a five-day workshop which started on 13 December. The workshop, organised by the African Union (AU) in collaboration with the United Nations Food and Agriculture Organisation (FAO), aims to explore multilateral trade issues including strategies aimed at enhancing the region's capacity to engage in the ongoing WTO Doha agriculture negotiations. In his opening address to the workshop, Ethiopian State Minister for Finance and Economic Development, Mekonnen Manyazewal, pointed out that the trade talks must take into account the critical role that smallholder farming systems play in Africa's economic growth and poverty eradication.

ICTSD reporting; "Africa's Position at the WTO Needs Firmer Stance" PANA, 13 December 2004.

WTO IN BRIEF

SUPACHAI PRAISES TEXTILES MONITORING BODY

WTO Members and Director-General Supachai Panitchpakdi took the opportunity to reminisce about the Textiles Monitoring Body (TMB) at its final meeting on 9 December. Supachai described the elimination of all textile and clothing quotas scheduled for 1 January

2005 as an "important milestone in the development of international trade relations," and said that the full integration of all textiles and clothing products into the General Agreement on Tariffs and Trade (GATT) "will not only contribute to increasing trading opportunities, but will also be of major systemic importance".

Despite controversy in recent months regarding the adjustment costs for the smallest developing countries (see related article, this issue), Supachai suggested that the elimination of the quotas would benefit the global economy overall, and that the necessary structural adjustment must be a "steady and continuous process" for all Members. The TMB will cease to exist on 1 January 2005 with the expiry of the quotas on textiles and clothing that it was established to oversee.

ICTSD reporting; "Director-General's remarks on the occasion of the 117th and Final Meeting of the Textiles Monitoring Body," WTO NEWS, 9 December 2004.

EC AND COMPLAINANTS GRANTED DELAY REQUEST IN SUGAR CASE

At its meeting on 13 December, the WTO Dispute Settlement Body (DSB) granted a joint request by Australia, Thailand, Brazil (the complainants) and the European Communities (EC - the respondent) for an extension of the usual 60 day time-period for filing an appeal in the dispute on EC sugar subsidies (see BRIDGES Weekly, 8 December 2004, <http://www.ictsd.com/weekly/04-12-08/WTOinbrief.htm#2>). The DSB agreed to extend the time-period for the EC to file its appeal from 14 December to 31 January 2005. As the panel report was issued on 15 October 2004, the 60 day time-period for appeal was due to expire on 14 December 2004.

ICTSD reporting.

WORKING GROUP ON TRADE, DEBT AND FINANCE FOCUSES ON 'COHERENCE'

At its last meeting of the year on 10 December the WTO Working Group on Trade Debt and Finance (WGTFD) examined the theme of "better coherence in the design and implementation of trade-related reform and monitoring." As in previous meetings, international organisations with observer status in the WGTFD made presentations. A representative of the United Nations Conference on Trade and Development (UNCTAD) spoke on the issue of coherence between trade and finance based on UNCTAD's Trade and Development Report of 2004, and a World Bank official briefed the Working Group on its trade-related work aimed at

alleviating supply-side constraints. The WGTFD also adopted its annual report for the General Council.

The Doha mandate requires Members to examine the relationship between trade, debt and finance. This came at the behest of developing countries seeking ways to reduce their external debt burden in the context of the multilateral trading system as well as those whose economies had been through financial crisis. The agenda of the WGTFD consists of three issue clusters: the relationship between trade and finance; the relationship between trade and debt; and greater policy coherence between relevant institutions (for further background on the WGTFD see Bridges Weekly, 17 July 2002: <http://www.ictsd.org/weekly/02-07-17/story2.htm>).

UNCTAD's presentation, WT/WGTFD/W/27 and The WGTFD 2004 report to the General Council, WT/WGTFD/3, are available at <http://docsonline.wto.org>

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: 16-22 December

16 December, Washington DC, US: EMPOWERING RURAL PEOPLE FOR THEIR OWN DEVELOPMENT. This seminar, organised by the International Food Policy Research Institute, will feature Hans P. Binswanger, of the Agriculture Operations Division of the World Bank. In this seminar, he reflects on his 35 years of work in agricultural development to draw lessons for low-income countries in Africa and elsewhere that have experienced agricultural stagnation. Dr. Binswanger will focus on factors that determine performance in agricultural and rural development, including the institutional environment for rural development and policies and other factors which determine farm profits, such as distorted world prices, transport infrastructure, irrigation, and human capital (including HIV/AIDS), among others. Dr. Binswanger points out that most margins of profitability and most

features of the institutional environment are beyond the control of farmers, and suggests holistic, multi-sectoral approaches to improve the institutional pillars of rural development and agricultural profitability. For further information, contact Laurie Goldberg, tel: 1-202-862-8107; email: L.Goldberg@cgiar.org; Internet: <http://www.ifpri.org/>

20 December, New York, US: BUREAU MEETING FOR THE THIRTEENTH SESSION OF THE COMMISSION ON SUSTAINABLE DEVELOPMENT (CSD-13). The CSD was created in December 1992 to ensure an effective follow-up from the Rio de Janeiro Summit and to monitor and report on implementation of the agreements. It is a functional commission of the UN Economic and Social Council (ECOSOC) and has 53 members. This meeting of the bureau for the CSD will prepare for the Intergovernmental Preparatory meeting and CSD-13 itself, which is scheduled for 11-22 April 2005. For further information, contact the UN Division for Sustainable Development, tel: 1-212-963-2803; fax: 1-212-963-4260; email: dsd@un.org; Internet: <http://www.un.org/esa/sustdev>

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.

16 December: COMMITTEE ON GOVERNMENT PROCUREMENT

16 December: NEGOTIATING GROUP ON RULES - ANTIDUMPING/SUBSIDIES AND COUNTERVAILING MEASURES, INCLUDING FISHERIES SUBSIDIES)

16 December: TRADE POLICY REVIEW BODY - OVERVIEW OF DEVELOPMENTS IN THE INTERNATIONAL TRADING ENVIRONMENT

17 December: TRADE POLICY REVIEW BODY - SWITZERLAND/LIECHTENSTEIN

17 December: DISPUTE SETTLEMENT BODY

17 December: COMMITTEE ON AGRICULTURE - SPECIAL SESSION

Other Upcoming Events

31 January - 5 February 2005, the Hague, the Netherlands: INTERNATIONAL CONFERENCE ON WATER FOR FOOD AND ECOSYSTEMS. Organised by the UN Food and Agriculture Organization (FAO) and the Government of the Netherlands, this conference will provide a high-level platform to help governments identify management practices, share practical lessons learned and determine the enabling environment for harmonizing food production and ecosystem management with a view to implementing internationally-agreed commitments. The outcomes of this conference will provide direct input to CSD-13 and help implement the work programmes of the Convention on Biological Diversity, the Ramsar Convention, as well as the Johannesburg Plan of Implementation. For further information, contact Mathieu Pinkers, e-mail: m.j.h.p.pinkers@minlnv.nl; Internet: <http://www.fao.org/ag/wfe2005/>

24 January, New Delhi, India: SUSTAINABLE PRODUCTION IN THE SOUTH AS A TOOL FOR ENHANCED MARKET ACCESS IN THE NORTH. Organised by Consumer Unity & Trust Society (CUTS) International. This is the final meeting of the project of the same name. The meeting will present the findings of the leather project that attempts to understand the utility of ecolabels/environment measures for increasing India's leather footwear exports. Policy makers, academics and environmentalists will attend this meeting. For further information, contact Mr. Rajeev Mathur, email: citee@cuts-international.org; Internet: <http://www.cuts-international.org/forthcoming-events.htm#sustainable24jan>

RESOURCES

BILATERAL INVESTMENT TREATIES AND DEVELOPMENT POLICY-MAKING. By Luke Eric Peterson, International Institute for Sustainable Development, November 2004. This paper looks at the impacts of bilateral investment treaties -- of which there are now over 2,000 -- on development-oriented policy making. It assesses the major elements of concern in the various formulations of key obligations, and the types of desirable policies they might prevent. The paper is available at http://www.iisd.org/pdf/2004/trade_bits.pdf

A CAPABILITIES APPROACH TO TRADE AND SUSTAINABLE DEVELOPMENT: USING SEN'S CONCEPTION OF DEVELOPMENT TO RE-EXAMINE THE DEBATES. By Aaron Cosbey, International Institute for Sustainable Development, November 2004. This paper takes the thinking of Nobel laureate Amartya Sen and uses it to fashion a comprehensive new

definition of sustainable development. It then asks how trade and trade liberalization might contribute to sustainable development so defined, surveying a complex web of potential impacts. It draws important lessons for civil society, developing countries and the WTO negotiations from the analysis. The paper is available at

<http://www.iisd.org/publications/publication.asp?pno=661>

A NEW WORLD MAP IN TEXTILES AND CLOTHING. By the Organization for Economic Cooperation and Development (OECD), December 2004. This paper argues that while large players such as China stand to gain from the post-quota textile market, winners over time will be those -- whether large or small -- who master the logistics of the marketplace. They will manage costs, of course, but just as crucially, will be able to find quality orders to short deadlines. The report also suggests a policy framework to help deal effectively with such changes, as well as to capitalise on the trade opportunities that are being created through improved market access. A related policy brief from October 2004 is available at <http://www.oecd.org/dataoecd/43/14/33824605.pdf>

DEVELOPMENT STRATEGY AND TRADE LIBERALIZATION: IMPLICATIONS FOR POVERTY AND ENVIRONMENT IN THE PHILLIPINES. By Ian Coxhead and Sisira Jayasuriya, *Environment and Development Economics*, 9 (5, 2004): 613-644. Poverty and environmental degradation or deforestation in developing countries have common determinants in underlying economic and institutional conditions that determine factor and product prices and incentives for migration and resource-depleting activities. These determinants include property rights failures (open access to forest lands) but also 'government failures' in the form of policies that indirectly promote resource use and retard poverty alleviation. A general equilibrium analysis identifies influences that such distortions have on poverty and environment. The authors use a model to consider the likely effects of Philippine trade policy reforms of the 1990s on determinants of poverty, deforestation, and agricultural land expansion. These reforms marked a significant shift away from the import substitution industrialisation strategy that characterised post-independence Philippine development. The results suggest that though reforms would increase poverty in the short term, in the longer run trade liberalisation is poverty reducing. The environmental impact can also be positive, provided liberalised trade is combined with appropriate government action to address market failures.

ON THE ARBITRARINESS AND ROBUSTNESS OF MULTI-DIMENSIONAL POVERTY RANKING. By Mozaffar Qizilbash, the *Journal of Human*

Development, 5 (3, 2004): 355-375. It is often argued that multi-dimensional measures of well-being and poverty are ad hoc and not robust to changes in the selection of weights used. In this paper, it is argued that the extent of arbitrariness and the range of issues relating to robustness have been underestimated in this context. Several issues relating to both the identification of the poor and the use of dimension-specific data are distinguished. These issues are then investigated in the context of the inter-provincial ranking of poverty in South Africa. It turns out that this ranking is fairly robust, and some important policy-relevant results in the literature about the distinction between 'income'/expenditure' and 'human' poverty for the South African context are reinforced rather than undermined by checking for robustness.

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