



INTERNATIONAL CENTRE FOR  
TRADE AND SUSTAINABLE  
DEVELOPMENT

# Bridges

## Weekly Trade News Digest

19 February 2004

Volume 8 Number 6

### LEAD STORIES

HIGH-LEVEL TALKS ON DOHA ROUND ONGOING 1  
DSB UPDATE: LUMBER, "ZEROING" AND  
COMMERCIAL VESSELS 3

### OTHER NEWS

EC ADOPTS COMMODITIES ACTION PLAN 4  
UNCTAD COMMISSION CONVENES ON TRADE IN  
GOODS, SERVICES AND COMMODITIES 5

### IN BRIEF

NEW REGULATIONS TO KEEP "INVASIVE" SPECIES  
OUT OF BALLAST WATER 6  
DEVELOPING COUNTRY ROLE IN FISHERIES TRADE  
DISCUSSED 6  
STIGLITZ CAUTIONS AGAINST RIGID ECONOMIC  
DEVELOPMENT MODEL 7  
NOBEL LAUREATES BACK EXTRACTIVE  
INDUSTRIES REVIEW 7

### WTO IN BRIEF

ADDITIONAL LDCs TO BENEFIT FROM IF ACTIVITIES 8

### EVENTS & RESOURCES

EVENTS 8  
RESOURCES 10

### LEAD STORIES

#### HIGH-LEVEL TALKS ON DOHA ROUND ONGOING

High-level trade officials and trade ministers have been on the road over the last week, meeting with their counterparts in capitals. Informal talks on trade issues, including on the revival of the Doha round, are being held in Mombasa, Kenya, from 18-19 February among a dozen African trade ministers as well as EC Trade Commissioner Pascal Lamy and US Trade Representative Robert Zoellick. WTO Director-General Supachai Panitchpakdi and Chair of the General Council Shantaram Shinde are also present. Following a General Council meeting on 11 February (see BRIDGES Weekly, 12 February 2004, <http://www.ictsd.org/weekly/04-02-12/story1.htm>), Geneva-based trade diplomats are expecting negotiating bodies to be scheduled in mid-March.

#### Mombasa meeting to facilitate trade talks

Hosted by Kenyan trade minister Mukhisa Kituyi, the informal trade talks are focusing on the stalled Doha round, with agriculture high on the agenda. According to Kituyi, "this time we are not going to apportion blame for the collapse of WTO talks on anyone. The discussion in Mombasa is a sensitive one, and we just want to know from them [the WTO, US and EC] what their thoughts are so that we can get into fresh talks knowing our stand... The desire is to be back on the negotiating front by the summer," he said. Echoing this sentiment, Tanzanian trade minister Juma Ngasongwa said, "there is a possibility to have a closer understanding about what is at stake and therefore be able to design a programme that will direct us towards (restarting) the negotiations".

On agriculture trade, Ngasongwa stressed the need for a breakthrough. "For the past 10 years we have undertaken economic and political reforms, we have liberalised, but at the same time you people in Europe, Japan and the US are not liberalising, you have built up a lot of barriers which make our products uncompetitive," he said.

BRIDGES Weekly Trade News Digest is [also available online](http://www.ictsd.org/subscribe) 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](mailto:msell@ictsd.ch), or by telephone at: (41-22) 917-8336

A consortium of civil society organisations observing the talks -- including Oxfam, ActionAid, Eco-news Africa, Kenya's Institute for Economic Affairs and the Southern and Eastern Trade and Information Network -- stressed the need to address imbalances related to commodities prices and cotton in particular, and the need to integrate Africa into a fair, just and equitable international trade framework. Oxfam's Irungu Houghton said that, "Africa's future lies at stake if we don't handle trade issues with the West effectively, and this is what the trade ministers should focus on," adding that, "the rules of international trade must support Africa's integration and her fight against poverty". As such, the groups called for the dismantling of developed country agricultural subsidies and greater market access.

### **Zoellick visits Asian, African countries**

USTR Robert Zoellick arrived in Mombasa following visits in Japan, China, Singapore, Pakistan, India and South Africa. Zoellick sent a letter to WTO Members in January seeking to revive the Doha negotiations (see BRIDGES Weekly, 14 January 2004, <http://www.ictsd.org/weekly/04-01-14/story1.htm>), and is currently on a two-week tour of countries key to restarting the talks.

Meeting with the Japanese minister of economy, trade and industry, Shoichi Nakagawa, in Tokyo, Zoellick stressed his commitment to the multilateral trade system over bilateral trade deals, warning however that if others do not lower their trade barriers, the US will go ahead with bilaterals and "some countries might find themselves left out". In Beijing, Vice Premier Wu Yi and Yu Guangzhou, Chinese Vice Minister of Commerce, supported Zoellick's push to revive trade talks and especially the US initiative for phasing out export subsidies for agricultural products, but cautioned that as a newly acceded Member to the WTO, China should be awarded special treatment and could not be expected to make major new market opening commitments.

Zoellick met with Singaporean trade minister George Yeo, as well as with trade ministers from Thailand, Indonesia, Philippines, Cambodia and Brunei on 13 February. With Yeo, he floated the idea of holding a special WTO ministerial-level meeting in Geneva in the summer, allowing Members to agree on negotiating frameworks. In a meeting with India's Commerce Minister Arun Jaitley, Zoellick discussed the issue of outsourcing. Jaitley opposed potential US measures to restrict outsourcing of services jobs to low-wage countries such as India. Zoellick noted that in order to sustain outsourcing, "we are going to need to be able to have fair job creation in both sides," calling on India to further open its markets.

Zoellick met South African trade and industry minister Alec Erwin in Cape Town on 17 February. After the meeting, he stressed that the US position and that of South Africa were "pretty close" on agriculture, and that the US could accept aggressive cuts in domestic support in addition to getting rid of export subsidies -- as long as the EC and Japan did the same. Erwin noted the need to "take the discussions the various capitals (are engaged in)... and try to bring them together, perhaps in the summer of this year".

Following the meeting in Mombasa, Zoellick is scheduled to visit Brussels on 20 February. He will attend a gathering of ministers from the Cairns Group of agricultural exporters from 23-23 February.

### **EC and G-20 meeting**

The EC and the G-20 -- a developing country grouping formed around the issue of dismantling developed country agricultural subsidies in August last year in response to the EC and US -- held a two-day meeting outside Geneva from 12-13 February to discuss the Doha round in general, and agriculture in particular. The meeting did not yield any substantive results. Noting that the atmosphere had been good, trade diplomats stressed that the talks were not negotiations, but rather provided an opportunity for both sides to get to understand each other's positions better. Among issues discussed was an EC proposal to phase out its agricultural export subsidies on products identified as important by developing countries; the G-20 stuck to its position that all agricultural export subsidies have to go.

The G-20 also met with Switzerland, South Korea, Israel, Japan and Norway, who all have highly protected agriculture sectors.

The WTO negotiating bodies in Geneva are expected to meet again beginning in mid-March. The special (negotiating) sessions will likely be held back to back with the regular WTO bodies dealing with the same subject matter.

"Kenya to host a global trade forum," KENYA BROADCASTING CORPORATION, 17 February 2004; "International Meeting Aims for Détente in Global Trade," IPS, 18 February 2004; "Kenya hosts ministers for trade talks," THE NATION, 17 February 2004; "Africa pushes bid to rescue global trade talks," REUTERS, 18 February; "China willing to play active role in spurring new WTO talks," XINHUANET, 13 February 2004; "S Africa Backs US Bid To Revive Stalled World Trade Talks," DOW JONES, 17 February 2004; "India says U.S. outsourcing curb risks WTO support," REUTERS, 16 February 2004; "Zoellick Reiterates U.S. Commitment To Revive WTO Doha Round Trade Talks," WTO REPORTER, 12 February

2004; "U.S., Singapore call for special meeting to revive WTO talks," KYODO NEWS, 13 February 2004; "EU, G20 alliance do some tough talking on trade," REUTERS, 13 February 2004.

---

## **DSB UPDATE: LUMBER, "ZEROING" AND COMMERCIAL VESSELS**

The WTO Dispute Settlement Body (DSB) met on 17 February, where Members considered a range of ongoing cases and two new ones. The DSB adopted the Appellate Body report on the US-Canada dispute over softwood lumber. It also considered two panel requests; one by the EC for the establishment of a panel in the case on US-Laws, Regulations and Methodology for Calculating Dumping Margins ("Zeroing"), and the other by Korea in the case on EC-Measures Affecting Commercial Vessels.

### **Final curtain for lumber dispute?**

The DSB adopted a final report from the WTO's Appellate Body (WT/DS257/AB/R) and the panel report (WT/DS257/R AND CORR.1) on the long-standing US-Final Countervailing Duty Determination case with respect to certain softwood lumber from Canada.

The US had appealed a 29 August 2003 WTO panel ruling on the lumber dispute, which had provided a mixed decision (see BRIDGES Weekly, 8 October 2003, <http://www.ictsd.org/weekly/03-10-08/story3.htm>). According to the ruling, a Canadian provincial stumpage programme under which Canadian provinces sign agreements with lumber companies allowing them to harvest timber on provincial land in exchange for stumpage fee and forest management obligations, amounts to an illegal subsidy. Thus, the panel ruled that the definitive US countervailing duties were legal. However, the panel ruled in favour of Canada on two main issues; first, that US cross-border comparisons for calculating subsidies were invalid under international trade rules as their calculations were based on US prices (see BRIDGES Weekly, 4 September 2003, <http://www.ictsd.org/weekly/03-09-04/story4.htm>) and second, that the US determination of the existence and amount of benefit to producers was inconsistent with Article 14(Calculation of the Amount of a Subsidy in Terms of the Benefit to the Recipient) of the WTO's Agreement on Subsidies and Countervailing Measures.

On 19 January 2004, the Appellate Body issued its report on the case. It upheld the panel's finding that the US did not violate WTO rules in determining that subsidies were being granted to Canadian softwood lumber producers, but did not agree with the panel's interpretation of "benefit" under the Subsidies Agreement. The Appellate Body further reversed the

panel finding that the US Commerce Department acted inconsistently with the Subsidies Agreement when it rejected the use of timber prices in Canada to measure the subsidy benefit.

In a press release by the Office of the US Trade Representative (USTR), the US expressed its satisfaction with the outcome of the appeal, noting that it remained committed to finding a durable solution to this 20 year dispute (a copy of this is available at <http://www.ustr.gov>).

### **US blocks EC panel request on "Zeroing"**

At the DSB meeting, an EC request for the establishment of a panel to examine the WTO consistency of the US practice of using so-called "zeroing" methodology in its anti-dumping calculations was blocked by the US. "Zeroing" is the practice of calculating average dumping margins by stating negative dumping margins as zero instead of the actual negative amounts.

The EC claims that as a result of the use of this practice in its anti-dumping investigations, the US calculates a margin and amount of dumping in excess of the actual dumping practiced by the companies concerned. According to the EC, this practice also allows the US to collect an amount of anti-dumping duty in excess of the actual dumping practiced by the companies concerned. Thus, the EC considers that the determinations of dumping by the US Department of Commerce and the determinations of injury by the US International Trade Commission, in certain specific cases, together with the imposition of definitive duties, are inconsistent with the WTO Anti-Dumping Agreement.

Although the EC request was blocked by the US, the EC can renew its request at the next meeting of the DSB scheduled for 19 March, at which time the panel will automatically be established, unless there is a consensus among all countries, including the initiator, against appointing the panel.

### **Korea challenges EC on subsidies to commercial vessels**

The EC blocked Korea's first request for the establishment of a panel in challenging the provisions of EC regulation 1177/2002 (the 'TDM Regulation') and EC Regulation 1540/98. According to Korea, provisions in the above regulations provide for granting of subsidies in favour of commercial vessels. Korea further asserts that the EC and its member states have in particular instances, through federal, regional or local authorities, provided subsidies in support of commercial vessels built in the EC particularly, but not exclusively. According to Korea, these measures adversely affect

the conditions of competition and are in violation of the WTO's Agreement on Subsidies and Countervailing Measures. Korea also contends that by this practice, the EC is wrongfully seeking unilateral redress in retaliation to a perceived violation of Korea's obligations under the Subsidies Agreement.

In an earlier panel request launched by the EC, the EC alleged that Korea granted subsidies to its shipping industry. A panel has since been constituted to hear that case (a copy of the panel request in that case, WT/DS273/6, can be found at <http://docsonline.wto.org/>).

ICTSD reporting; "US Wins Key Issues in WTO Softwood Lumber Appeal," USTR press release, 19 January 2004; "WTO Issues Two Decisions Favoring U.S. in Long-Standing Lumber Spat with Canada," WTO REPORTER, January 21 2004.

---

## OTHER NEWS

---

### EC ADOPTS COMMODITIES ACTION PLAN

The European Commission adopted a commodities action plan on 12 February with the aim of helping developing countries combat agricultural commodity dependency. EC support will target the African cotton sector specifically, and the EC will expand and simplify its 'FLEX' instrument, which is used to compensate African, Caribbean and Pacific (ACP) countries for short-term fluctuations in export earnings.

#### Strategy to target commodity dependent developing countries

Recognising the need to reduce the vulnerability of countries dependent on commodities such as coffee, cotton and cocoa for the majority of their export earnings, the EC has adopted a plan focusing on six major areas: supporting commodity dependent developing countries in elaborating strategies covering critical parts of the commodities chain; supporting regional initiatives for commodity development; increasing access to finance and commodity risk insurance schemes; supporting diversification; helping integrate commodities dependent countries in the international trading system; and enhancing sustainable corporate practices and investments in such countries.

Building on the action plan, the EC has developed a specific programme for African cotton producers. The

EC has allocated more than EUR 80 million in trade related technical assistance to help African cotton producers consolidate the competitiveness of their cotton sectors and put in place measures to mitigate the impact of price fluctuations. The EC is currently discussing a reform of the support for its cotton producers by partly decoupling support from production, which would reduce trade-distorting effects. The EC does not apply export subsidies to cotton, and encourages other developed countries to eliminate such subsidies and improve access to their markets.

EC Trade Commissioner Pascal Lamy commented that, "commodity dependent developing countries are particularly disadvantaged in their efforts to reap the benefits of a more open international trading system...trade alone is clearly not a sufficient answer as we have witnessed in the case of African cotton, which already has full market access in the EU. We need to support the development of the supply side. We must also continue our efforts to reduce trade-distorting support. These are key objectives of the on-going WTO negotiations which need to re-start in earnest if development friendly outcomes such as these are to be assured".

#### Commodities plan discussed at ACP-EU meeting

Officials from the African, Caribbean and Pacific (ACP) countries are meeting with 300 parliamentarians from the EU in the Ethiopian capital Addis Ababa from 16-19 February. The objective of the meeting is to discuss peace and security in developing countries, aid, trade and health-related issues. At the meeting, Lamy outlined the new EC trade commodities action plan, and participants had a chance to comment on it. Although the EC is hoping the new strategies will help Africa meet some of the Millennium Development Goals set by the UN, critics pointed out that the problem of EC farm subsidies are not discussed in the ACP-EC talks. At the launch of the conference, Ethiopian Prime Minister Meles Zenawi stressed, "Without fair trade, nothing we do will create sustained development... In a globalised world, we are and cannot but be each others' keepers". Sam Barrett of Oxfam International noted that, "Europe should not use the cotton issue as a smokescreen to hide its inaction on sectors where EU subsidies are the real problem, such as sugar and dairy products... Tariffs and subsidies are effectively controlling the way markets work - the way you let some commodities in and keep others out...It is very rich of the EU to say 'open up your markets' while they pull up the drawbridge on theirs".

ICTSD reporting; "Ethiopia: ACP-EU trade conference opens in Addis Ababa," IRIN NEWS, 16 February 2004; "Africa: Focus on EU/ACP trade conference in Addis Ababa," IRIN NEWS, 16 February 2004; "Commission



adopts action plan to help developing countries fight agricultural commodity dependency and support the development of the cotton sector in Africa," EC RELEASE, 12 February 2004.

---

## **UNCTAD COMMISSION CONVENES ON TRADE IN GOODS, SERVICES AND COMMODITIES**

The eighth session of the UN Conference on Trade and Development (UNCTAD) Commission on Trade in Goods, Services and Commodities was held in Geneva from 9-13 February. The objective of the session was to "carry out a strategic overview of the international trading system from a development perspective, with special attention to UNCTAD XI's sub-theme of assuring development gains from international trade and trade negotiations". The Commission focused on the following items: market access, market entry and competitiveness; trade in services and development implications; trade, environment and development; and progress on the implementation of previous Commission conclusions, including post-Doha follow-up. Interactive high-level dialogues were held on each of these items. Dani Rodrik and Carlos Correa further gave a special presentation entitled "Key Stakes for Developing Countries in the Post-Doha Trade Negotiations".

### **Panel on development issues in trade and trade negotiations**

A high-level panel on Development Gains, Opportunities, and Challenges in the International Trading System and Trade Negotiations convened on the afternoon of 9 February. Senior representatives from WTO missions in Geneva, including from the EC, the US, India, Brazil, South Africa, and Zambia participated, as did Douglas Gregory of IBM Europe and Michael Finger, currently with the American Enterprise Institute. The participants addressed, inter alia: key challenges affecting developing countries in the international trading system; opportunities and development gains from international trade negotiations; prospects for optimal outcomes of current negotiations; and finally, the main elements of the pro-development policies of developed countries and partners and ingredients for developing country national policies that assure development gains through trade. The speakers supported the 'successful' conclusion of the Doha round as a positive contribution to development, however differences prevailed over the respective panellists' definition of success, as well as how it was to be achieved.

Some common themes brought up included the importance of placing agriculture at the heart of discussions, the need for greater focus on south-south trade, as well as the need for complementarity between international and regional trading arrangements. Supply side constraints were highlighted as an area needing to be better addressed. Participants discussed the importance of maintaining 'policy space' in the face of liberalisation, thought they diverged over its importance, especially vis-à-vis trade-offs with the market access agenda. Some speakers raised concern over the possible resurgence of protectionism via new non-tariff barriers, food safety and other standards (including environmental), and security concerns. The need to achieve a balance between free market and government intervention was echoed by some of the panellists, noting that this was an issue of policy coherence between and within developed and developing countries, as well as international institutions. Some developed country representatives stressed the need for trade-related technical assistance, but the panel's confidence differed over its broader developmental impact.

### **Environmental goods and services, market-access barriers debated**

The high-level panel on Trade, Environment and Development, convening on 12 February, debated the role of environmental goods and services (EGS), as well as developing country capacities to respond to environmental requirements and enhance their competitiveness in this area. Chaired by Dacio Castillo of Honduras, the panel included Geneva-based WTO ambassadors as well as Luisa Elena Guinand Quintero of the Andean Community BIOTRADE initiative and Paulo Ferracioli of the Brazilian National Institute of Metrology, Standardisation and Industrial Quality.

In discussion, a number of developing countries recognised the complexities involved in negotiating a reduction or possible elimination of tariff and non-tariff barriers to environmental goods and services. Participants emphasised that any list proposed on environmental goods had to reflect the special needs and interests of developing and least-developed country participants. While many countries expressed an interest in environmentally preferable products (EPPs) and services with export potential -- such as eco-tourism -- they also expressed wariness about possible criteria based on process and production methods. A number of participants, particularly from Africa, drew attention to the adverse impact of diverse standards on market access for small and medium enterprises (SMEs), and stressed the need for technical and financial assistance.

**Rodrik and Correa speak on 'policy space' for development**

Also on 12 February, professors Dani Rodrik of Harvard University and Carlos Correa of University of Buenos Aires addressed the UNCTAD Commission on key factors driving development. They highlighted supportive trade policy options, development gains from trade negotiations, and 'spaces' for development policy. Both speakers were emphatic that compared to the one-size-fits-all approach of the 1980s and early 90s, a greater understanding prevailed today of the policy and institutional mix required to promote development. Professor Rodrik stressed the need to promote greater activity by domestic entrepreneurs and domestic investors in the local economy. He also noted that the development benefits of agricultural liberalisation were being vastly overplayed and that mode 4 in the services negotiations (temporary movement of natural persons) offered far better development gains. He warned against trading off policy space for greater market access.

Professor Correa touched on the shrinking spaces available to developing countries as a result of the WTO's Agreement on Trade-related Aspects of Intellectual Property Rights (TRIPs) -- a trend further strengthened in the proliferating bilateral investment (BITs) and intellectual property right (IPR) treaties. He noted that these IPR treaties were presenting an obstacle to innovation. In conclusion, he stressed the need for developing countries to be more proactive on the IPR agenda, as indeed IPRs could help spur innovation if used correctly.

ICTSD reporting.

---

**IN BRIEF**

---

---

**NEW REGULATIONS TO KEEP  
"INVASIVE" SPECIES OUT OF BALLAST  
WATER**

---

On 13 February over 100 countries signed a UN treaty that seeks to regulate ballast water management in the shipping industry. The two-tiered treaty, 10 years in the making, is sponsored by the UN's International Maritime Organisation (IMO). The first tier includes regulations that apply to all ships, while Tier 2 gives countries the option to take additional measures before allowing ships to enter their ports. After much deliberation, countries agreed on a phase-in period for different

regulations, beginning in 2009 and ending in 2016. However, Andreas Inveteraas, representing the civil society group WWF, expressed concern that the treaty could be slow to make an impact. "The huge challenge now will be to ratify the treaty - and that could take years," he said.

Ballast water is taken on by ships to provide balance and stability, but in the process marine species are absorbed and can travel thousands of miles. Once let out in new environments, these alien species can disrupt foreign ecosystems. The WWF estimates that 4,000 different species can be carried in a typical ship's ballast at any one time. IMO Secretary General Efthimios Mitropoulos elaborated on the problem, saying that "Unlike oil spills and other marine pollution caused by shipping, exotic organisms and marine species cannot be cleaned up or absorbed into the oceans. Once introduced, they can be virtually impossible to eliminate and in the meantime may cause havoc". For example, the zebra mussel that arrived in the US with ballast water has polluted local water supply and damaged underwater infrastructure, resulting in cleanup costs to the tune of almost US\$ 1 billion between 1989 and 2000. Experts fear that the problem is worsening due to increased globalisation and international trade, as 90 percent of the world's traded goods are carried by sea.

"UN Conference on Ballast Water Opens," UN WIRE, 10 February 2004; "UN Agrees on Laws Against Alien Marine Invaders," REUTERS, 16 February 2004.

---

**DEVELOPING COUNTRY ROLE IN  
FISHERIES TRADE DISCUSSED**

---

The Sub-Committee of the UN Food and Agriculture Organisation (FAO) on Fish Trade met for its ninth session from 10-14 February in Bremen, Germany. Participants discussed eco-labelling, food safety, traceability rules as well as market access for developing countries. Discussions on food safety and consumer health topped the agenda at the meeting, with participants calling both for greater safety control through traceability systems -- tracing the fish product from capture to consumption -- as well as for capacity building for developing countries to implement such systems and related safety controls. The risk of safety measures, implemented by countries to protect human health and/or the environment, becoming a barrier to trade and market access for developing country exports was highlighted. In this respect, participants stressed that such measures should be based on solid science in order to avoid unfair barriers to trade. Related to market access speakers also noted that although developing countries account for around 50 percent of the world fish trade, a major part of their exports consist

of unprocessed fish instead of processed fish products, which would provide higher revenue. According to Audun Lem, FAO Officer, the main reason for this related to tariff peaks and tariff escalations for processed fish applied by developed countries (tariff peaks, i.e. exceptionally high tariffs on certain products, and tariff escalation, i.e. higher tariffs on products of higher value added). On standards, participants agreed on draft eco-labelling guidelines for fish products that would serve as global reference standards for eco-labelling systems once adopted. The eco-labelling system would ensure that wild fisheries as well as aquaculture would be based on sustainable practices.

The draft report of the meeting will be submitted to the FAO Committee on Fisheries for approval.

Meeting documents are available at: [http://www.fao.org/fi/meetings/cofi/cofift\\_9/default.asp](http://www.fao.org/fi/meetings/cofi/cofift_9/default.asp)

"Fish trade a success story for developing countries, but is the field level enough," FAO, 13 February, 2004; "FAO meeting on global fish trade closes in Germany," FAO, 16 February, 2004; "UN meeting on global fish trade recommends action to boost consumer safety," UN NEWS, 17 February, 2004.

---

### **STIGLITZ CAUTIONS AGAINST RIGID ECONOMIC DEVELOPMENT MODEL**

On 11 February, Professor Joseph Stiglitz delivered the 2004 Gunnar Myrdal Lecture on "The Process of European Integration and the Future of Europe" for the UN Economic Commission for Europe (UNECE). In his lecture, Professor Stiglitz touched on a number of themes, including: the model underpinning much of economic policy today; the 'insufficient attention' being paid to employment; the 'excessive attention' being paid to corporate rights; and democratic processes. Broadly, the 2001 Nobel Laureate economist criticised elements of the ideologically based, corporate-driven market agenda, noting that information asymmetries often intervene in capturing 'potential' gains from trade liberalisation, privatisation, and de-regulation. He cautioned the designers of the future of European integration not to promote a single, rigid model based on ideology, but rather to promote a model based on pragmatism and flexibility, such that the institutions of Europe could effectively adapt to the changing landscape of the integration project -- such as pending labour markets effects resulting from enlargement. When touching specifically on intellectual property rights and the WTO Agreement on Trade-related Aspects of Intellectual Property Rights (TRIPs), Dr. Stiglitz -- a promoter of innovation-based development - noted the need for a better balance between users and producers. Commenting on developing countries'

signing onto the TRIPs Agreement in 1995, he said they were essentially "signing a death warrant".

Transcripts from the lecture will be available in coming weeks at <http://www.unece.org>

ICTSD reporting; "Nobel Prize Laureate Joseph Stiglitz To Give Gunnar Myrdal Lecture", UNECE RELEASE, 9 February 2004.

---

### **NOBEL LAUREATES BACK EXTRACTIVE INDUSTRIES REVIEW**

In a letter to World Bank President James Wolfensohn, five former Nobel Peace Laureates urged him to accept the recommendations of an independent review of the World Bank's involvement in the extractive industries. World Bank management recently rejected some of the outcomes of the Extractive Industries Review (EIR) (see BRIDGES Trade BioRes, 6 February 2004, <http://www.ictsd.org/biores/04-02-06/inbrief.htm#2>), arguing, inter alia, that ending the financing of oil projects "would unfairly penalise small and poor countries that need the revenues from their oil resources to stimulate economic growth and alleviate poverty". In the letter to Wolfensohn, Archbishop Desmond Tutu, 1984 Nobel Peace Prize recipient for work with apartheid in South Africa, wrote, "war, poverty, climate change, greed, corruption, and ongoing violations of human rights - all of these scourges are all too often linked to the oil and mining industries". Sir Joseph Rotblatt, Jody Williams, Betty Williams, and Mairead Maguire went on to say, "Your efforts to create a world without poverty need not exacerbate these problems... The Review provides you an extraordinary opportunity to direct the resources of the World Bank Group in a way that is truly oriented towards a better future for all".

The review had proposed that the World Bank and its private sector arm, the International Finance Corporation, should withdraw from the oil and gas sector within five years and instead concentrate on financing renewable energy projects. To protect biodiversity, it recommended establishing "no-go" areas for internationally recognised critical habitats. Finally, it looked sceptically on the practice of mine tailings disposal, a practice that has been linked to toxic contamination in fish. The recommendations are opposed by coal, oil, and natural gas business industries that would be particularly affected if their projects lost World Bank financial support.

ICTSD reporting; "Nobel Laureates Ask World Bank To Curb Extractive Industries," ENS, 13 February 2004.

---

**WTO IN BRIEF**

---

---

**ADDITIONAL LDCS TO BENEFIT FROM IF ACTIVITIES**

---

The Steering Committee of the Integrated Framework for Trade-Related Technical Assistance to Least Developed Countries (IFSC) met on 13 February, drawing unprecedented attendance. Among others, thirty-one least developed countries (LDCs) at different stages of the Integrated Framework (IF) process participated. The meeting adopted the next phase of the IF Work Programme, based on an evaluation (see document WT/IFSC/6/Rev.2 available at <http://docsonline.wto.org>). The Work Programme (WT/IFSC/W/14) lists nine broad areas of action to focus on during the next stage of the IF, such as follow-up and evaluation of previous work, ensuring greater synergies in capacity-building, strengthen country ownership of the IF and improve communication and outreach.

Many LDC participants made IF progress reports. Countries such as Benin, Chad, Sao Tome and Principe, Laos, Mozambique and Zambia reported positive experiences with technical reviews undertaken by the World Bank, and diagnostic trade integration studies (DTIS) are set to follow in these countries. Technical review activities for the next group of countries, namely Sudan, Rwanda, Burkina Faso and the Maldives are also due to begin. LDCs, donors and agencies further agreed to set up a ceiling on Window II Funds of the IF. LDCs that have undertaken a DTIS can access Window II funding for priority projects during the phase between the completion of the DTIS and access to funding (including bilateral and multilateral sources) through Consultative Groups (CGs), Round Tables and programme support. As such, Window II Funds have been envisaged as a 'bridging mechanism' with quick disbursement (see BRIDGES Weekly, 21 May 2003 accessible at <http://www.ictsd.org/weekly/03-05-21/wtoinbrief.htm>).

Composed of six LDC representatives, six core agencies (WTO, UNCTAD, ITC, World-Bank, IMF and UNDP) and donors, the Integrated Framework Steering Committee was established in 2001 to oversee the management of the IF. Its responsibilities include setting policy guidelines, coordination, and providing oversight; and assessing progress of the IF. The next IFSC meeting is scheduled for May this year.

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](mailto:events@ictsd.ch).

**Coming Up: 19-25 February**

until 27 February 2004: EU TRADE NEWS PUBLIC CONSULTATION: IMPROVING SUSTAINABILITY IMPACT ASSESSMENTS. All interested parties are invited to take part in an online public consultation helping to shape EU policy. The Directorate General Trade wants to improve the current methodology used for assessing trade policy impacts on sustainable development. Written comments are invited on a draft consultation paper and may be submitted to [eric.peters@cec.eu.int](mailto:eric.peters@cec.eu.int). To see the public consultations page and download the document, see: <http://trade-info.cec.eu.int/consultations/index.cfm>

9-20 February, Kuala Lumpur, Malaysia: 7TH CONFERENCE OF THE PARTIES TO THE CONVENTION ON BIOLOGICAL DIVERSITY. Priority issues include: mountain biological diversity; protected areas; and technology transfer. For further information, contact the CBD Secretariat, tel: +1-514-288-2220; fax: 288-6588; email: [secretariat@biodiv.org](mailto:secretariat@biodiv.org); Internet: <http://www.biodiv.org/meetings/cop-07/>

16-20 February, Windhoek, Namibia: 14TH MEETING OF THE CITES PLANT COMMITTEE. This meeting is organised by the CITES Secretariat. For further information contact the CITES Secretariat; tel: +41-22-917-8139; fax: +41-22-797-3417; email: [cites@unep.ch](mailto:cites@unep.ch); Internet: <http://www.cites.org>. For a report by IISD' Earth Negotiations Bulletin, see: <http://www.iisd.ca/cites/CITP14/>

18-20 February 2004, Vienna, Austria: FOURTH GLOBAL FORUM ON SUSTAINABLE ENERGY (GFSE-4). The proposed working title for GFSE-4 is "Energy for Sustainable Development: Reconsidering the Role of Subsidies". As GFSE-4 will take place about three months prior to the German-sponsored international conference on renewables - Renewables 2004 - in Bonn in June, GFSE-4 may devote at least one day to the issues specifically connected with renewables. For further information contact: Irene Freudenschuss-Reichl; tel: +1-212-963-6890; fax: +1-212- 963-7904; e-mail: [freudenschuss-reichl@un.org](mailto:freudenschuss-reichl@un.org); Internet: <http://www.gfse.at/>



18-20 February, Guatemala City, Guatemala: **INTRODUCTORY WORKSHOP ON WTO DISPUTE SETTLEMENT.** The UN Conference on Trade and Development (UNCTAD) will host a regional workshop, the ninth to be organised by UNCTAD's project on dispute settlement in international trade, investment, and intellectual property. The project hopes to build trade-related capacity in developing countries, with government officials, academics, lawyers, representatives of trade unions, NGOs, and the private sector all expected to attend. Actual cases involving Central American countries will be discussed along with how WTO decisions have affected developing countries practices in the past. For further information see <http://www.unctad.org/Templates/Meeting.asp?intItemID=2068&lang=1&m=8463&year=2004&month=2>

22 February, Kuala Lumpur, Malaysia: **INTERNATIONAL BIOSAFETY SEMINAR.** Organised by the Third World Network, the seminar will focus on some of the latest developments in independent biosafety research. Topics include emerging trends in genetic engineering and biological warfare, implications for biosafety regulation, and the new genetics of gene ecology and the fluid genome. The purpose is to give delegates some background prior to the Conference of the Parties Serving as the Meeting of the Parties to the Cartagena Protocol on Biosafety (COP/MOP1). For further information, contact: Third World Network, email: [twinkl@po.jaring.my](mailto:twinkl@po.jaring.my), web site: <http://www.twinside.org.sg> or [http://www.ftaa-alca.org/SpComm/SOC/Thema\\_e.asp](http://www.ftaa-alca.org/SpComm/SOC/Thema_e.asp)

23 February 2004, Geneva, Switzerland: **PREPARATORY COMMITTEE FOR UNCTAD XI - CIVIL SOCIETY HEARING.** This meeting will be held at the Palais des Nations. UNCTAD XI will be held from 13-18 June 2003 in Sao Paulo, Brazil and is seen as an opportunity for tackling the most pressing developmental challenges confronting developing countries. For questions, including future meetings and accreditation to the Conference, please contact Amel Haffouz, email: [amel.haffouz@unctad.org](mailto:amel.haffouz@unctad.org); Internet: <http://www.unctad.org>

23-24 February, London, England: **SUSTAINABLE DEVELOPMENT IN THE WTO: TRADE, INVESTMENT AND ENVIRONMENT AFTER CANCUN.** This international conference is the fifth in the Royal Institute of International Affairs' series on trade, investment, and sustainable development. Challenges to the multilateral trading system in the wake of Cancun will be discussed, including the US and EU response to developing country concerns over agricultural subsidies, the negotiating dynamic of the new G21 grouping of developing countries, and potential conflicts between trade and sustainable development. For further information and to register for the conference contact

the Conference Unit tel: +44-20-7957-5729; Internet: <http://www.riia.org/index.php?id=5&cid=38>

23-25 February, Costa Rica: **CAIRNS GROUP MEETING.** The Cairns Group countries of agricultural exporters will meet to discuss the Doha round trade negotiations.

23-27 February, Kuala Lumpur, Malaysia: **FIRST MEETING OF THE CONFERENCE OF THE PARTIES SERVING AS THE MEETING OF THE PARTIES TO THE CARTAGENA PROTOCOL ON BIOSAFETY.** Substantive issues to be discussed include: decision procedure; information sharing and the Biosafety Clearing-House; capacity-building; handling, transport, packaging and identification; compliance; liability and redress; and monitoring and reporting. For further information, contact the CBD Secretariat, tel: +1-514-288-2220; fax: 288-6588; email: [secretariat@biodiv.org](mailto:secretariat@biodiv.org); Internet: <http://www.biodiv.org/meetings/mop-01/>

25 February, London: **SUSTAINABLE DEVELOPMENT PROGRAMME DISCUSSION MEETING.** The Sustainable Development Programme of the London-based Royal Institute of International Affairs (RIIA) will hold a meeting entitled "UK Bilateral Investment Treaty Programme and Sustainable Development: Implications of bilateral negotiations on investment at a time when multilateral talks are faltering". Particular attention will be given to the impact of bilateral investment treaties on sustainable development. Attendance is free of charge, but pre-registration is necessary. For further information contact Sam Usiskin, tel: +44 (0) 20 7957 5711; email: [sustainable-development@riia.org](mailto:sustainable-development@riia.org)

25 February, Adelaide, Australia: **SYMPOSIUM ON WHY HAVE A WTO? FOCUSING ON THE WELFARE EFFECTS OF WTO LAW.** Sessions include Accommodating Non-economics Objectives in WTO Law; SPS, Food Safety and GMOs; and Intellectual Property. This symposium is an opportunity for lawyers and economists to hear presentations and to engage in discussion on the underlying principles of WTO law. For further information, please see the website of the Institute for International Economics, Business and Law at <http://www.iibel.adelaide.edu.au/symposium/index.html> or the website of the Sydney Centre for International and Global Law [http://www.law.usyd.edu.au/centres\\_institutes/SCI/GL/FutureEvents.htm](http://www.law.usyd.edu.au/centres_institutes/SCI/GL/FutureEvents.htm)

## WTO Events

An updated list of forthcoming WTO meetings is posted at: [http://www.wto.org/english/news\\_e/meets.pdf](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.

20 February, Geneva, Switzerland: WTO COMMITTEE ON GOVERNMENT PROCUREMENT.

24-25 February, Geneva, Switzerland: WTO DISPUTE SETTLEMENT BODY - SPECIAL SESSION.

24-26 February, Geneva, Switzerland: WTO WORKING PARTY ON THE ACCESSION OF SAUDI ARABIA.

### Other Forthcoming Events

29 February, Johannesburg, South Africa: ACHIEVING AGRICULTURAL DEVELOPMENT THROUGH AGRICULTURAL TRADE - A CAPACITY AND COMMUNICATION BUILDING SEMINAR. The International Food and Trade Policy Council (IPC) will hold a seminar to discuss the role that agricultural policy can play in economic development and the way that role functions within regional, multilateral, and bilateral trade negotiations. A wide variety of interests will be represented, including government officials, farmers, and other agricultural stakeholders from the region. For further information, or to indicate interest for limited fellowships that are available, contact IPC Communications Director Kari Heerman at [heerman@agritrade.org](mailto:heerman@agritrade.org); Internet: <http://www.agritrade.org>

18 March, Brussels, Belgium: SUSTAINABILITY IMPACT ASSESMENT OF EU-GULF COOPERATION COUNCIL NEGOTIATIONS. The meeting will provide an update on the state of negotiations between the EU and Gulf Cooperation Council and will include a presentation from consultants at PriceWaterhouseCooper of their draft final Sustainability Impact Assessment Report. For more information see the agenda: [http://trade-info.cec.eu.int/civil\\_soc/meet.php?action=consult&criter e=134](http://trade-info.cec.eu.int/civil_soc/meet.php?action=consult&criter e=134); and the consultant's website: <http://www.sia-gcc.org/index.html>

22 March, Washington D.C., US: NAFTA INVESTMENT LAW AND ARBITRATION, THE EARLY YEARS. The American University Washington College of Law will hold a conference focusing on Chapter 11 of the 10-year old NAFTA agreement. Chapter 11 on investment allows private parties to sue governments and thus has been one of the agreement's most controversial provisions, inciting extensive debate in both political and legal circles. A number of former private sector and government lawyers will be present

to discuss the issues at hand. For more information contact Heather Maurer of the Washington College of Law, email: [hmaurer@wcl.american.edu](mailto:hmaurer@wcl.american.edu). To register, visit [http://www.wcl.american.edu/secl/cle\\_form.cfm](http://www.wcl.american.edu/secl/cle_form.cfm)

26-27 March, East Lansing, Michigan, US: IP, SUSTAINABLE DEVELOPMENT AND ENDANGERED SPECIES: UNDERSTANDING THE DYNAMICS OF THE INFORMATION ECOSYSTEM. The Intellectual Property and Communications Law Program of Michigan State University will host a symposium exploring the possibility of sustainable development with regard to intellectual property. The balance between intellectual property protection and the public domain, broadband platforms and media access, the tension between real and intellectual property theories, biological and cultural diversity, technology transfer among developed and less developed countries, and open-source software and innovation barriers will be among the issues discussed. For further information contact Peter K. Yu, tel: +1 517 432 6908; email: [peter\\_yu@msn.com](mailto:peter_yu@msn.com)

10 May, Szentendre, Hungary: SEMINAR ON THE RELATIONSHIP BETWEEN MEAS AND WTO RULES. The Institute for European and International Environmental Policy is organising a one-day seminar to bolster civil society's awareness of international and European trade policy, with a special emphasis on multilateral environmental agreements (MEAs) and WTO rules. A number of civil society groups from central and eastern Europe are expected to attend, including environmental NGOs, consumer groups, trade unions, and research institutes. The seminar seeks to better inform these groups about the relationship between MEAs and WTO rules as well as promote their involvement in European trade policy. For further information contact: Markus Knigge; tel: +49-30 8688-00; email: [knigge@ecologic.de](mailto:knigge@ecologic.de); Internet: <http://www.ecologic-events.de/eu-trade-policy/en/index.htm>

12 May, Toronto, Canada: CONFERENCE OF THE REDUCERS. The Conference of the Reducers is a forum of leading companies and national, state, and city governments concerned with reducing greenhouse gas emissions. Sponsored by the Climate Group and the city of Toronto, presentations and panel discussions will address government approaches to climate change, reducing corporate emissions, and the role of the financial community. For further information contact the organisers at: [info@climategroup.org](mailto:info@climategroup.org)

---

### RESOURCES

TWENTY-FIVE WAYS TO IMPROVE THE DERBEZ DRAFT ON AGRICULTURE. By the International Food

& Agricultural Trade Policy Council (IPC, 10 February 2004). According to the authors it appears likely that the agricultural text drafted by Mexican Foreign Minister, Luis Ernesto Derbez, at the Cancun Ministerial Meeting will be the basis for further negotiations. The IPC has assessed the Derbez proposal against the dual goals of furthering agricultural reform and achieving the development objectives of the Doha Round. The paper includes a side-by-side comparison of the major proposals issued since March 2003. To access the report visit <http://www.agritrade.org/Doha/Derbez/Assessment%20Paper.pdf> or contact IPC at [agritrade@agritrade.org](mailto:agritrade@agritrade.org)

**WTO AND DEVELOPING COUNTRIES.** By Homi Katrak and Roger Strange (Palgrave Macmillan, November 2002). This book shows how large an impact the WTO has on developing countries. It assesses the subsidies given and shows how they will be affected by trade liberalisation. It looks in particular at the TRIPS agreement and assesses the costs and benefits that it will have for developing countries. Many of the chapters are versions of papers presented at a "WTO and Developing Countries" conference held at King's College in London in September 2002. It combines contributions from non-governmental organisations such as Save the Children, Oxfam and Action Aid, as well as from academics in the field. For further information see <http://www.palgrave-usa.com/catalog/product.aspx?isbn=1403903441>

**INTERNATIONAL GOVERNANCE OF BIODIVERSITY: INVOLVING USERS OF GENETIC RESOURCES.** By Sélim Louafi, Jean-Frédéric Morin (Institut du Développement Durable et des Relations Internationales, February 2004). This report was written in the follow-up of an international roundtable organised jointly by Iddri and the United Nations University (Institute of Advanced Studies) in Paris on 6 and 7 November 2003. The objective of this document is to analyse the extent to which greater involvement by users makes it possible to enlarge the discussion on international governance of access and benefit sharing and, by doing so, improve its effectiveness. It explores three areas where this taking on of responsibility can be carried out: technology transfer, disclosure of origin, and access to justice in case of disagreement. To access the report visit: [http://www.iddri.org/iddri/telecharge/syntheses/sy05\\_abs\\_eng.pdf](http://www.iddri.org/iddri/telecharge/syntheses/sy05_abs_eng.pdf)

A French version is available at: [http://www.iddri.org/iddri/telecharge/syntheses/sy04\\_abs.pdf](http://www.iddri.org/iddri/telecharge/syntheses/sy04_abs.pdf)

**AWAITING THE GRIM REPA? A REVIEW OF THE OUTCOME OF THE FIRST PHASE OF ACP-EU TRADE NEGOTIATIONS.** By The European Research

Office (30 January 2004). In their approach to the EPA negotiations the ACP identified six areas within which the negotiations should be conducted. This paper seeks to review the progress made in each of these six areas from an ACP perspective. The paper looks at the major issues faced from a development perspective and concludes with a number of recommendations. To access the report visit <http://www.epawatch.net/general/text.php?itemID=157&menuID=6>

**CIVIL SOCIETY YEARBOOK 2003.** By Mary Kaldor, /Helmut Anheier and Marlies Glasius eds (Oxford University Press 2003). This book is part of a Global Civil Society Project at the London School of Economics. It opens with a chapter on the state of global civil society in an area of regressive globalism, followed by chapters on the global transformation of the social sciences and on the analysis of global inequality. There are three issue-oriented case studies: trade and global civil society, on biological and chemical weapons, and on the global movement to end violence against women. Three infrastructure chapters discuss religious and nationalist militant groups, transnational peasants and farmers movements and networks and the legal environment of civil society. For further information and to access the report see <http://www.lse.ac.uk/Depts/global/Yearbook/yearbook.htm>

A searchable archive of **BRIDGES Weekly Trade News Digest**© can be accessed at: [http://www.newsbulletin.org/bulletins/WhichBulletin.cfm?Bulletin\\_ID=14&SID=](http://www.newsbulletin.org/bulletins/WhichBulletin.cfm?Bulletin_ID=14&SID=)

**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, Marianne Jacobsen, Evelyn Kislig, David Primack and Michael Wolkong. Editor: Malena Sell, [msell@ictsd.ch](mailto:msell@ictsd.ch). Managing Editor: Hugo Cameron, [hcameron@ictsd.ch](mailto:hcameron@ictsd.ch). Director: Ricardo Meléndez-Ortiz, [rmelendez@ictsd.ch](mailto:rmelendez@ictsd.ch). ICTSD is an independent, not-for-profit organisation based at: 13, ch. des Anémones, 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 - 2003 through the generous support of the Government of the United Kingdom (DFID). Additional support is provided by ICTSD's core donors: the Governments of Finland, Denmark, the Netherlands and Sweden; Christian Aid (UK), MISEREOR, NOVIB (NL), Oxfam (UK) and the Swiss Coalition of Development Organisations (Switzerland). The **Weekly** also benefits from support for the **BRIDGES** series of publications including: the Rockefeller Foundation, the John D. and Catherine T. MacArthur Foundation and Swiss Development Cooperation. ISSN 1563-003X