



INTERNATIONAL CENTRE FOR
TRADE AND SUSTAINABLE
DEVELOPMENT

Bridges

Weekly Trade News Digest

23 March 2005

Volume 9 Number 10

LEAD STORIES

INDIAN PARLIAMENT APPROVES CONTROVERSIAL
PATENT BILL 1

AGRICULTURE NEGOTIATIONS: TECHNICAL WORK
ONGOING 3

MEMBERS CONTINUE TO DIFFER OVER NAMA
FORMULA 5

OTHER NEWS

G-20 MINISTERS SOLIDIFY AGRICULTURE POSITION 6

WTO MEMBERS ADOPT PANEL AND APPELLATE
BODY DECISIONS IN COTTON DISPUTE 7

EU TO MODIFY RULES OF ORIGIN FOR TRADE
PREFERENCE SCHEMES 8

IN BRIEF

ROB PORTMAN TO SUCCEED ZOELICK AS USTR 8
UK: EU SHOULD NOT PUSH SINGAPORE ISSUES IN
EPA NEGOTIATIONS 9

WTO IN BRIEF

WTO DIRECTOR-GENERAL REMINDS MEMBERS
'TIME IS OF THE ESSENCE' TO MEET DEADLINES 9

CANADA, EU CRITICISED IN AG COMMITTEE
REGULAR SESSION 9

WTO SUB-COMMITTEE ON COTTON ADOPTS WORK
PROGRAMME 10

GOODS COUNCIL AGREES ON NEW CHAIRS FOR
SUBSIDIARY BODIES 10

EVENTS & RESOURCES

CALL FOR APPLICATIONS 11

EVENTS 11

RESOURCES 12

LEAD STORIES

INDIAN PARLIAMENT APPROVES CONTROVERSIAL PATENT BILL

The Indian parliament has approved a controversial patent bill that would make it illegal for domestic companies to make generic copies of patented drugs. Non-governmental organisations (NGOs) and health advocacy groups were especially critical of the legislation's provisions for the production of generic drugs, proclaiming the law to represent "the beginning of the end of affordable generics." Commerce Minister Kamal Nath denied allegations that the law would push up the price of drugs.

The lower house of parliament passed the bill on 22 March amidst heated debate and a walkout by the opposition; the upper house's approval made it law the following day.

India's changing pharmaceutical industry

In the decades following India's 1970 abolition of pharmaceutical product patents, which allowed Indian companies to legally produce generic versions of medicines that were under patent elsewhere, India developed a thriving generic drug industry. Indian generic drug manufacturers now produce low-cost AIDS drugs for 50 percent of the 700,000 HIV patients taking antiretroviral medicines in developing countries. These drugs cost about 5 percent of the price of similar drugs sold by US and EU pharmaceutical firms. Health activists around the world have warned that this supply of affordable, essential drugs could be threatened by the new legislation. There have been demonstrations against the Indian patent bill in several African countries.

Though historically a staunch opponent of international patent regimes, the Indian government has recently started to suggest that because of the country's strong pharmaceutical and biotechnology industries, it might stand to gain more than it would lose from strengthened patent protection (see BRIDGES Weekly, 19 January 2005, <http://www.ictsd.org/weekly/05-01-19/story2.htm>).

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 Trineesh Biswas, Editor, by email at: tbiswas@ictsd.ch, or by telephone at: (41-22) 917-8319

The global drug industry -- which had lobbied hard for the amendment -- welcomed the new law, as did some Indian firms, both claiming that the stronger patent rules will help India become a global centre for pharmaceutical research. However, Yusuf Hamied, a senior executive at Cipla, an Indian company well known for making cheap AIDS drugs, mourned the passage of the bill as a "very sad day" for India.

Controversial law brings India into TRIPS compliance

The legislation, designed to bring India into compliance with the WTO's Agreement on Trade-related Aspects of Intellectual Property Rights (TRIPS), only passed after the Congress Party-led government agreed to several last-minute amendments in order to secure the support of its leftist parliamentary allies, who were concerned that the new laws would lead to increased drug prices.

As a developing country that had not provided patent protection for pharmaceutical products, India's TRIPS obligations did not require it to do so until 1 January 2005. When parliamentary approval for a modified patent law system proved impossible in December 2004, the Indian government introduced an 'ordinance' - a temporary executive decree not debated in parliament -- to ensure TRIPS compliance in time for the deadline (for more on the patent ordinance, see BRIDGES Weekly, 19 January 2005, <http://www.ictsd.org/weekly/05-01-19/story2.htm>). The patent ordinance was excoriated by civil society groups and the parliamentary opposition for going beyond the demands of the TRIPS Agreement and failing to fully incorporate the public health-related flexibilities present in the Agreement as well as in the '30 August 2003 Decision,' which outlines the circumstances under which countries can export and import generic versions of drugs still under patent.

Amendments ease some fears, but fail to assuage others

The new law replaces the December 2004 ordinance. The eleventh-hour amendments to the bill softened the effect of some of the ordinance's most-criticised provisions. Most notably, they removed the ordinance's requirement for would-be importers of Indian generics to issue a 'compulsory licence' (permission to copy a patented product against the payment of a royalty to the patent holder) to Indian drug makers. This provision would have put Indian generics beyond the reach of most least-developed countries (LDCs): countries cannot issue compulsory licences for products to which they do not extend patent protection; LDCs are not required to provide patents for pharmaceutical products till 2016, and thus would have been unable to issue compulsory licences for importing them until they did

so. Under the new rules, the importing country simply has to notify the Indian government of its requirements.

Another amendment reinstated the 'pre-grant opposition process' that the ordinance had severely curtailed, allowing members of the public to challenge a potentially frivolous and invalid patent application before it is granted. However, critics note that the law does not require the information on which such opposition can be based to be made public, thus weakening the process's effectiveness. Other changes tightened rules on the type of new substances eligible for patent protection, and ruled out extending the period of patent protection for a particular drug on the grounds that a new medical use had been found for it.

Critics: law open to misuse; compulsory licensing procedures slow, complicated

A joint press release issued on 22 March by the Affordable Medicines and Treatment Campaign (India), Médecins sans Frontières (MSF), the Lawyers Collective HIV/AIDS Unit, and the Alternative Law Forum said that as a result of the new law, India would start granting pharmaceutical product patents "without the necessary procedures in place to safeguard against wholesale hiking of medicine prices." MSF's Ellen 't Hoen said that the bill's language contained many ambiguities that could be misused by multinational companies.

MSF studies indicate that generic competition plays an important role in lowering the price of drugs. The four NGOs believe that effective compulsory licensing procedures are essential for ensuring that people have access to affordable medicines -- and that the procedures in the new Indian legislation are far from adequate.

The groups slammed the new law's requirement that, except during national emergencies, generic manufacturers must wait three years after a patent is granted to a particular medicine before they can apply for a compulsory licence to manufacture it. They also criticised it for failing to set a limit on the rate of royalties to be paid to patent holders, for setting up a process that allows drug makers to oppose the granting of a compulsory licence, and for not establishing a fixed time limit after which a compulsory licence must be issued to an applicant. Pharmaceutical companies could use these loopholes to delay the granting of a compulsory licence, as they have in the past in other countries.

"This is not good enough," said Priti Radhakrishnan, a Bangalore-based senior project officer with the Lawyers Collective HIV/AIDS Unit. "Fast and easy compulsory licensing procedures are what we are fighting for... if

the procedure for compulsory licensing is not fast and easy enough, people in India and developing countries elsewhere in the world will die. We don't have three years. We don't have five years." Radhakrishnan's group is calling on the Indian government to abolish the opposition process and to ensure that generic manufacturers can apply for compulsory licences as soon as a patent is granted. "People in India and other developing countries," she continued, "have to have the right to licence lifesaving drugs in a fast and easy manner, without the permission of the multinational pharmaceutical companies."

Differing prognoses

Pfizer India's chief lobbyist lauded the bill for abandoning "the utopian concept that every invention should be as free as air or water... that assumes... every invention is as easy to make as air or water." An executive at the Indian subsidiary of Swiss pharmaceutical giant Novartis said that the law would encourage innovation and investment in research and development.

Cipla's Hamied, on the other hand, expressed the concern that India would follow in the footsteps of Italy, which, following its 1984 institution of drug patents, went from being a major drug producer and exporter to a net importer of medicines.

Commerce Minister Nath, for his part, maintained that anxieties about skyrocketing prices were unjustified since the vast majority of drugs on the Indian market were not eligible for patents. In any event, he said, "the government will have enormous powers to deal with any unusual price rise."

ICTSD reporting; "India nears turning point on drug patent rules," INTERNATIONAL HERALD TRIBUNE (Online), accessed 23 March 2005; "Parliament approves Patents Bill," PRESS TRUST OF INDIA, 23 March 2005; "Indian drug patent law clears its first hurdle," FINANCIAL TIMES, 23 March 2005; "Indian Legislature Adopts New Patent Law," 22 March 2005; "Communists push passage of India's patent bill," INDO-ASIAN NEWS SERVICE, 22 March 2005; "Will the lifeline of affordable medicines for poor countries be cut? Consequences of medicines patenting in India," MÉDECINS SANS FRONTIÈRES (Briefing Document), February 2005; "Cheap AIDS drugs under threat," GUARDIAN, 23 March 2005; "India backs cheap drug clampdown," BBC NEWS 22 March 2005; "The Beginning of the End of Affordable Generics," AFFORDABLE MEDICINES AND TREATMENT CAMPAIGN (INDIA), MÉDECINS SANS FRONTIÈRES, LAWYERS COLLECTIVE HIV/AIDS UNIT, ALTERNATIVE LAW FORUM (Press Release), 22 March 2005.

AGRICULTURE NEGOTIATIONS: TECHNICAL WORK ONGOING

The latest 'agriculture week' at the WTO ended on 18 March. Informal negotiations continue, however, on the process for converting 'specific' agricultural tariffs based on imported quantities into 'ad valorem' equivalents (AVEs), i.e., tariffs based upon the price of the product. Establishing AVEs is a pre-condition for addressing the tariff reduction formula that is a central pillar of ongoing agriculture negotiations. The special (negotiating) session of the Committee on Agriculture was not formally closed, however. The body's chair, Ambassador Tim Groser of New Zealand, suspended the meeting on 17 March with the intention of reconvening the group after the informal consultations in order for Members to formally agree on an AVE conversion process. While no date has been set for its resumption, Members will most likely reconvene after a ministerial-level meeting of the Cairns group scheduled for 30 March - 1 April in Cartagena, Colombia.

Groser assured Members at the 21 March informal meeting of the Trade Negotiations Committee (TNC) that the agriculture talks have not broken down, and that the ongoing technical talks are proceeding in a constructive spirit. The 'agriculture week,' which began on 14 March (see BRIDGES Weekly, 16 March 2005, <http://www.ictsd.org/weekly/05-03-16/story2.htm>), concluded the first assessment of all issues in the July Package (http://www.wto.org/english/tratop_e/dda_e/draft_text_gc_dg_31july04_e.htm)

Complex AVE conversions pit importers against exporters

The issue of AVE conversion has pitted the EU and G-10 countries (food importing, mostly developed countries such as Switzerland and Norway) against the US, the Cairns group of agricultural exporters and the G-20 (which comprises several key developing countries). The former groups make use of a large number of specific tariffs.

AVE conversion is straightforward for some tariff lines; Members are set to use the 'unit value' method in these cases, basing the conversion on notified import values in the WTO Integrated Database (IDB) and import volumes.

Complications arise, however, with products such as sugar and some cheeses, for example, where preferences or tariff quotas are involved. In such cases, import prices often differ significantly from the world prices compiled in the UN commodity trade statistics (ComTrade) database. Agricultural exporters would like

to see the conversion based on the lower world prices, which would lead to higher AVEs, and eventually, steeper tariff cuts. The US has proposed a formula for filtering out cases in which there are significant gaps between world prices and import prices, based on comparisons between the WTO and UN sets of data. The AVE conversion could then proceed differently in these cases -- although the method for doing so is yet to be decided.

The US and Cairns group want the lower ComTrade prices to be used. The EU and G-10 have countered that those prices are insufficient, since they ignore the reasons for which import prices can be higher than world prices. For example, they argue, some cheeses are more expensive than others due to qualitative factors. However, ComTrade data does not distinguish between different cheeses, while the IDB does.

Delegates' failure to agree on the methodology for AVE conversion during the agriculture week puts them behind the schedule agreed by key WTO Members at a mini-ministerial meeting in Kenya in early March (see BRIDGES Weekly, 9 March 2005, <http://www.ictsd.org/weekly/05-03-09/WTOinbrief.htm#1>).

At the informal TNC meeting on 21 March, WTO Director-General Supachai Panitchpakdi urged Members to find an expeditious solution to the AVE conversion issue in order to keep the Doha Round as a whole on track, and called on delegates "...to make every effort to work with each other and with the chair to resolve it sooner rather than later, so that the focus can turn rapidly to the negotiation of the tiered formula for tariff reductions and related market access issues in agriculture".

The current work involves significant number crunching, as Members test out different methodologies proposed for AVE conversion with actual data. Once AVEs are agreed, the work on negotiating the tiered tariff reduction formula (under which higher tariffs will be cut more sharply) can proceed.

Other issues on the agenda

In addition to discussing AVE conversion, Members concluded their first assessment of all issues in the July package, addressing "issues of interest but not yet agreed" (sectoral initiatives, differential export taxes and geographic indications) as well as some remaining market access issues, as well as monitoring and surveillance.

The agriculture negotiations at the WTO have been held in three different settings: in informal negotiating sessions open to the full Membership allowing for a first

reading of issues; in more focused open-ended technical consultations that delve deeper into the issues; and in small group consultations involving technical experts.

Overall, Members disagreed on whether "issues of interest but not yet agreed" should be addressed at this stage in the negotiations. Argentina said there was no agreement on whether such subsidiary issues should be negotiated at all. Disagreement over the role of geographic indications (GIs) made up part of the debate. The EU and Bulgaria, proponents of extending GI protections to products beyond wines and spirits, linked progress in the three pillars of the agriculture negotiations (market access, export competition and domestic support) directly to further protection of GIs. Several countries felt GIs should be left to the TRIPS Council.

On the issue of 'sectoral initiatives' that would result in early liberalisation in particular sectors, Colombia and Costa Rica put forward cut flowers as a candidate for significant tariff reduction, given the export interest of developing countries in this area. The US proposed that beef, pork, poultry, oilseeds, barley, fruits and vegetables, distilled spirits, and some processed products should be included as sectoral initiatives, arguing that not only should tariffs be brought down, but subsidies should also expeditiously be eliminated in these sectors. Agricultural sectoral initiatives have not been discussed in such concrete terms before, and while several exporters agreed with the approach in principle, Australia preferred to focus on overall tariff reduction at this stage. India cautioned that sectoral initiatives might undermine special and differential treatment for developing countries.

Delegates also discussed the schedule for eliminating export subsidies and support, with major developing countries calling for a down payment and a frontloaded schedule for reductions. On tariff escalation, speakers noted that an ambitious tariff reduction formula would take care of some related problems in these areas as well. Members continued to disagree on whether specific duties need to be simplified, and whether a special safeguard to protect developed countries against import surges should be retained. Issues related to the specific situations of least-developed countries and recently-acceded Members will be substantively addressed later on in the negotiations. On monitoring and surveillance, the G-20 suggested a new committee be established to handle implementation.

The next 'agriculture week' is scheduled for 13-19 April. Cairns Group ministers will meet from 30 March to 1 April in Cartagena, Colombia.

ICTSD reporting; "WTO Farm Talks Chair Downplays Setback in Securing Tariff Conversion Pact," WTO REPORTER, 22 March 2005.

MEMBERS CONTINUE TO DIFFER OVER NAMA FORMULA

During WTO talks on non-agricultural market access (NAMA) last week, Brazil and India argued that US and EU proposals for reducing tariffs on industrial goods would disproportionately affect developing countries. The 'NAMA week' concluded on 18 March with a meeting of the Negotiating Group on Market Access.

The week saw several informal bilateral and plurilateral meetings, as well as so-called 'Room D' technical discussions on 16 March (for coverage of the first half of the NAMA week, see BRIDGES Weekly, 16 March 2005, <http://www.ictsd.org/weekly/05-03-16/story5.htm>).

Room D talks focus on formula

The bulk of the Room D talks focused on four recent communications on the tariff-reduction formula. The submissions, all of which were based on a 'Swiss' harmonising formula which would require sharp reductions in higher tariffs, came from Norway (TN/MA/W/7/Add.1, available at <http://docsonline.wto.org>), the EU, the US, and jointly from Chile, Colombia, and Mexico (TN/MA/W/50).

Paragraph 8 of Annex B of the July Package (WT/L/579, available online at http://www.wto.org/english/tratop_e/dda_e/draft_text_gd_dg_31july04_e.htm) specifically states that "developing country participants shall have longer implementation periods for tariff reductions," and that "in addition, they shall be given" the flexibility to apply cuts less onerous than those required by the formula to a certain number of tariff lines, as well as to keep a small number of tariff lines unbound. The July Package also exempts least-developed countries and countries with fewer than 35 percent of their tariffs bound (these tend to be among the poorest) from the application of the formula.

Each of the four submissions discussed puts forward suggestions for providing developing countries with a certain level of special and differential treatment (S&D). For instance, the EU, like Norway, has proposed giving countries 'credit' in the form of smaller tariff reduction requirements in return for forgoing the use of other Paragraph 8 flexibilities, such as leaving some tariffs unbound or excluding certain products from tariff reduction. The US has proposed a 'dual coefficient' system that would allow developing countries to make

shallower tariff cuts, also upon condition that they forego other Paragraph 8 flexibilities.

Brazil, India unhappy with US, EU papers; will forward own proposals

Trade sources report that Brazil slammed the US and EU proposals for requiring "more than full reciprocity" from poor countries. Developing countries including Brazil, China, India, Indonesia, Malaysia and the Philippines objected to the demands for what they saw to be an overly onerous Swiss formula approach, arguing that it failed to take into account developing countries' interests, and that it violated the principle of "less than full reciprocity" for developing countries specifically cited in both the Doha Declaration and the July Package's mandate on NAMA. Since developing countries tend to have higher industrial tariffs than their industrialised counterparts, a Swiss formula approach would require them to make proportionally bigger tariff reductions, in both percentage and actual terms. One developing country trade negotiator said that it appeared as though the developed countries' objective was to completely abolish developing-country tariffs, and they were proceeding accordingly.

Not all developing countries, however, were wary of deep tariff cuts. Notable among these were Chile, Colombia, and Mexico.

Some developing countries also denounced the US and EU proposals for their "either-or" approach -- the insistence that Members choose between Paragraph 8 flexibilities or a more favourable version of the tariff-reduction formula. A trade delegate said that in his view, the mandate called for "less than full reciprocity" to be a built-in feature of both the tariff-reduction formula and flexibilities in the formula's application.

A handful of developed-country negotiators reported a sense of frustration that Brazil and India were yet to put forward their own proposals on NAMA. Sources indicate that Brazil and India are preparing to do so -- though it is not yet clear whether they will do it jointly or separately -- in time for the April NAMA meeting.

Preference erosion divides developing countries

Submissions on preference erosion from the group of African WTO Members (TN/MA/W/49) and the African, Caribbean, and Pacific (ACP) countries (TN/MA/W/53) met with an unfavourable reaction, primarily from other developing country Members. These countries criticised these submissions for proposing to reduce the extent of trade liberalisation in areas in which they also had export interests. Brazil said that the EU and the US should provide the solution to the problems associated with preference erosion. It argued that developing

countries should not have to pay for problems they had not created.

The Room D talks did not make much headway on the issue of how to deal with Members' unbound tariffs. Nor was there progress on how Members might go about converting specific tariffs (such as tariffs that charge a fixed amount per unit of imports, e.g., USD 10 per tonne of wheat imported) into 'ad valorem' tariffs based on the value of the good being imported. Discussions on non-tariff barriers also took place during the NAMA week, but no notable progress was reported.

The 18 March meeting served largely to wrap up the week's talks. Chair Johannesson said that there was no conclusion on the form that the tariff-reduction formula would take, and encouraged Members to come forward with new proposals in time for the 25-29 April meeting.

ICTSD reporting; "Developed Countries Advocate Steep Cuts in NAMA Tariffs," THIRD WORLD NETWORK, 16 March 2005.

OTHER NEWS

G-20 MINISTERS SOLIDIFY AGRICULTURE POSITION

Trade ministers from the G-20 -- a group of developing countries formed in the lead-up to the September 2003 Cancun WTO Ministerial in order to counterbalance the dominant role played by developed countries in the agriculture negotiations -- met in New Delhi, India, from 18-19 March. Following two days of discussions, which were also attended by representatives from developing countries not part of the G-20, the group adopted a "New Delhi Declaration" that calls for the elimination of export subsidies within five years at the latest. The meeting also welcomed Uruguay as a new member of the G-20.

At a media briefing following the meeting, Indian Commerce Minister Kamal Nath emphasised that export subsidies must be eliminated, while China's junior trade minister Yi Xiaozhun stressed that "Rich countries have to be sensitive to our concerns about food security. India and China have a great deal at stake where agriculture is concerned, as our people depend on it". Brazil's foreign minister Celso Amorim commented that while "There may be points of differences on nuances... [the] G-20 is solid like a rock and represents unity in diversity".

New Delhi Declaration

The New Delhi Declaration (available at http://www.agtradepolicy.org/output/resource/G20_delhi_declaration.pdf), emphasises the development dimension of the agriculture negotiations, noting that "Our common goal is to put an end to trade-distorting policies in agriculture maintained by developed countries, thus contributing to growth and development of developing countries." It also points to the importance of the current stage of negotiations leading up to the Hong Kong ministerial in December, where Members are aiming to agree on agriculture modalities (such as percentages for tariff and subsidy cuts, reduction formulae, criteria for domestic support, schedules, deadlines, and transition periods).

On domestic support, the group notes that current levels on the table at the WTO are inflated, and that cuts should be substantial in order for the outcome to have a real effect on the ground. Disciplines are needed on the Blue Box (partially de-coupled subsidies linked to production limiting programmes) and Green Box (de-coupled or minimally trade-distorting subsidies), in order to thwart "box shifting." In addition, the Green Box should accommodate development programmes in developing countries, and developing countries should not be required to reduce 'de minimis' support. A de minimis threshold, expressed as a percentage, is the amount of domestic support a country may exempt from its calculation of total domestic supports and therefore further reductions. For developed countries, the de minimis threshold is limited to 5 percent, while for developing countries the de minimis threshold is 10 percent.

On export competition, the G-20 calls for an "immediate standstill commitment on all forms of export subsidies." The EU recently reintroduced export subsidies on wheat (see BRIDGES Weekly, 16 February 2005, <http://www.ictsd.org/weekly/05-02-16/WTOinbrief.htm>). The declaration further says export subsidies should be eliminated within five years, with significant reductions to come sooner rather than later.

With regard to market access, the group notes the importance of a transparent process for converting 'specific' agricultural tariffs based on quantities into 'ad valorem' equivalents (AVEs), i.e., tariffs based upon the price of the product. The tariffs should remain ad valorem, rather than be converted back to specific tariffs. WTO negotiations on the conversion of AVEs are currently at a standstill (see related story, this issue). As for the tariff reduction formula, the group emphasises three issues: progressivity, meaning higher tariffs should face deeper cuts; proportionality, that is, developing countries should have to make smaller cuts; and flexibility to address certain sensitivities without undermining the objective of substantial market access improvement.

Wide range of developing country issues addressed

The G-20 meeting also included participants from the African group, the African, Caribbean and Pacific (ACP) countries, the least developed countries (LDCs), the Caribbean Community (CARICOM) group, and the G-33 group of countries that support the designation of special products (SPs) and a special safeguard mechanism (SSM) for developing countries. Several issues of particular interest to some of these countries were addressed at the meeting.

The G-20's New Delhi Declaration pays particular attention to cotton, stressing its importance to African producers in particular and calls for effective measures to be agreed for this sector in the first approximation of modalities that Members are set to conclude in July.

On SPs and the SSM, the Declaration notes that the concepts are integral elements of special and differential treatment (S&D) for developing countries, and that the G-20 is committed to operationalising them. However, ministers argued that the WTO's existing Special Safeguard Mechanism -- used primarily by rich countries -- was conceived as a transitional instrument, and should be eliminated.

The Declaration calls for modalities for the full access of tropical products to developing countries, while noting with concern "the use of Non-Tariff Barriers by developed countries, which are acting as impediments to exports of products of interest to developing countries". It further addresses preference erosion -- a tricky issue that has been divisive among developing countries -- by calling for: expanded market access for products of importance to preference beneficiaries; effective utilisation of existing preferences; and additional financial assistance and capacity building. The Declaration also acknowledges the special needs of LDCs and small and vulnerable economies. The concerns of the latter should be effectively addressed, it says, without creating any new categories of developing countries.

The G-20 accounts for 65 percent of the world's population, 72 percent of its farmers and 22 percent of agricultural output. The members of the G-20 are Argentina, Bolivia, Brazil, Chile, China, Cuba, Egypt, India, Indonesia, Mexico, Nigeria, Pakistan, Paraguay, Philippines, South Africa, Thailand, Tanzania, Uruguay, Venezuela and Zimbabwe.

ICTSD reporting; "G-20 Meet Creates Grand Alliance of the Third World Countries," FINANCIAL EXPRESS, 21 March 2005; "End Farm Export Subsidies In 5 Years," G-20 says, REUTERS, 19 March 2005; "Deadline Set For Rich To Cut Subsidies," CALCUTTA TELEGRAPH,

19 march 2005; "G-20 Demands End To Farm Subsidies," DAILY TELEGRAPH, 20 March 2005.

WTO MEMBERS ADOPT PANEL AND APPELLATE BODY DECISIONS IN COTTON DISPUTE

WTO Members at the 21 March meeting of the WTO Dispute Settlement Body (DSB) adopted the reports of the dispute settlement panel and the Appellate Body that found US cotton subsidies to be in violation of WTO rules (see BRIDGES Weekly, 9 March 2005, <http://www.ictsd.org/weekly/05-03-09/story1.htm>).

All parties to the dispute had the opportunity to comment on the reports to the DSB, which is composed of representatives from every Member country. The US reiterated its position that negotiation, rather than litigation, was the most effective channel to deal with distortions in agricultural trade. US Ambassador Linnet Deily expressed "deep disappointment" with both rulings and alleged that the panel's connection between American support policies and depressed cotton prices lacked sufficient "analytical rigour." The US felt that the ramifications of this should concern Members irrespective of their opinion on the merits of Brazil's claims.

Brazil, on the other hand, welcomed the adoption of the reports and expressed hope that the US would fully comply with them in a timely manner. It told the meeting that its case had been "100 percent founded on the existing multilateral disciplines on trade in agriculture... We should not be called upon to pay again for the very same rights and obligations we bargained for a decade ago."

The EU, which had been a third party in the dispute, was of the opinion that the panel and Appellate Body had not applied the right legal interpretive approaches in certain instances. Argentina, also a third party, expressed satisfaction with both reports.

Under WTO dispute settlement rules, the rulings and recommendations of panels and the Appellate Body only become legally binding on the parties to the dispute once they have been adopted by the DSB by "reverse consensus" -- that is, the ruling is automatically adopted by the DSB unless there is consensus among Members to reject it.

The US now has 30 days to announce its intentions to comply with the ruling, although it need not reveal the timeframe for doing so. The implementation deadline will be fixed through negotiations between Brazil and the US or, failing that, through WTO arbitration. The

arbitration proceedings must normally be completed within 90 days of the DSB's adoption of the ruling.

ICTSD reporting; "WTO Formally Backs Cotton Ruling; U.S. Slams Appellate Body Analysis," WTO REPORTER, 22 March 2005.

EU TO MODIFY RULES OF ORIGIN FOR TRADE PREFERENCE SCHEMES

The European Commission (EC), the executive body of the EU, has adopted a plan to develop a new, simplified set of rules of origin for its trade preference schemes, particularly the Generalised System of Preferences (GSP).

'Rules of origin' are a set of requirements that govern whether goods are eligible for the lower rates of customs duty offered under a particular preferential trade arrangement. Developing country governments and civil society groups have long criticised origin rules for being major trade barriers, since they can be so onerous that they render preferential market access essentially meaningless. An oft-cited example is the EU's offer of duty free access to clothing exports from the Maldives only if the fabric and cloth are made there -- an impossible requirement for a tiny atoll consisting largely of sandy beaches. Maldivian clothes made from Chinese cloth would face high tariffs in the EU.

The EC itself recognised these problems in its statement announcing the new policy, describing its existing requirements as "too complicated" and "susceptible to abuse." The new plan, which was adopted on 16 March, asks EU members to revise and simplify the conditions for a product to be considered as originating in a particular country, to modify customs procedures to facilitate exporters' use of preferential market access, and to develop instruments to ensure that preference beneficiaries comply with their obligations. Improving developing countries' access to rich-country markets is to "inspire" the process, according to the document outlining the new plan.

Notably, the new policy calls for a "single, across-the-board" criterion for determining the country-of-origin for goods that have not wholly originated in a single country. This would replace the current multiplicity of varying rules for different products present in the EU's preference schemes. It also proposes relaxing the conditions for allowing 'cumulation of origin' within 'coherent regional groups or zones' -- i.e., treating a group of states as a single country for the purposes of eligibility for enhanced market access.

The EU will first address the rules of origin associated with its GSP, aiming to implement the new ones in

2006. The GSP itself was modified earlier this year (see BRIDGES Weekly, 16 February 2005, <http://www.ictsd.org/weekly/05-02-16/story5.htm>). In a 17 March speech to the Development Committee of the European Parliament, EU Trade Commissioner Peter Mandelson said that he would make a greater priority of attempts to simplify the WTO's rules of origin as well.

The EC 'Communication' on the future rules of origin in preferential trade arrangements is available at http://europa.eu.int/eurlex/lex/LexUriServ/site/en/com/2005/com2005_0100en01.pdf

ICTSD reporting; "EU to simplify rules of origin over preferential trade arrangements," XINHUANET, 18 March 2005; "Customs: Commission proposes strategy for simplified rules of origin," EUROPEAN COMMISSION (Press Release), 17 March 2005.

IN BRIEF

ROB PORTMAN TO SUCCEED ZOELICK AS USTR

US President George W. Bush announced on 17 March the appointment of Rob Portman to be the next United States Trade Representative (USTR), pending Senate approval. The 49-year-old Republican representative in the lower house of the US Congress, a former trade lawyer who is a close ally of the Bush Administration, would succeed Robert Zoellick, who became Deputy Secretary of State on 16 February.

As USTR, Portman is expected to pursue bilateral free trade agreements and the completion of the Doha Round of WTO talks. Short-term challenges will include re-energising the Free Trade Area of the Americas (FTAA) negotiations and winning Congressional approval for the controversial Central American-Dominican Republic Free Trade Agreement (CAFTA-DR). In the longer term, Portman will guide the administration's work in creating a free trade zone in the Middle East by 2013.

In a statement following his nomination, Portman, a member of a powerful Congressional subcommittee that deals with trade, underlined the importance of international trade by stating "Open markets and strong trade relations are key components to a more peaceful, stable and prosperous world. Through expanded trade, the roots of democracy and freedom are deepened."

ICTSD reporting; "Bush Nominates Congressman Portman as U.S. Trade Representative," WASHINGTON FILE (US State Department), 17 March 2005; "Bush picks trade representative," ASSOCIATED PRESS, 17 March 2005.

UK: EU SHOULD NOT PUSH SINGAPORE ISSUES IN EPA NEGOTIATIONS

The United Kingdom (UK) Department for Trade and Industry (DTI) has said that the EU should not "push" for the so-called Singapore issues -- trade rules on investment, competition policy and government procurement -- to be included in the Economic Partnership Agreements (EPAs) currently being negotiated between the EU and the African, Caribbean, and Pacific Countries (ACP). It said that such rules should only be developed if the ACP regions are ready to do so. Many ACP countries were among the most vocal opponents of these Singapore issues at the Cancun WTO Ministerial Conference in September 2003.

In a policy brief released on 22 March, the UK DTI noted that "It is for ACP regional groups to judge the development benefits of any agreements on these issues." This intervention comes amidst various concerns expressed about the developmental benefits of the EPAs. Various UK civil society groups have formed a "Stop EPA Campaign" (<http://www.stopepa.org>), contending that the agreements will "deepen -- and prolong -- the socio-economic decline and political fragility" of these countries.

The DTI paper also points out that simple trade liberalisation should pay heed to the concerns of ACP countries, specifying that each "ACP regional group should make its own decisions on the timing, pace, sequencing, and product coverage of market opening in line with individual countries' national development plans and poverty reduction strategies." The paper further recommends that the EPAs should be accompanied by additional resources in order to enable the ACP countries to benefit from trade reforms and improve their export competitiveness.

The DTI paper is available online at <http://www.dti.gov.uk/ewt/epas.pdf>.

ICTSD reporting; "UK Intervenes in EU Trade Plans for Poor," FINANCIAL TIMES, 22 March 2005.

WTO IN BRIEF

WTO DIRECTOR-GENERAL REMINDS MEMBERS 'TIME IS OF THE ESSENCE' TO MEET DEADLINES

Addressing WTO Members' Heads of Delegation at a 21 March informal meeting of the Trade Negotiations Committee (TNC), WTO Director-General Supachai Panitchpakdi commended Members on their 'good start' on the path towards the December 2005 WTO Hong Kong Ministerial, but cautioned that there is an 'immense amount of progress to be made in a very short time'.

Supachai singled out negotiations on agriculture, services and non-agricultural market access (NAMA) as priority areas. On agriculture, he said that a solution to outstanding questions -- in particular the conversion of ad valorem equivalents (AVEs; see related story, this issue) -- be found soon in order to maintain the momentum of the talks and to avoid serious spill-over effects into other areas of the Doha Round negotiations. On NAMA negotiations (see related story, this issue), the Director-General reminded Members that proposals from some key countries had not yet been received. He also urged Members to step up the request-offer process in time for the May deadline. Supachai cautioned that while progress in the market access areas was important, at the same time Members must not lose sight of parallel negotiations in WTO rules and development-related areas.

Supachai said that the 'first approximation' of negotiating modalities for Hong Kong cannot simply be a compilation of progress reports by negotiating group chairs, nor could it be a full negotiating text. Rather, he said, "it must give us confidence that we can look forward to Hong Kong in the certainty that we will be successful enough to set our sights on the finalisation of the Round in 2006." Supachai reminded Members that there were only four months before the July TNC meeting to agree on such first approximations, so "time is of the essence."

ICTSD reporting.

CANADA, EU CRITICISED IN AG COMMITTEE REGULAR SESSION

Canadian dairy tariffs and EU export subsidies were among the issues debated during the 16 March meeting of the regular session of the WTO's Committee on Agriculture.

The Canadian representative confirmed that national dairy farmers had urged the government to renegotiate its commitments in order to raise import duties above the levels agreed in the WTO. Article XXVIII of the General Agreement on Tariffs and Trade allows countries to seek to modify their obligations by negotiating with other Members.

New Zealand was so concerned about this matter that its influential Ambassador Tim Groser, who was supposed to chair important consultations in the agriculture negotiations, attended the session. Describing the dairy sector as one of the most heavily protected globally, Groser expressed concern that Canada may potentially yield to protectionist pressure from its dairy industry lobby. He compared Canada unfavourably to the EU, which he said was implementing policies within its commitments on this matter. Australia, Brazil and the EU echoed New Zealand's sentiments.

Furthermore, several committee Members expressed their concerns about the EU's re-introduction of export subsidies for wheat (see BRIDGES Weekly, 16 February 2005, <http://www.ictsd.org/weekly/05-02-16/WTOinbrief.htm>). In spite of the fact that the EU remains within its permissible limits, critics including Argentina, Australia and Canada found the move inappropriate since Members are currently negotiating the elimination of export subsidies.

ICTSD reporting.

WTO SUB-COMMITTEE ON COTTON ADOPTS WORK PROGRAMME

The WTO Sub-committee on cotton agreed on a work programme at its second meeting on 22 March. The work programme (soon to be made available on the cotton Sub-committee's page on the WTO website, http://www.wto.org/english/tratop_e/agric_e/cotton_sub_committee_e.htm) is said to reflect the July Package (WT/L/579), which mandates the Sub-committee to work on "all trade-distorting policies affecting the sector in all three pillars of market access, domestic support, and export competition." This comes after disagreement among Members during the group's first meeting with regard to the scope of the work programme (see BRIDGES Weekly, 23 February 2005, <http://www.ictsd.org/weekly/05-02-23/story3.htm>). The Sub-committee will now be in a position to focus on more substantive aspects of the ongoing talks as they relate to cotton.

At the meeting, Agriculture (and cotton Sub-committee) Chair Ambassador Tim Groser of New Zealand reported on the status of the agriculture negotiations. A

WTO Secretariat official talked to the meeting about several developmental aspects of the cotton discussions.

Representatives from the International Monetary Fund (IMF) and the United Nations Conference on Trade and Development (UNCTAD) also made presentations about their cotton-related activities. Pointing to issues arising from its current aid programmes, the EU said that it would be unable to contribute to a proposed new cotton fund. This drew concern from Benin, with support from Burkina Faso, Kenya and Senegal, which emphasised that the African cotton producing countries were not in search of handouts from WTO Members but rather help to recover from problems caused by others. The Benin representative emphasised that Africans wanted a solution to eliminate distortions in cotton trade that would enable them to benefit from their own hard work.

The next meeting of the Sub-committee is scheduled for 28 April 2005.

ICTSD reporting.

GOODS COUNCIL AGREES ON NEW CHAIRS FOR SUBSIDIARY BODIES

At its 11 March meeting, the WTO Council for Trade in Goods agreed on a list of chairs for its thirteen subsidiary bodies. These bodies include the regular session of the Committee on Agriculture (not to be confused with the special session of the Committee on Agriculture, in which the Doha Round agriculture negotiations are taking place), the Committee on Sanitary and Phytosanitary Measures, and the Committee on Trade-related Investment Measures. All of the delegates elected by the Goods Council represent different member states and will serve as chairpersons of their respective subsidiary bodies for this year. Ambassador Vesa Tapani Himanen of Finland was chosen to succeed Ambassador Choi Hyuck of Korea as Chair of the Goods Council for 2005. A complete list of the new chairs of the subsidiary bodies of the Goods Council is available at

http://www.wto.org/english/news_e/news05_e/chair_subsidary_bodies_e.htm.

In other developments at the Goods Council meeting, the US submitted requests for waivers for several of its trade preference schemes, including the African Growth and Opportunity Act (AGOA). The African group stated that AGOA had led to substantial increase in exports to the US.

Little progress was made on the review of the Agreement on Trade-Related Investment Measures (TRIMs). The Chair reported that Members had not achieved consensus on Brazil and India's request for a joint WTO-UNCTAD study on the effects of TRIMs and their elimination. Brazil said that it would continue to push for the study.

"Goods Council agrees on chairpersons of subsidiary bodies," WTO NEWS, 22 March 2005.

EVENTS & RESOURCES

CALL FOR APPLICATIONS

ICTSD is urgently seeking to establish a roster of experienced editors and copy-editors interested in freelance work on reports and other ad hoc publications on a range of issues related to trade policy. Mother-tongue level of English required. Please contact Deborah Vorhies for further details at dvorhies@ictsd.ch.

EVENTS

For a more comprehensive list of events in trade and sustainable development, please refer to [ICTSD's](http://www.ictsd.org) web calendar. If you would like to submit an event, please email events@ictsd.ch.

Coming Up: 24 March - 6 April

31 March, Cape Town, South Africa: WTO DISPUTE SETTLEMENT -- AN AFRICAN VIEW. Organised by the Trade Law Centre for Southern Africa (TRALAC). The event will examine the role and participation of African Countries in WTO dispute settlement proceedings. It will also look at Africa's limited participation in the WTO dispute settlement system to date and ways in which Africa might engage the dispute settlement system to its advantage. Participation in the event will be of benefit to trade policy formulators, government officials, the business community, lawyers and academics from across the African continent. For further information contact Ann Cloete, tel: +27 21 883 2208; fax: +27 21 883 8292; email: anncloete@tralac.org; Internet: <http://www.tralac.org/scripts/content.php?id=3267>.

4 April, Copenhagen, Denmark: TWISTING THE RULES OF TRADE? ANTI-DUMPING, SAFEGUARDS AND COUNTERVAILING DUTIES. This conference is part of a series of conferences entitled 'Trade Mondays.' They are an initiative of the 'WTO, Trade and Development' (WTRADE) Network, and funded by the Danish Institute for International Studies (DIIS) and the Governance, Economic Policy & Public Administration Research Network (GEPPA). Three topic areas that will be discussed at this seminar are anti-dumping policy and Denmark; how 'fair' are anti-dumping practices in dealing with 'unfair' trade practices from a developing country perspective; and the EU anti-dumping policy towards non-market economies. For further information contact Michael Friis Jensen, tel: (+45 32) 69 88 27; fax: (+45 32) 69 88 00; email: mje@diis.dk; Internet: www.diis.dk.

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.

29 March: WTO DISPUTE SETTLEMENT BODY.

30 March: WTO COMMITTEE ON MARKET ACCESS.

4 - 8 April: WTO GENEVA WEEK.

4 April: WTO COMMITTEE ON SAFEGUARDS.

4 - 5 April: WTO DISPUTE SETTLEMENT BODY - SPECIAL SESSION.

5 April: WTO COMMITTEE ON ANTI-DUMPING PRACTICES - WORKING GROUP ON IMPLEMENTATION.

6 April: WTO COMMITTEE ON TRADE AND DEVELOPMENT - DEDICATED SESSION.

6 April: WTO COMMITTEE ON ANTI-DUMPING PRACTICES - INFORMAL GROUP ON ANTI-CIRCUMVENTION.

Other Upcoming Events

19-20 April, Brussels, Belgium: THIRD ANNUAL BRUSSELS CLIMATE CHANGE CONFERENCE. The third annual Brussels Climate Change Conference will

take as its theme, "EU climate change policy beyond Kyoto: Building a global climate change agreement." The conference will consider a variety of issues, including EU climate change policy after the upcoming Spring Council meeting, transport and aviation issues, the development of the EU Emissions Trading Scheme, and impact mitigation and technology solutions. For further information contact Mark Kinloch, tel: (+44 1495) 300 012; fax: (+44 1495) 309 372; e-mail: info@euconferences.com; Internet: http://www.euconferences.com/climatechange05_intro.htm

2-4 May, Paris, France: OECD FORUM 2005: FUELLING THE FUTURE: SECURITY, STABILITY, DEVELOPMENT AND OECD MINISTERIAL SUMMIT. The OECD Forum will discuss policy issues in the areas of international trade and investment, economic development, the Millennium Declaration, and energy. The four main themes of the conference are world economic outlook; energy; economic development and the Millennium Development Declaration; and trade, development, and the Doha Development Agenda. For more information contact John West, tel: (+33 1) 45 248 025; fax: (+33 1) 44 306 346; email: john.west@oecd.org; Internet: http://www.oecd.org/site/0,2865,en_21571361_342252_93_1_1_1_1,00.html.

16-17 June, London, UK: EMERGING CARBON MARKETS: CAN THEY DELIVER? This conference is sponsored by Canada's CDM & JI Office, Foreign Affairs Canada in association with The International Emissions Trading Association. Chatham House's eighth event in its climate change series will provide a forum for policy debate on what is working and what is not; how the EU and other emerging emissions markets may develop in future; the politics and policies that will shape their evolution; and the roles of the public and private sectors. This event aims to explore how the emerging carbon market can deliver the emissions cuts required of it; examine the role of the EU Emissions Trading Scheme (ETS) on the international climate agenda; tackle the business practicalities and investment opportunities; and address concerns over both the political uncertainty surrounding the EU ETS and its impact on commercial competitiveness. For further information contact Chatham House; tel: (+44 20) 7957 5700; fax (+44 20) 7957 5710; email: contact@chathamhouse.org.uk; Internet: <http://www.chathamhouse.org.uk/index.php?id=5&cid=72>.

10 July - 12 August, Berne, Switzerland: WORLD TRADE INSTITUTE (WTI) SUMMER PROGRAM. The WTI's 2005 Summer Program provides an excellent opportunity for individuals to gain in-depth and up-to-date instruction from some of the world's leading

academics and practitioners in the field of International Trade Law and Economics. The Summer Program provides a week-long simulated WTO dispute, followed by four weeks of classes including an introduction to the WTO; WTO Dispute Settlement; WTO Trade and Agriculture; and Trade Remedies. WTI is currently accepting applications for the Summer Program. For further information contact Meredith Anne Taylor; tel: (+41 31) 631 32 73; fax (+41 31) 631 36 30; email: Meredith.Taylor@wti.org; Internet: <http://www.wti.org>.

RESOURCES

A DECADE OF FDI LIBERALIZATION: THE EVIDENCE. By Stephen J. Kobrin. UNCTAD, April 2005. This is a study of changes in regulations affecting inflows of foreign direct investment (FDI) during the 1990s. It confirms the shift in developing countries from state-directed, inward-looking economic strategies to an acceptance of markets and integration into the world economy. This paper found that four policy categories accounted for 80 percent of the changes: easing or removal of operational constraints, such as local content regulations; opening additional sectors to foreign investors; additional promotional activities and incentives designed to attract investment; and guarantees against adverse future actions. For access to this report visit http://www.unctad.org/sections/dite_dir/docs/dite_iiab_tnc003_en.pdf.

PLANTING THE RIGHTS SEED: A HUMAN RIGHTS PERSPECTIVE ON AGRICULTURE TRADE AND THE WTO. By THREAD. Institute for Agriculture and Trade Policy, March 2005. This paper examines the global agriculture system from a human rights perspective. It explores the link between the rural sector, agricultural trade, and the realisation of human rights. In so doing it highlights the limitations of the agriculture trade liberalization agenda that currently dominates policy-making, including in the WTO. The paper suggests ways to approach the global agricultural trading system with a view to making it more responsive to human needs. For access to this report visit <http://www.tradeobservatory.org/library.cfm?RefID=69823>.

REVENUE AND THE FISCAL IMPACT OF TRADE LIBERALIZATION: THE CASE OF NIGER. By Ali Zafar. World Bank Working Paper, January 2005. The study found that the principal reasons for low revenue mobilisation are the adverse fiscal impact of trade liberalisation; the defiscalisation of agriculture in the 1970s; the collapse of the uranium boom in the 1980s; and the poor record of the VAT in mobilising revenue. Zafar illustrates that the experience of Niger shows that without accompanying macroeconomic policies, parallel

improvements in tax and customs administration, and success in mobilising domestic taxes, trade reform can have adverse fiscal consequences. For further information visit

http://econ.worldbank.org/files/41237_wps3500.pdf.

CHINA'S WOOD MARKET, TRADE AND THE ENVIRONMENT. By Z. Chunquan, R. Taylor, and F. Guoqiang. Science Press USA and WWF Intl, 2004. China is a major player in the global forest products market, both as a producer and consumer. With relatively limited forest resources, China's wood imports are likely to expand dramatically in order to meet the increasing demand for wood and paper products. This report provides an overview of the diverse policies that shape China's forest products market as well as an analysis of China's forest products market, including estimates of future wood supply and demand. Potential policy changes and actions that could reduce the negative impacts of China's wood products market on the environment are also suggested in the report. For access to this report visit <http://panda.org/downloads/forests/chinawoodmarkettradeenvironment.pdf>.

HARMONISATION OR DIFFERENTIATION IN INTELLECTUAL PROPERTY PROTECTION? THE LESSONS OF HISTORY. By Graham Dutfield and Una Suthersanen. Friends World Committee for Consultation, August 2004. The question this paper seeks to address is how much IP protection developing countries should provide relative to other countries, particularly those that are wealthier. This paper explains how the priority of achieving minimum standards of protection and enforcement of existing IPRs has been superseded by that of global IP harmonisation for patents; provides numerous instances of how today's developed countries often ensured they had weaker IP regimes than those of the technologically more advanced countries they were seeking to catch up with and benefited from doing so; and discusses policy making, bilateral negotiations, and intergovernmental deliberations on IP. For access to this paper visit <http://geneva.quno.info/pdf/OP15.pdf>.

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

BRIDGES Weekly Trade News Digest © is published by the International Centre for Trade and Sustainable Development (ICTSD), <http://www.ictsd.org>. Contributors to this issue of **BRIDGES Weekly Trade News Digest** are Yvonne Apea, Trineesh Biswas, Hugo Cameron, Hilde Ludt, Malena Sell, and Anne Simson. Editor: Trineesh Biswas and Hugo Cameron. Director: Ricardo Meléndez-Ortiz, rmelendez@ictsd.ch. ICTSD is an independent, not-for-profit organisation based at: 7, ch. de Ballexert, 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 2002 - 2005 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). **BRIDGES Weekly** also benefits from support for the **BRIDGES** series of publications including: the Rockefeller Foundation, the John D. and Catherine T. MacArthur Foundation and the Swiss Development Cooperation.

ISSN 1563-003X