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LEAD STORIES

MEMBERS TRY TO CONVERT DALIAN OUTCOME INTO NEGOTIATIONS BREAKTHROUGH

Geneva-based trade diplomats have stepped up the pace of discussions in an attempt to translate the political support for the Doha Round negotiations expressed last week by thirty trade ministers at Dalian, China, into an actual breakthrough in the deadlocked talks. However, some delegates question whether the meeting -- at which the ministers agreed on how to go about proceeding with the stalled talks on farm trade liberalisation, but on little else -- accomplished enough to unblock the troubled negotiations.

The Dalian meeting did partially diffuse the sense of frustration that some delegations were feeling, and provide negotiators with "some cause for hope" that Members would be able to agree on a framework deal on agriculture by the end of July. Even this, which would represent significantly less than what Members had originally been hoping for by that time, had seemed virtually impossible in the days before the 12-13 July 'mini-ministerial' gathering. The "July approximations" were originally supposed to be fairly well-developed outlines of an eventual deal to be adopted at the WTO's Hong Kong Ministerial Conference in December.

Negotiators maintain that a great deal of work needs to be done, not only to reach a workable deal on agriculture, but to communicate developments in what is an increasingly plurilateral process to the WTO's entire Membership.

FIPs+4 meeting informally in Geneva

At Dalian, the EU and the US agreed to use a compromise framework proposal on farm tariff reduction from the G-20 group of developing countries as a starting point for continuing the talks. Sources report that the Chair of the agriculture negotiations, Tim Groser, started a week of informal, so-called 'Room F' consultations on 18 July with selected delegations representing different interests in the talks -- the so-called five interested parties (FIPs), i.e., Australia,

Brazil, the EU, India, and the US, along with Switzerland, Japan, China, and Indonesia -- to flesh out different aspects of the framework set out by the G-20. Delegates suggest that in order for it to become the sort of package that could revive the talks, Members would need to agree on a number of key aspects of the market access formula -- in particular the number and shape of the tiers into which developed and developing countries will classify products for the purposes of tariff reduction, the principle of substantially lower tariff cuts for developing countries, and some commitments on domestic support.

Ag link to NAMA, services could "unlock" talks or bedevil them

The links between agriculture and other negotiating areas appear to be posing a serious barrier to the talks. Several developing country delegations insist that they must see some of their demands met in the agriculture negotiations before they can make concessions on NAMA.

Countries seeking to shield their agriculture sectors from liberalisation, on the other hand, want to make subsidy and tariff reform conditional upon improved market access for their exports of services and industrial goods. Responding to demands that the EU reduce subsidies and open its markets to foreign farm products, French Foreign Minister Philippe Douste-Blazy told the press on 18 July that the EU "should not make concessions without being paid back in return." Nonetheless, this seems to be a minority view: the Chair of the NAMA talks postponed a week of meetings scheduled for 18-22 July to wait for any breakthroughs on agriculture (see related story, this issue).

Several negotiators from both developing and developed countries are emphatic that a preliminary agreement on agriculture is central to moving the talks forward. Unless Members can agree on agriculture, said one, "it is not clear what we would be working towards in Hong Kong -- what the basis and structure of our work would be." Pointing to the limited time between the end of the WTO's August-long holiday and the Ministerial Conference, a source observed that if Members cannot even agree on the outline of the structure of an agreement early enough to have sufficient time to flesh out the details, "how will we have full modalities [by Hong Kong]?"

If Members can reach a framework deal on agriculture, there would be cause for a measure of optimism about the overall negotiations. "An agreement on agriculture would unlock the talks on non-agricultural market access (NAMA)," said one delegate. She also suggested that such an agreement could conceivably lead to an overall improvement in the state of the talks

in September, since more delegations would feel comfortable about making revised offers of market access in the services talks. Another was less sanguine, suggesting that it was "difficult to say" whether this would pave the way to rapid progress in other negotiating areas, although agreement on agriculture could hardly hurt.

Focus on S&D at and after Dalian

At Dalian, ministers paid more attention to the negotiations on special and differential treatment (S&D) than they had at previous such meetings. Sources at the Dalian meeting indicated that several delegations feel that it is increasingly urgent that Members reach agreement on the five agreement-specific S&D proposals from least-developed countries that are currently being discussed in the Committee on Trade and Development special session (CTD-SS). In their view, this would demonstrate tangible progress aimed at benefiting some of the WTO's poorest Members. To this end, CTD-SS Chair Faizel Ismail of South Africa started another round of informal consultations with a group of countries on 18 July.

In related news, India and China have vowed to resist attempts to differentiate between larger and smaller developing economies for the purposes of favourable treatment in the WTO. Indian Commerce and Industry Minister Kamal Nath signed an accord with his Chinese counterpart Bo Xilai prior to the Dalian gathering in which they emphasised that all developing countries should be treated equally, and accorded "effective special and differential treatment as mandated in the Doha agenda."

Several delegations concerned about transparency

Technical and political barriers posed by the talks aside, one trade diplomat pointed out that only 30-odd ministers were present in Dalian, and that all other Member delegations would have to consent to abide by even that limited agreement for it to be converted into concrete progress. This may be further complicated by concerns about transparency, as some delegations are said to be grumbling that they are being left inadequately informed about a process that is largely being determined in invitation-only meetings. In order to agree on anything, say sources, developing country delegations will need to be adequately informed about proceedings in all of the different discussions.

Time running out for agreement

Members will assess progress in the negotiations at a 21-22 July session of the Trade Negotiations Committee and the 27 and 29 July meetings of the General Council.

It is likely that intensive informal talks will continue through the end of July as they did a year ago, when Members finally agreed the 'July Package' that revived the Doha Round talks on 2 August 2004.

The week after Dalian saw yet more reaffirmations of political commitment to the multilateral trade talks from several key WTO Member governments. However, with the negotiations far behind schedule, expectations are dimming for Members to reach the sort of far-reaching deal in Hong Kong that would set the stage for the round to conclude in 2006. According to Financial Times trade analyst Alan Beattie, the most probable outcome in December seems increasingly to be "a last-minute rush of haggling... followed by a weak deal."

ICTSD will provide coverage of the consultations on agriculture and S&D in upcoming issues of BRIDGES Weekly.

For more coverage of the Dalian meeting, please see BRIDGES Monthly, June/July 2005, <http://www.ictsd.org/monthly/bridges/BRIDGES9-6-7.pdf>.

ICTSD reporting; "Waning expectations: agreement on trade remains remote as time trickles away," FINANCIAL TIMES, 18 July 2005; "WTO: India, China oppose bid to divide developing countries," THE HINDU, 13 July 2005.

RULES PROGRESS LINKED TO AG, NAMA

Bilateral and plurilateral meetings on fisheries and antidumping (AD) dominated the work of the 11-15 July session of the WTO Negotiating Group on Rules. The talks are evolving slowly, and delegates suggest that any result on Rules will strongly depend upon the outcomes in agriculture and non-agricultural market access (NAMA). Chair Ambassador Guillermo Valles Galmés of Uruguay highlighted these links to other negotiating areas in his report to the Trade Negotiations Committee (TN/RL/13, available online on <http://docsonline.wto.org>).

Brazil presented a paper (TN/RL/GEN/56) on fisheries subsidies disciplines that followed from several previous submissions and put forward definitions of key concepts. With regard to AD, Members discussed several new submissions on technical issues.

Brazil Puts S&DT Back On The Negotiation Table

Fisheries subsidies discussions during the meeting focused on a Brazilian proposal to incorporate special

and differential treatment for developing countries (S&D) into the crafting of the new disciplines. Expanding upon Brazil's earlier submission (TN/RL/W/174, see BRIDGES Trade BioRes, 15 April 2005 <http://www.ictsd.org/biores/05-04-15/story1.htm>), the new paper also drew from other submissions debated in the Rules group. It contained an exhaustive list of subsidies to be included in the 'green box' ('non-actionable' subsidies that cannot be challenged under WTO rules) so long as they are not trade- or production-distorting. As well as subsidies for conservation, fisheries management, and the reduction of fishing fleet capacity, the green box would include subsidies to artisanal and small scale fisheries for stocks that are not "patently at risk."

The paper would prohibit all subsidies not included in the green box, slating them for elimination in a 'red box' category. For least-developed countries, however, subsidies ordinarily in the red box would be placed in an 'amber box' for ten years, during which they would be considered challengeable, but not prohibited.

Specifically addressing Japan's concern about illegal, unreported and unregulated (IUU) fishing activities, the proposal would have all of a Member country's green box subsidies become challengeable under WTO rules if a single vessel registered in it is found to be engaged in such activities.

According to the proposal, developing countries that are members of a regional fisheries management organisation (RFMO) would be allowed to maintain certain capacity enhancing subsidies, as well as to receive payments from fees for distant water fleets.

Members generally welcomed Brazil's contribution, and praised it for seeking to establish a common understanding of some concepts, such as small scale and artisanal fisheries, that had been mentioned in the rules group discussions for some time but lacked a clear definition.

Old Division Persists

The division persists between the 'Friends of Fish,'* which support a broad ban on fisheries subsidies with certain exemptions, and Japan, Korea and Chinese Taipei. The latter would prefer to create a list of prohibited subsidies.

Chinese Taipei expressed strong reservations about the Brazilian submission's proposed prohibition of all subsidies not falling into the green box, arguing that it indirectly implied a blanket ban. Japan said that the making all subsidies actionable if one boat is found engaged in IUU activities would penalise innocent fishermen. Several delegations pointed out that Brazil's

paper would adversely affect developing countries, since they are generally less able to enforce efficient management. Australia raised a number of questions regarding the scope of the green box.

Brazil said that it was willing to discuss the proposal further, and urged Members to produce submissions in the form of specific texts if they want to see concrete results on fisheries subsidies by the Hong Kong Ministerial Conference in December.

Aquaculture introduced

Members also discussed a submission from Australia, Ecuador and New Zealand (TN/RL/GEN/54) that raised general issues about subsidies to aquaculture. Many Members were willing to discuss the extent to which aquaculture affects wild fish stocks, but underlined the importance of the sector to developing countries. China said that any new rules on subsidies to fisheries should not apply to inland fisheries and aquaculture.

Members lowering ambition for fisheries subsidies at Hong Kong?

Trade sources have recently expressed concerns regarding whether fisheries subsidies will even make it onto the table at Hong Kong, since strong forces within the WTO's Membership -- notably Korea, Japan, and Chinese Taipei -- would like to see the issue dropped. They also expressed doubt about the EU's commitment to the issue, since it has been remarkably quiet in the discussions. Some suggest that disagreements within the EU are preventing it from taking a clear stance on the matter.

Nevertheless, the Chair's report to the Trade Negotiations Committee says that "Participants are now engaged in a very constructive dialogue, and that proponents have been submitting an increasing number of more precise papers," even if technical work remains to be done.

Technical talks on Anti Dumping

With regards to AD, Members debated a Canadian proposal (TN/RL/GEN/48) that would suspend AD duties if they were found to be WTO-inconsistent by the Dispute Settlement Body. The US strongly opposed the proposal.

Due to the technical character of the AD negotiations the Chair encouraged Members to meet for bilateral and plurilateral consultations. In a plurilateral meeting, key players in the AD debate, including the US, the EU, and the Friends of Anti-dumping**, a group of Members that want tightened rules on anti-dumping investigations and measures, discussed issues relating to lesser duty,

i.e., how and when to apply AD duties that are smaller than the margin determined between the 'normal' value and the import price of the good in question.

The Chair's report said that these consultations would continue. Acknowledging the link between progress in other negotiating areas and agreement on Rules, it urged Members to work faster and more specifically: "we must have text-based negotiations... in order to conclude the negotiations on time."

The next meeting of the rules committee is scheduled for 26 September 2005.

For this meeting 14 proposals were submitted by various delegations, they can be accessed by searching for TN/RL/GEN/* on <http://docsonline.wto.org>.

*Friends of Fish include Australia, Argentina, Chile, Ecuador, New Zealand, Philippines, Peru, Norway, Iceland and the US.

**Friends of Antidumping include Chile, Costa Rica, Hong Kong, Japan, Korea, Norway, Switzerland, Chinese Taipei, Thailand and Turkey.

ICTSD reporting.

IN BRIEF

CHINA LEGISLATION MAY IMPACT CAFTA VOTE IN US

Some US legislators are linking support for the Central America Free Trade Agreement-Dominican Republic (CAFTA-DR) to US commercial policy with China. On 20 July, Representative Bill Thomas (Republican-California), chair of the influential congressional committee that reviews trade legislation, signalled he was prepared to send CAFTA-DR for a vote in the US House of Representatives. The House is also set to vote on a bill to toughen enforcement of trade agreements with China.

Last week on 14 July, Thomas accepted a proposal from Representative Phil English (Republican-Pennsylvania) that would allow the US government to impose retaliatory tariffs against purportedly government-subsidised Chinese exports. English -- head of the Congressional steel caucus -- said the deal could produce up to six CAFTA-DR votes from Republicans representing states whose heavy manufacturing industries have lost jobs to low-cost countries, such as China and Mexico. Representative Sander Levin (Democrat-

Michigan) countered that "linking China to CAFTA-DR diminishes the importance of both trade matters." Some trade analysts have noted that bilateral and regional trade agreements are often motivated by political and strategic concerns, and can be of dubious economic value.

In a 17 July radio address, US President George Bush urged the House to follow the lead of the Senate which passed the CAFTA-DR on 30 June.

ICTSD reporting; "Republicans push for an early House vote on Cafta", FINANCIAL TIMES, 20 July 2005; "President's Radio Address", WHITE HOUSE, 16 July 2005; "G.O.P. Hopes Bill on China Will Assist Trade Pact", NEW YORK TIMES, 15 July.

Turkey. China's position, on the other hand, was supported by India, Pakistan, Brazil and Chile.

Members were unable to agree on a work programme or study, but decided to continue discussions on the textile and clothing question. Chair Vesa Tapani Himanen of Finland will hold informal consultations on the matter until the Goods Council's next meeting on 10 November, during which the issue will be taken up again.

ICTSD reporting; "Turkey's WTO proposal on textile unacceptable: China," XINHUANET, 16 July 2005; "China Slams Turkish Proposal For WTO Work Program on Textiles," WTO REPORTER, 18 July 2005.

WTO IN BRIEF

CHINA CALLS TURKISH TEXTILES PROPOSAL 'UNACCEPTABLE'

China strongly opposed a new submission from Turkey on adjustment-related issues in the textiles and clothing sector at a 15 July WTO Council for Trade in Goods meeting. China said that the proposal (G/C/W/522) was 'one-sided' and 'unacceptable,' adding that Turkey was attempting to make China a scapegoat by using 'dubious figures' and hasty generalisations.

The proposal included statistics showing dramatic increases in Chinese exports to major markets. Building upon similar requests made by Tunisia and Turkey at earlier meetings of the group (see BRIDGES Weekly, 22 June 2005, <http://www.ictsd.org/weekly/05-06-22/wtoinbrief.htm#1>), it demanded a Goods Council work programme, as well as a study by the WTO Secretariat, to clarify through statistics and data the current status and trends in the sector. Turkey said this information would help developing countries make their national adjustment and diversification plans.

A Chinese negotiator observed that Turkey's own textile exports had grown by up to 30 percent in some markets, and that the country had become the second largest supplier to the EU with 14 percent market share. Tunisia, Mongolia, Jordan, Kenya, Sri Lanka and Mauritius expressed strong support for the proposal, while the EU expressed openness to the proposal. Japan argued that any initiative should focus on development concerns and exclude discussions on measures, such as new trade remedies, that would lead to new trade restrictions, a sentiment echoed by

BRAZIL REQUESTS USD 3 BILLION RETALIATION AGAINST US IN COTTON DISPUTE

In a 15 July meeting of the special session of the WTO Dispute Settlement Body, Brazil announced its request for a USD 3 billion retaliation against the US in the recent Cotton dispute (see BRIDGES Weekly, 6 July 2005, <http://www.ictsd.org/weekly/05-07-06/story2.htm>).

Its 4 July request sought authorisation for countermeasures that correspond with US support to cotton producers that was found to be inconsistent with WTO rules (see BRIDGES Weekly, 9 March 2005, <http://www.ictsd.org/weekly/05-03-09/story1.htm>). Brazil claimed suspending concessions under the WTO Agreement on Subsidies and Countervailing Measures (SCM) -- the agreement that the US was found to be violating -- would neither be practicable nor efficient. It therefore requested permission to retaliate under other WTO agreements, namely by suspending concessions under the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) and the General Agreement on Trade in Services.

As agreed upon by the parties in a 5 July procedural agreement (see BRIDGES Weekly, 13 July 2005, <http://www.ictsd.org/weekly/05-07-13/wtoinbrief.htm>), the US opposed Brazil's request, and instead asked for the matter to be referred to arbitration. As per the agreement, at the first opportunity the parties will ask that the arbitrator suspend its work in order for the US to be given time to implement its announced changes to its cotton subsidy programme.

ICTSD reporting.

WTO COTTON SUB-COMMITTEE: AFRICA URGES ACTION BEFORE HONG KONG

The WTO Cotton Sub-Committee held its fifth meeting on 18 July. As during the previous meeting, African countries expressed disappointment at other Members' lack of formal reaction to their proposal for major reforms in cotton trade (see BRIDGES Weekly, 29 June 2005, <http://www.ictsd.org/weekly/05-06-29/story5.htm>).

They warned that African cotton producing countries would ensure that the issue does not go overlooked at the Hong Kong Ministerial Conference in December. They also called for the upcoming text on "July approximations" of an eventual Hong Kong deal to include greater detail on the treatment of cotton than what was present in the 2004 July Package (WT/L/579, available online at http://www.wto.org/english/tratop_e/dda_e/draft_text_gc_dg_31july04_e.htm). The EU responded that it had submitted a formal proposal in the overall agriculture negotiations that covers cotton, and seeks to expedite the farm trade talks in their entirety. The proposal, however, is yet to be made public.

The US also called attention to measures that it was currently undertaking to comply with the WTO ruling on its illegal subsidies to cotton producers (see BRIDGES Weekly, 6 July 2005, <http://www.ictsd.org/weekly/05-07-06/story2.htm>).

Upcoming meetings of the Cotton Sub-Committee are scheduled for 30 September, 28 October and 14 November 2005.

Further information on the Cotton Sub-Committee is available at http://www.wto.org/english/tratop_e/agric_e/cotton_sub_committee_e.htm

ICTSD reporting.

NAMA WEEK POSTPONED; WAITING FOR PROGRESS ON AGRICULTURE

The Chair of the WTO Negotiating Group on Non-Agricultural Market Access (NAMA), postponed a week of talks that had been scheduled for 18-22 July. Sources report that Ambassador Stefan Johannesson of Iceland felt that any agreement on NAMA issues was unlikely in the absence of progress in the talks on agriculture.

At the 12-13 July 'mini-ministerial' meeting in Dalian, China, Pakistan put forward "some ideas" for bridging the divisions among Members on the formula for

reducing tariffs on industrial goods (see BRIDGES Weekly, 6 July 2005, <http://www.ictsd.org/weekly/05-07-06/story1.htm>). The approach would incorporate the simple 'Swiss' formula espoused by several Members, including the US and the EU. Though it would not link a country's tariff reductions to its own average tariff level, as called for by countries including Brazil, India, and Jamaica, Pakistan suggested associating the formula with coefficients of 6 and 30 for developed and developing countries, respectively. These numbers broadly correspond to each group's average tariff level. According to a simulation, this would reduce developed country tariffs to 2-3 percent and most developing country ones to between 10-20 percent. With regard to unbound tariff lines, Pakistan proposed marking them up by 30 percentage points from the applied level -- i.e., a 5 percent tariff would go up to 35 percent; a 50 percent tariff to 80 percent -- before subjecting them to formula cuts.

Many delegations welcomed Pakistan's ideas as a genuine attempt at compromise. Some developed countries were uneasy about what they saw as a large difference between the coefficients, suggesting that the approach would not lead to meaningful tariff reductions.

Geneva-based negotiators are on 'standby,' and expect a meeting to be convened as soon as there are any developments on agriculture that might be conducive to progress on NAMA.

ICTSD reporting.

EVENTS & RESOURCES

EVENTS

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

Coming Up: 21 - 27 July

25 - 29 July, Bonn, Germany: AD HOC TECHNICAL EXPERT GROUP ON THE REVIEW OF IMPLEMENTATION OF THE PROGRAMME OF WORK ON FOREST BIODIVERSITY. This meeting is being organised by the Secretariat of the Convention for Biological Diversity (CBD) and will continue the work of earlier meetings. For further information contact Hamdallah Zedan, Executive Secretary, CBD

Secretariat, tel: (+1 514) 288 2220; fax: (+1 514) 288 6588; email: secretariat@biodiv.org; Internet: <http://www.biodiv.org>.

WTO Events

An updated list of forthcoming WTO meetings is posted at: http://www.wto.org/english/news_e/meets.pdf. Please bear in mind that dates and times of WTO meetings are often changed, and that the WTO does not always announce the important informal meetings of the different bodies. Unless otherwise indicated, all WTO meetings are held at the WTO, Centre William Rappard, rue de Lausanne 154, 1211 Geneva, Switzerland, and are open to WTO Members and accredited observers only.

21 - 22 July: TRADE NEGOTIATIONS COMMITTEE

21 July: COMMITTEE ON GOVERNMENT PROCUREMENT

25 July: NEGOTIATING GROUP ON RULES - REGIONAL TRADE AGREEMENTS

25 - 26 July: NEGOTIATING GROUP ON TRADE FACILITATION

26 July: COMMITTEE ON REGIONAL TRADE AGREEMENTS

27 July: GENERAL COUNCIL

Other Upcoming Events

22-27 August, St. Catharines, Canada: THIRD INTERNATIONAL CONFERENCE ON SUSTAINABLE AGRICULTURE FOR FOOD, ENERGY AND INDUSTRY. This conference will convene under the theme of "Food, Feed, Fiber, Water, Energy: Science, Technologies, and Global Strategies" and will focus on issues of security, safety, frugality, and conservation. For more information contact the International Council for Sustainable Agriculture, fax: +905-688-0748; e-mail: conference@icsagr-fei.org; Internet: <http://www.icsagr-fei.org/conference>.

24 August - 2 September, Daegu, Korea: 12TH ASIA-PACIFIC ECONOMIC COOPERATION (APEC) FORUM SMALL AND MEDIUM ENTERPRISE (SME) MINISTERIAL MEETING AND RELATED MEETINGS. Organised by APEC, the theme of this meeting will be "Promoting Innovation of SMEs." For further information contact Ms. Sung-Woo Lee, Convention Director, tel: (+82 2) 3462-2525; fax: (+82-2) 3402-0589; email: swl@2005apecsme.org; Internet: <http://www.2005apecsme.org>.

9-10 September, Beijing, China: CHINA BUSINESS SUMMIT 2005. As China emerges as an economic driver in its region, this event will bring together stakeholders to consider how China can balance foreign and domestic concerns. For further information contact the World Economic Forum, email: china@weforum.org; Internet: <http://www.weforum.org/site/homepublic.nsf/Content/China+Business+Summit+2005>.

RESOURCES

ANALYSIS OF NON-TARIFF BARRIERS OF CONCERN TO DEVELOPING COUNTRIES. Organisation for Economic Co-operation and Development (OECD), June 2005. This paper identifies non-tariff barriers (NTBs) faced by developing countries in their trade with developed countries and among each other. The goal is to raise awareness of barriers that interfere with the ability of developing countries to build up trade. The study also draws attention to developing countries' forward-looking export strategies and potential barriers related to them. Overall, the report highlights similarities and differences in barriers reported in the data reviewed, and compares barriers reported for trade with developed countries with those for trade among developing countries. Available online at [http://www.oecd.org/olis/2004doc.nsf/43bb6130e5e86e5fc12569fa005d004c/3f6065538ae61034c125701500549301/\\$FILE/JT00185671.PDF](http://www.oecd.org/olis/2004doc.nsf/43bb6130e5e86e5fc12569fa005d004c/3f6065538ae61034c125701500549301/$FILE/JT00185671.PDF).

WTO ANNUAL REPORT 2005. World Trade Organization, July 2005. The WTO's annual report discusses institutional matters such as descriptions of its main activities and information on its budget and staff. Marking the tenth anniversary of the organisation, this report also contains a section reviewing developments since 1995, as well as a look at potential future challenges. Available online at http://www.wto.org/english/res_e/reser_e/annual_report_e.htm.

ECOSYSTEMS AND HUMAN WELL-BEING: OPPORTUNITIES AND CHALLENGES FOR BUSINESS AND INDUSTRY. Millennium Ecosystem Assessment, July 2005. This report summarises key trends in ecosystems and their services, particularly trends of importance to business. The report also reviews how the Millennium Ecosystem Assessment findings affect businesses' bottom line. The report argues that companies using natural resources more wisely are likely to see larger profits and enjoy greater long-term stability. Available online at <http://www.millenniumassessment.org/en/index.aspx>.

ENVIRONMENTAL GOODS NEGOTIATIONS: ISSUES AND OPTIONS FOR ENSURING WIN-WIN OUTCOMES. By Sandeep Singh. International Institute for Sustainable Development, June 2005. This paper analyses possible approaches to ensure a balance in trade gains in the ongoing negotiations on environmental goods. The piece discusses the progress made in the negotiations thus far vis-à-vis different Members' positions. It suggests that a combination of special and differential treatment (S&D) provisions and bringing environmentally preferable products of export interest to developing countries into the ambit of environmental goods, could offer a balanced deal to the developing countries. Available online at http://www.iisd.org/pdf/2005/trade_environmental_goods.pdf.

THE WTO AND DIRECT TAXATION. By Michael Daly. World Trade Organization, June 2005. This paper provides an overview of the extent to which WTO rules apply to taxation, particularly direct taxation. It contains a summary of disputes concerning income tax measures that have arisen at the WTO since its establishment, with special attention to the protracted dispute between the EU and the US over the latter's "foreign sales corporation" (FSC) scheme and, its replacement, the Extraterritorial Income Exclusion Act (ETI). Available online at http://www.wto.org/english/res_e/booksp_e/discussion_papers9_e.pdf.

WORLD ECONOMIC AND SOCIAL SURVEY 2005: FINANCING FOR DEVELOPMENT. United Nations World Economic and Social Survey, July 2005. This report focuses on the Monterrey Consensus as the current framework for international cooperation for development. It examines the correspondingly broad agenda for action that was set out in the Consensus, recognising the numerous accomplishments to date. It also draws attention to future actions -- particularly in the financing and trade areas -- that need to be undertaken in the years ahead to both achieve the Millennium Development Goals and promote the broader United Nations Development Agenda. Available online at <http://www.un.org/esa/policy/wess/>.

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BRIDGES Weekly Trade News Digest® is published by the International Centre for Trade and Sustainable Development (ICTSD), <http://www.ictsd.org/>.

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

CORRIGENDUM

In the 13 July 2005 issue of **BRIDGES Weekly** (Vol. 9, No. 26), the story entitled "Dalian: Hint Of Progress On Agriculture" reported that according to a G-20 proposal on market access in the agriculture negotiations, the tariff reductions required of developing countries in each tariff band would be less than one-third of the cuts developed countries would make in comparable bands. The actual figure is less than two-thirds. The **BRIDGES Weekly** team regrets the error.

