



INTERNATIONAL CENTRE FOR
TRADE AND SUSTAINABLE
DEVELOPMENT

Bridges

Weekly Trade News Digest

21 September 2005

Volume 9 Number 31

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LEAD STORIES

'BENCHMARK' PROPOSALS CREATE CONTROVERSY IN SERVICES TALKS

In a controversial move, a handful of influential WTO Members have proposed the establishment of multilateral requirements for countries to open their services sectors to foreign competition. These would supplement the current bilateral request-offer process for negotiating market access in services trade.

In informal 'non-papers' submitted during consultations that services Chair Ambassador Alejandro Jara of Chile started on 14 September, Australia, Japan, Korea, New Zealand, Taiwan, and the EU outlined approaches that would establish minimum 'benchmark' levels for Members to open sectors to competition from foreign services providers. Countries would, however, retain the ability to choose which sectors to liberalise in order to reach these levels.

Developing country delegations including Argentina, Brazil, Egypt, Malaysia, and the Philippines strenuously objected to the concept. They argued that the establishment of mandatory minimum market access requirements for services trade would burden developing countries disproportionately, since industrialised countries had already made liberalisation commitments on a far greater proportion of their trade in services. One delegate commented that the informal submissions amounted to an attempt to secure a "round for free for developed countries," at least with regard to services.

Under the General Agreement on Trade in Services (GATS), Members open their services sectors to competition from foreign companies by scheduling their commitments -- including any limitations placed on this market access -- in 12 sectors divided into roughly 160 subsectors (MTN.GNS/W/120 available at http://www.wto.org/english/tratop_e/serv_e/mtn_gns_w_120_e.doc). At present, there are no minimum requirements regarding the number of sectors or subsectors that must be opened up, and Members are under no obligation to make offers in response to other countries' requests.

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Request-offer process must be supplemented, allege proponents

All of the benchmark documents call for establishing targets for expanding market access. They contend that the current bilateral request-offer process is failing to significantly expand market access for trade in services, and that it must therefore be supplemented by plurilateral and multilateral approaches. Many of them specifically point to the low depth and number of existing initial and revised offers of market access in the ongoing talks.

Japan proposed that Members agree target levels of market-opening for each of the four modes of services supply in the GATS. It would not require countries already at the agreed level of liberalisation to make any changes.

Calling for a "common baseline of commitments" on services trade, the EU put forward a "formula-based approach." This would incorporate quantitative targets such as requiring Members to open a certain number of subsectors to foreign competition, as well as qualitative ones to make sure that the new commitments are "meaningful." The EU proposal implicitly makes the extent of expanded access through Mode 4 -- the cross-border movement of individuals to provide services, one of the few areas of the services talks in which developing countries have broadly been demandeurs -- dependent on the removal of restrictions on foreign ownership of services companies under Mode 3, which deals with commercial presence. Furthermore, its proposed benchmarks for Mode 4 market access would only apply to services subsectors liberalised under the benchmark approach.

Like the EU, Australia suggested that Members agree a figure for the number of subsectors in which they will be required to make commitments. It wanted Members to establish at Hong Kong a mandatory, "clear goal" for improved offers on market access by the end of the Doha Round,

Korea proposed that Members commit a multilaterally-determined percentage of their heretofore-uncommitted subsectors, including autonomously liberalised ones. The request-offer process would be used to determine which sectors and subsectors Members commit.

New Zealand and Taiwan both put forward methodologies for quantifying the extent of Members' scheduled commitments, and using them to establish benchmarks for further liberalisation. New Zealand would have Members assign themselves scores based on their sub-sectoral, sectoral, and modal coverage, with penalties for limitations on market access and

national treatment. A target score would then serve as the "minimum quality standard" for further liberalisation.

Taiwan's approach measured the proportion of Members' full and partial commitments in Modes 1-3 for each of the sub-sectors. Notably, it called for market access expansion in sectors identified by UNCTAD as "infrastructure sectors" for which the main beneficiaries of liberalisation were likely to be developing countries (given suitable regulatory frameworks). Furthermore, Taiwan explicitly called for Mode 4 commitments to be "de-linked" from Mode 3.

In a paper that did not contain recommendations for liberalisation benchmarks, Switzerland outlined a method for quantifying Members' commitments that was comparable to New Zealand's.

Most of the proposals suggest supplementing the multilateral approach with a plurilateral 'critical mass' one. This would see groups of interested Members promise to make extensive commitments in particular sectors and subsectors as soon as the group accounts for an agreed threshold percentage of global trade in such services. Proponents of the idea point to the informal, issue-specific 'Friends Groups' as a possible point of departure.

Many developing countries oppose this approach, since they fear being pressured to sign on to plurilateral agreements that do not reflect their priorities. This concern springs from the non-inclusiveness of some of these 'Friends Groups' as well as the fact that resource constraints prevent them from actively participating in such groupings.

Link attempted between services, other negotiating areas

Notably, the EU and Japan -- among the WTO's most reluctant farm trade liberalisers -- are two of the more vocal proponents for liberalisation benchmarks in services trade. The EU explicitly stated that a multilateral benchmark approach would "bring these [services] negotiations more in line with other negotiating areas... such as agriculture and non-agricultural market access," an assertion that was also made by Australia.

Several developing country delegations reject the comparison, saying that unlike agriculture and NAMA, services negotiations do not have an 'a priori' high level of ambition. They contend that the premise underlying the benchmark proposals -- the notion that there should be a collective level of ambition for liberalisation applicable to all Members -- runs counter to the very structure of the GATS, which provides developing

countries with the flexibility to open fewer sectors and liberalise fewer types of transactions.

They argued that developing countries would need to make by far the greater effort in spite of the provisions for special and differential treatment in all of the papers, generally setting lower benchmarks for developing countries. They also noted that the Australian proposal would not provide flexibilities for non-LDC developing countries, again contrary to the language of the GATS.

Jara's consultations on 'complementary approaches' to the request-offer process are set to resume this week. The services cluster got underway on 19 September.

ICTSD reporting.

AGRICULTURE: WTO MEMBERS TO PURSUE "COMPREHENSIVE" APPROACH

The recent week of agriculture negotiations at the WTO wrapped up on 15 September, a day earlier than planned. The meeting -- convened for the first time by the committee's new chair, Ambassador Crawford Falconer of New Zealand -- generally agreed that Members need to take a comprehensive approach to the agriculture negotiations and tackle a range of issues at once, instead of the "incremental" approach they have used so far.

This shift in strategy responds to the fact that negotiators now are working directly on the actual agriculture modalities -- percentages for tariff and subsidy cuts, reduction formulae, criteria for domestic support, deadlines, and transition periods -- rather than a mere outline of them. They failed to agree on such 'first approximations' of modalities at the end of July (see BRIDGES Weekly, 3 August 2005), and are now under pressure to agree on the modalities themselves at the WTO's Hong Kong Ministerial Conference in December. Falconer has noted a "manifest sense of increased urgency" in the negotiations, given that the ministerial summit is less than three months away.

The 'agriculture week' took place against the backdrop of high-level bilateral talks between the EU and US in Washington DC, which strongly emphasised the agriculture elements of the Doha Round negotiations (see related story, this issue). These bilateral talks will continue in Paris from 22-23 September, and will also involve Brazil and India (together, the so-called 'new Quad'). These countries will then be joined by Australia (to make up the Five Interested Parties, FIPS) and a larger group of countries (dubbed FIPS+).

Speaking to journalists, Falconer hailed the meeting of the new Quad in Paris, noting that "Those four players

have some views, and if we want to get consensus they must talk." He also commented that all Members must use the upcoming weeks to "talk among themselves, seize the issues and wrestle with the approaches that may work." He stressed that while all countries need to be involved, "We need political emphasis to transform into something operational."

Countries agree on need for a comprehensive approach in ag talks

Following a formal meeting on 13 September (see BRIDGES Weekly, 14 September 2005), Members met in different configurations. Falconer asked delegations whether it was time to move towards a more comprehensive approach to the talks, and then called an informal plenary meeting on 15 September to hear them respond. Members generally agreed, with the G-33 countries (an alliance in support of allowing developing countries to designate 'Special Products' for lower tariff cuts and the creation of a 'Special Safeguard Mechanism' to protect these countries against import surges) stressing the importance that Members pay adequate heed to the development dimension of the agriculture negotiations.

One disagreement that surfaced during the session related to the degree of ambition under each of the three 'pillars' of the agriculture talks: export subsidies, domestic support, and tariff reduction. The G-20 and agricultural exporters demanded high levels of ambition under all three pillars. The G-10 (mainly developed country agricultural importers) said cuts in export subsidies should be most ambitious, followed by cuts to domestic support, and finally, moderate reductions to agricultural tariffs. The US indicated that it was willing to start considering specific numbers or scenarios in order to make the talks more concrete. After the meeting, one US official noted that the current sequencing of the talks is off balance, since progress on market access, the area of greatest interest to the US, is lagging behind that on the other pillars.

Also during the 15 September meeting, the EU said it wanted the agriculture negotiations in the lead-up to Hong Kong to include the extension of geographic indications (GIs) to products other than wines and spirits. The EU is, however, fighting an uphill battle in this area, and very recently concluded a bilateral agreement with the US on the names related to wines and spirits (see related story, this issue).

A number of countries stressed the need for an inclusive or "bottom-up" approach to the talks, which would involve all Members of the WTO. They have requested a first draft of the Hong Kong ministerial text in mid-November, in order to have sufficient time to consider and review the document. Falconer stressed

that Members need to have something concrete on the table in mid-October, which would in turn indicate what they could realistically expect in Hong Kong.

Members permanently "on call"

Following the close of the meeting on 15 September, negotiators are "on call" on a continuing basis; Falconer may convene a larger plenary meeting at any point. The next agriculture week is scheduled to start on 17 October. In practice, negotiations will take place continuously between now and Hong Kong. WTO Director-General Pascal Lamy is expected to call regular stocktaking sessions of the Trade Negotiations Committee. A number of high-level meetings are also scheduled to take place in capitals, with the upcoming meeting in Paris from 22-23 September next in line.

ICTSD reporting.

CTE MOVES ON TO TECHNICAL DISCUSSIONS ON ENVIRONMENTAL

WTO Members largely set aside the relationship between WTO rules and multilateral environmental agreements (MEAs) during the 15-16 September meeting of the Special (negotiating) Session of the Committee on Trade and Environment (CTE-SS), focusing instead on how to advance the talks on environmental goods.

In a shift from earlier debates that revolved broadly around how to go about liberalising trade in environmental goods, delegates got down to more pragmatic discussions regarding the environmental and developmental justifications of specific products.

Identifying win-win-win opportunities

As part of a product-specific process, WTO Members welcomed a meeting convened by the US just prior to the CTE session where it provided case studies on the environmental and developmental benefits of liberalising trade in the environmental goods on its own proposed list. Many delegates felt that such exercises could help test the credibility of lists, to streamline them, and to critically analyse potential win-win-win opportunities for trade, environment and development. Some Members, including Switzerland and Canada, suggested that they might hold similar workshops for their respective lists.

On the way forward for the negotiations, Canada proposed structuring discussions according to categories, naming goods related to sanitation, wastewater management and renewable energy as three possibilities. They said this approach would help

clean up existing lists and support developing countries in the preparation of their own lists. The proposal was generally welcomed as a potential starting point for more detailed debate, although delegates expected that additional categories would emerge in the course of the discussions.

India continued to promote its 'environmental project approach,' which would temporarily liberalise trade for particular environmental goods and services used in approved environmental projects (BRIDGES Trade BioRes, 13 July 2005). In contrast to the previous CTE meeting, India appeared more willing to consider a combination of the project and list approaches, as long as its two main concerns were addressed -- namely that environmental goods chosen for increased liberalisation did indeed contribute to environmental protection, and that the 'dual use' issue (i.e. the fact that certain environmental goods may have both environmental and conventional uses) was dealt with.

Brazil insisted on the need to consider criteria for identifying environmental goods, though it welcomed the US and Canadian initiatives. Its delegates noted that such criteria would help to more clearly specify the limits of the expected outcome, including the expected scope and volume of trade in the listed goods. They also suggested that clear criteria would give developing countries the confidence to come forward with lists of their own.

The road to Hong Kong

Observers generally agree that it is unlikely that Members will finalise a list in time for the Hong Kong Ministerial Conference in December, though precise expectations for the summit remain unclear.

Discussions in the CTE have for some time focused almost exclusively on environmental goods under Paragraph 31(iii) of the Doha Declaration. Nevertheless, some delegations rejected a suggestion by CTE-SS Chair Ambassador Toufiq Ali of Bangladesh to drop MEA-related negotiations under Paragraphs 31(i) and (ii) until after the Hong Kong meeting. Developing countries in particular expressed the fear that such a move could set a procedural precedent, given that so far no other negotiating issue has been formally dropped from discussions in the lead-up to December. In addition, MEA-related issues, which are of particular interest to some developed countries such as the EU and Switzerland, may serve as a potential bargaining chip -- in exchange for agreement on an issue of interest to developing countries -- at a later juncture in the negotiations.

Citing the lack of agreement on other important negotiating issues, notably agriculture, several

countries highlighted that movement in these areas would be a prerequisite for major progress on environment-related issues.

The next regular session of the CTE will be held on 12 October, followed by the CTE-SS from 13 to 14 October.

ICTSD reporting.

EU-US BILATERAL AG TALKS PAVE THE WAY FOR PROGRESS IN GENEVA?

While the first 'agriculture week' after the WTO August recess was underway in Geneva, the EU and the US held high-level bilateral meetings in Washington from 13-14 September. EU Trade Commissioner Peter Mandelson met his counterpart, US Trade Representative Rob Portman. They were joined by EU Agriculture Commissioner Mariann Fischer Boel and US Agriculture Secretary Mike Johanns. Both sides expressed their satisfaction with the discussions, which will continue in Paris from 22-23 September, where they are set to meet with counterparts from Brazil and India in an effort to find a way forward in the stalled Doha Round trade negotiations.

WTO Director-General Pascal Lamy told the press in Geneva that "it is necessary that [the EU and the US] advance on some issues to allow the rest to be unblocked." The chair of the farm trade talks at the WTO, Ambassador Crawford Falconer of New Zealand, also welcomed the EU-US bilateral efforts, noting that "some momentum from that corner" was a precondition for movement in the agriculture negotiations.

Parallel movement required; EU-US talks to focus on "scenarios"

The US and the EU have divergent interests in the agriculture talks. The US wants expanded market access for its agricultural products, and is reluctant to commit to further reductions in domestic support without guarantees of opened markets elsewhere. In an earlier stage of the talks, the US managed to have its counter-cyclical payments classified in the 'Blue Box' for partially decoupled production-limiting programmes, which are subject to less stringent cuts than trade-distorting 'Amber Box' subsidies. Other countries would like to see steeper cuts to these grants.

Though it remains the largest subsidiser in terms of total financial support to farms, the EU, after reforming its Common Agricultural Policy (CAP) in 2003 and offering to eliminate export subsidies, is reluctant to make further concessions in the area of domestic support. Market access will also be difficult to achieve --

the EU stresses that it already is the world's largest importer of agricultural products from developing countries. In the current talks, the EU is pushing for flexibility in the designation of 'sensitive products,' which will be subject to more lenient tariff cuts than those required for other commodities.

However, following the bilateral meetings, officials noted that the two powers had agreed to work together on moving forward in parallel. This would require the US to agree to cuts in the area of domestic support, while the EU would move on market access. In practice, the two will begin to discuss "scenarios," considering potential figures for the depth and timeframe for reducing subsidies and tariffs. The EU will present data on scenarios for their sensitive products. They will be basing their discussions on a G-20 compromise proposal for the agriculture negotiations that was first made at a July mini-ministerial meeting in Dalian, China (see BRIDGES Weekly, 13 July 2005). "It is not perfect from our point of view, nor is it from the EU point of view, but it does provide a basis for discussions," said Portman of the formula.

After the meetings, Fischer-Boel said "I'm more optimistic about the next weeks than I was before we arrived... We have stopped talking across each other and are talking to each other. We are going from the process and onto the substance of the negotiations."

Portman emphasised that "What we need to see is real market access in order for us to consider subsidy reform... We also need to see that they reduce their subsidies more than we do."

Bush: ready to scrap ag support

Meanwhile, at the UN World Summit in New York (see related story, this issue), US President George W. Bush directly addressed the issue of farm trade. In his 14 September address to assembled world leaders, he called on them to eliminate trade-distorting agricultural subsidies, and to eliminate tariffs and other barriers facing farmers worldwide. Reiterating a call he made in July at the G-8 summit at Gleneagles, Bush pledged that the US was prepared to eliminate all tariffs and subsidies and other barriers to trade in goods and services -- if other countries do so as well (see BRIDGES Weekly, 13 July 2005).

The impact of the current high-level political focus on the actual agriculture negotiations in Geneva remains to be seen, and illustrates the tension between calls for political impetus and leadership by the big players on the one hand, and the need for consensus-building and an inclusive approach on the other. As one senior US trade delegate pointed out, bilateral agreement on key points is not enough to move the agriculture talks

forward. Both the EU and US have said they realise that they need to be sensitive to the interests of the Membership as a whole, and engage with all of the different groups in the negotiations.

ICTSD reporting; "Key WTO mediator: next week's Paris mini-ministerial crucial for advancing trade round," ASSOCIATED PRESS, 16 September 2005; "US trade chief hopeful on farm trade talks," REUTERS, 16 September 2005; "U.S., EU trade negotiators pledge intensified effort to get deal in agriculture," ASSOCIATED PRESS, 14 September 2005.

UN SUMMIT MAKES LITTLE PROGRESS ON MDGs

Described as more significant for what it failed to achieve than for what it accomplished, the security-dominated 14-16 September UN World Summit in New York was notable for its lack of progress on development issues.

The 2005 gathering brought together an unprecedented 151 out of a possible 191 heads of state. Though its adoption of a resolution on terrorism was met with general approval among members and observers alike, the meeting made little headway on the Millennium Development Goals (MDGs) -- a set of eight goals to be met by 2015 that range from poverty and hunger reduction to improvements in basic public health, access to sanitation and water, and environmental sustainability.

Lack of progress on MDGs criticised

As General Assembly President Jan Eliasson thumped his gavel to mark the adoption of the summit's final document, he declared that the result reaffirmed "our commitment to achieving the Millennium Goals by the year 2015." However, Eliasson's optimism was not universal. Indeed, while a review of the MDGs had been the original intended goal of the World Summit, many criticised the meeting for its lack of progress on the issue. "A few years ago, developed countries made some promises; but since then, very few concrete actions were implemented," said Prime Minister Hama Amadou of Niger, one of the world's poorest nations. Moreover, some believe that the lack of progress towards the MDGs since their establishment in 2000 has already put some of them out of reach.

Terrorism dominates agenda; Bush links security to trade

Security issues trumped development concerns to take centre stage at the summit. The General Assembly and Security Council adopted resolutions strongly

condemning terrorist acts and incitement. British Prime Minister Tony Blair underscored the need to strengthen "the democratic way" to effectively combat terrorism. Meanwhile, some civil society commentators have criticised the resolution for lacking a clear definition of terrorism.

In his speech to the assembled world leaders, US President George W. Bush echoed some of Blair's sentiments, and drew links between terrorism, development and international trade. Stressing that trade liberalisation would help to alleviate poverty which, he asserts, is a catalyst for terrorism, Bush called on world leaders to abolish all trade tariffs and subsidies as a means to combat poverty.

"We must work together in the Doha [Round of WTO] negotiations to eliminate agricultural subsidies that distort trade and stunt development, and to eliminate tariffs and other barriers to open markets for farmers around the world," said Bush in an apparent reference to EU farm subsidies. "The United States is ready to eliminate all tariffs and subsidies and other barriers to the free flow of goods and services as other nations do the same."

Bush also reiterated the US' commitment to the WTO's December Ministerial Conference in Hong Kong. "Under Doha," he continued, "every nation will gain and the developing world stands to gain the most. Historically, developing nations that open themselves up to trade grow at several times the rate of other countries."

Agricultural subsidies in the developed world were recently highlighted by the UN Development Programme's 2005 Human Development Report (HDR) as a significant obstacle to development in the South (see BRIDGES Weekly, 14 September 2005).

UN process supported by US, condemned by Venezuela

Bush surprised many at the summit by stressing his support for a "strong United Nations," despite his administration's recent history of unilateral action in defiance of the UN. In contrast, criticism of the UN process emerged from countries such as Venezuela and Cuba, which expressed outrage over their alleged exclusion from the negotiations on the resolution adopted at the summit's end.

UN Secretary-General Kofi Annan expressed satisfaction with the resolutions on terrorism and the protection of civilians from acts of genocide. However, he was unmistakably disappointed with summit's overall results, particularly on institutional reform and nuclear non-proliferation. "Let us be frank with each other and

the peoples of the United Nations," he said. "We have not yet achieved the sweeping and fundamental reform that I and many others believe is required."

Despite his frustration at the lack of progress at the UN Summit, Annan is continuing to pursue other avenues for the advancement of the MDGs, some of which echo Bush's call for freer trade. This was most recently seen in a new 'Report of the Secretary-General' in collaboration with UNCTAD which calls on the WTO to promote trade liberalisation in goods and services from developing countries in order to help achieve the MDGs.

A full copy of the 2005 World Summit Final Report is available online:
<http://www.un.org/summit2005/documents.html>.

A full copy of the UN International Trade and Development Report of the Secretary General is also available online:
<http://daccessdds.un.org/doc/UNDOC/GEN/N05/459/93/PDF/N0545993.pdf?OpenElement>.

"UN Summit Falls Short of Changes Necessary to Fight Poverty, Terrorism," THE FINANCIAL EXPRESS, 18 September 2005; "Bush Pledge to End Trade Subsidies if Others Follow," GULF DAILY NEWS, 15 September 2005; "UN Summit Supports Millennium Goals, Condemns Terrorism," ENVIRONMENT NEWS SERVICE, 15 September 2005; "UN Reforms Receive Mixed Response," BBC NEWS, 17 September 2005.

IN BRIEF

US AND EU STRIKE WINE AGREEMENT; MAY INFLUENCE WTO TALKS ON GIs

On 15 September, the EU and the US reached an agreement on wine-making practices and labeling, settling a longstanding dispute over names and regulations. Specifically, they agreed to mutually recognise "names of origin" and "semi-generic" names. The latter have been at the core of the dispute, since they raise the question of whether certain "names of origin" can be used for products not originating from the region in question. US winemakers welcomed the agreement, but French and Italian wine officials made it clear that they will lobby for the rejection of the deal since it permits certain US producers to continue using names such as Champagne.

The deal, though it applies only to wines, may prove significant in the ongoing WTO negotiations on

geographic indications (GIs), specifically the talks on the creation of a multilateral register for the protection of wine GIs under TRIPS Article 23(4). Though it does not mention GIs, the pact sets a precedent for product-based GI recognition among the WTO's two most powerful Members. This approach could spill over into their negotiating positions in the WTO. There, it would run up against developing countries, which have been pushing for a rule-based solution for recognising and registering GIs under the TRIPS Agreement given their concern that a product-based approach -- especially one limited to wine -- would not adequately cover their own geographically-based food and handicraft products.

Since the EU and the US are among the world's biggest wine producers, their deal may motivate other producers such as Australia, Argentina, South Africa and Chile to seek similar protection for their wines in the WTO. In this manner, a product-based list could emerge as the basis for WTO negotiations. This would require developing countries to develop product lists of their own in order to benefit from GI protection.

The agreement is available at:
http://www.ustr.gov/assets/Document_Library/Fact_Sheets/2005/asset_upload_file917_8030.pdf

ICTSD reporting; "Wine dispute set for solution," FINANCIAL TIMES, 16 September 2005; "US, EU Settle wine name dispute," LOS ANGELES TIMES, 15 September 2005.

THAI CIVIL SOCIETY RAMPS UP ACTIVITY ON IPRs BEFORE FTA ROUND WITH US

The fifth round of free trade agreement (FTA) negotiations between Thailand and the US will open shortly, from 26-30 September in Hawaii. The talks have been controversial in Thailand, particularly in relation to public participation and the intellectual property (IP) components of the potential accord. A US-required confidentiality agreement has meant that little of what takes place during the actual negotiations can be disclosed to the public. Nevertheless, Thai civil society groups anticipate that substantive discussions on patents and geographical indications are likely to take place in the upcoming round, and have stepped up related activities. Strong IP protections -- generally going beyond WTO requirements -- have been a consistent demand of the US in its recent FTAs.

Participants at recent open meetings held by Thai universities and non-governmental organisations have expressed concerns about the potential removal of an

exemption that currently prevents life forms from being patented, as well as higher patent standards affecting access to medicine. Furthermore, Thailand's National Human Rights Commission has officially warned against the raising of IP standards, suggesting that existing domestic laws were better tailored to the country's development needs. The Commission also advocated a precautionary approach with regards to sanitary and phytosanitary (SPS) standards for genetically modified organisms, citing health, safety and environmental reasons.

The Thai government is said to be seeking protections in the FTA negotiations for requiring patent applicants to disclose the source and country of origin of any genetic resources or traditional knowledge used in an invention. These are similar to proposals Thailand has made at the WTO. There is also strong government and civil society support in Thailand for geographical indication protection for food products such as jasmine rice. Thai sources report that the US wants Thailand to seek trademark protection instead.

The National Human Rights Commission Of Thailand's statement on "The Thai-US Free Trade Agreement and its Impacts on Thai Jasmine Rice and Biological Resources" is available online at <http://www.nhrc.org>.

ICTSD reporting; "Thais seek shield against 'biopiracy'" BANGKOK POST, 20 July 2005; "Recommendations before Disaster: Thailand-US Free Trade Agreement Negotiations. Lessons from FTAs with China, Australia, New Zealand, Japan and Other Countries' Experiences," FTA WATCH (THAILAND), 12 September 2005.

WTO IN BRIEF

VIETNAM ACCESSION BY HONG KONG LOOKING UNLIKELY

It is unclear if Vietnam will be able to formally become a Member of the WTO in time for the December Ministerial Conference in Hong Kong. Following the 15 September session of the Working Party for the Accession of Vietnam, its chair, Ambassador Eirik Glenne of Norway, said that though the talks are moving forward, "we still have work to do."

During the meeting, the Vietnamese delegation answered Members' questions, outlined new domestic laws that had brought the country into compliance with various WTO rules, and pointed to their government's efforts to speed up the adoption of further WTO-related

legislation. Some countries expressed concerns about Vietnam's investment regime, tax policies, and state trading enterprises.

Would-be members of the WTO are required to negotiate bilateral market access deals with any Members that request them. Vietnam has done so with several countries, including the EU and China. Deals with some major trading partners such as the US and Australia remain unfinished. Echoing civil society concerns that this bilateral component of Vietnam's accession process is used by developed countries to extract concessions that go beyond WTO requirements, the lead Vietnamese negotiator asked Members still in bilateral talks to "take due regards of Vietnam's difficulties and show reasonable and flexible requirements." India, Cuba, and the Association of Southeast Asian Nations (ASEAN) also asked those countries to refrain from making overly onerous demands.

Glenne indicated that he expected the remaining market access deals to be concluded in time for the next session of the Working Party, for which a precise date has not been scheduled.

ICTSD reporting.

EU SUGAR REGIME BACK IN SPOTLIGHT

In response to reports that the EU may export more of its internal sugar surplus, Australia, Brazil and Thailand have referred the matter to the 27 September 2005 meeting of the WTO Dispute Settlement Body (DSB). They allege that the EU is failing to comply with the Appellate Body's 28 April 2005 ruling that its sugar regime is inconsistent with WTO rules (see BRIDGES Weekly, 4 May 2005), and that the EU's actions run afoul of the ongoing arbitration process to set a deadline for EU compliance.

The EU's existing sugar regime guarantees domestic producers payment at a price considerably higher than world market levels. It establishes two categories of sugar production for internal consumption, 'A' and 'B' quotas. Sugar produced in excess of these is reclassified as 'C' sugar and exported. It is these exports that the WTO dispute panel and Appellate Body ruled against. They determined that the C sugar exports were being sold below their cost of production in part due to the cross-subsidisation from profits earned from artificially expensive domestic sugar. The EU also was found to be subsidising its sugar exports beyond its notified commitment, in violation of the WTO Agreement on Agriculture.

The WTO DSB ordered the EU to reduce its subsidised exports of sugar from approximately 5 million tonnes a year to 1.273 million tonnes, and slash export subsidies from an estimated EUR 2 billion per year to a maximum of EUR 499.1 million. However, due to an internal production surplus, the EU is said to be contemplating reclassifying some of its A and B quota sugar as C sugar for export. This would increase its subsidised exports of sugar to approximately 7.2 million tonnes, 6 million tonnes in excess of its commitments.

The 'EC -- Export Subsidies on Sugar' reports (WT/DS265/AB/R, WT/DS266/AB/R, WT/DS283/ AB/R) are available online at <http://docsonline.wto.org>.

ICTSD reporting; "Australia attacks EU over sugar export plan," REUTERS, 19 September 2005; "Complainants Slam EU Plan to Subsidize Sugar Exports; Breach of WTO Ruling Cited," WTO REPORTER, 20 September 2005; "EU Is Defying WTO Sugar-Export Ruling, Brazil, Australia Say," BLOOMBERG, 20 September 2005.

EVENTS & RESOURCES

VACANCIES

Oxfam (Great Britain) is currently recruiting a Senior Policy Advisor. Successful candidates will be expected to develop cutting-edge analysis and policy based on Oxfam's experience and research and develop long-term advocacy strategies to achieve campaign goals. Applicants are expected to have experience lobbying decision-makers, demonstrable people management and team-working skills, experience developing and implementing advocacy strategies and a strong knowledge of current debates on trade issues. Further information and an online application can be found by searching the Oxfam, UK vacancies database <http://www.oxfam.org.uk/jobs/index.htm> (Ref:C&P164). This position is not restricted to those with the right to work in the UK. The closing date for this position is 12 October 2005.

EVENTS

For a more comprehensive list of events in trade and sustainable development, please refer to ICTSD's web calendar. If you would like to submit an event, please [email us](#).

ICTSD Event

23 September, Geneva, Switzerland: THE INTERNATIONAL COPYRIGHT SYSTEM: LIMITATIONS, EXCEPTIONS AND PUBLIC INTEREST CONSIDERATIONS FOR DEVELOPING COUNTRIES IN THE DIGITAL ENVIRONMENT. Access to copyrighted knowledge and educational material has become an issue of particular concern to developing countries. This informal roundtable aims to discuss some spaces available in international copyright law in which to pursue sustainable development outcomes. Discussions will build upon recent proposals made in the World Intellectual Property Organisation (WIPO) Standing Committee on Copyright and Related Rights on such limitations and exceptions. Topics to be discussed include the public welfare component of international copyright regulations and the discretion reserved to states to establish limitations and exceptions specifically for domestic concerns. The meeting will take place from 9h00 - 11h30 in Room C.2 at the World Meteorological Organization (WMO) building, 7bis, avenue de la Paix, Geneva. For further information contact Daniel Robinson, tel: +41-22-917-8374; fax: +41-22-917-8093; email: drobenson@ictsd.ch.

Coming Up: 22 September - 28 September

23-24 September, Geneva, Switzerland: STUDY SESSION ON INTELLECTUAL PROPERTY AND HUMAN RIGHTS. This session, organized by 3D --> Trade --> Human Rights --> Equitable Economy, will explore how human rights rules and mechanisms can be applied in support of fairer, development-oriented intellectual property regimes. For further information contact Caroline Dommén, tel: +41 22 320 21 21; fax: 320 69 48; email: info@3dthree.org; Internet: <http://www.3dthree.org>.

26 - 27 September 2005, Washington, D.C.: ANNUAL MEETINGS OF THE INTERNATIONAL MONETARY FUND AND THE WORLD BANK GROUP. Topics to be discussed at this meeting include the World Economic Outlook (WEO), the 2006 World Development Report (WDR) and new global challenges for International Financial Institutions. This meeting is not open to the public. See <http://www.imf.org/external/am/2005/index.htm> for more information.

26-27 October, Bangkok, Thailand: FINAL CONSULTATION FOR THE SOUTH-SOUTH ECONOMIC COOPERATION "EXPLORING MEKONG-GANGA RELATIONSHIP (MGR)" PROJECT. Organised by the Jaipur, India-based Consumer Unity and Trust Society Centre for International Trade, Economics & Environment (CUTS-CITEE), the conference will discuss key findings from background research and current business perceptions on the

present and future scope for economic cooperation between India and Greater Mekong Sub-region countries. For further information contact Pooja Sharma or Swati Dhoot, tel: +91-141-2282821; fax: 91-141-2282485; email: citee@cuts.org.

26-30 September, Rome, Italy: SECOND CONFERENCE OF THE PARTIES TO THE ROTTERDAM CONVENTION (PIC COP-2). The conference will discuss the 1998 Convention on Prior Informed Consent, which required exporters trading in a list of hazardous substances to obtain the prior informed consent of importers before proceeding with the trade. For further information contact the Rotterdam Convention Secretariat, tel: 41-22-917-8296; fax: 41-22-797-3460; e-mail: pic@unep.ch; internet: <http://www.pic.int/en/ViewPage.asp?id=386>.

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.

21-23 September: NEGOTIATING GROUP ON MARKET ACCESS FOR NON- AGRICULTURAL PRODUCTS

22 September: COMMITTEE ON AGRICULTURE

22 September: DISPUTE SETTLEMENT BODY - SPECIAL SESSION

22 September: COMMITTEE ON SPECIFIC COMMITMENTS

23 September: COMMITTEE ON RULES OF ORIGIN

23 September: DISPUTE SETTLEMENT BODY

23 September: COUNCIL FOR TRADE IN SERVICES

26 September: COUNCIL FOR TRADE IN SERVICES - SPECIAL SESSION

26 September: NEGOTIATING GROUP ON RULES

27 September: DISPUTE SETTLEMENT BODY

28 September: COMMITTEE ON IMPORT LICENSING

Other Upcoming Events

3-14 October, Geneva, Switzerland: TRADE AND DEVELOPMENT BOARD, FIFTY-SECOND SESSION. Organised by the UN Conference on Trade and Development (UNCTAD). The provisional agenda includes an examination of interdependence and global economic issues from a trade and development perspective, a review of progress in the implementation of the Programme of Action for the Least Developed Countries for the Decade 2001-2010 and a review of developments and issues in the post-Doha work programme of particular concern to developing countries. For further information contact the UNCTAD secretariat, Intergovernmental Affairs and Outreach Service at tel: +41-22-917-5809; fax: +41-22-917-00-56; email: correspondence@unctad.org; Internet: <http://www.unctad.org/Templates/meeting.asp?intItemID=2068&lang=1&m=9940>.

11 October, Geneva, Switzerland: TRADE AND SUSTAINABLE DEVELOPMENT: THE ROLE OF LAW AND SCIENCE. Jointly organised by the University of Geneva's Faculty of Law and by the UN Environment Programme (UNEP) Economics and Trade Branch, this colloquium will offer researchers and diplomats a forum where they can discuss the relationship between law and science in the development of trade and environmental policies and in the implementation of related legal agreements primarily at the multilateral level. For further information contact Francine Pinget, tel: +41-22-379-8473; fax: +41-22-379-8467; email: Francine.pinget@droit.unige.ch.

RESOURCES

INTELLECTUAL PROPERTY AND DEVELOPMENT: LESSONS FROM RECENT ECONOMIC RESEARCH. World Bank and Oxford University Press, 2005. This paper asserts that international policies toward the protection of intellectual property rights (IPRs) have seen profound changes in the past two decades. The authors contend that emerging trends and technologies -- such as bio-informatics (mapping of the human genome), biotechnology (creation of designer plants), and the widespread availability of digital content and media via the Internet -- have raised new questions about intellectual property law. How will developing countries fare in this globalised and challenging intellectual property environment? Available online at <http://siteresources.worldbank.org/INTRANETTRADE/Resources/Pubs/IPRs-book.pdf>.

WHERE ARE WE IN THE DOHA ROUND? By Mark Halle, International Institute for Sustainable Development (IISD), August 2005. This paper provides an overview of the Doha Round process, noting that it

revolves around the liberalisation of agriculture as the 'last frontier for trade liberalisation' and the arena where most gains stand to be made. However, it cautions that the likely beneficiary of these changes is a matter of conjecture. The paper concludes that it is likely that the EU, the US, the European Free Trade Association members, Japan, Korea and others will not yield in their protectionist attitudes. This would be a disaster for developing countries, which would find themselves locked into a massively unfair system of commodity exchange, as well as for developed countries that will need to make reforms if they are to compete with China and India. Finally, the author asserts that genuine concessions by the US or the EU at the Hong Kong Ministerial Meeting in December 2005, or an agreement between them to put a new package on the table, could provide a stimulus to the negotiations. Available online at http://www.iisd.org/pdf/2005/trade_doha_status.pdf.

REGIONAL TRADE AGREEMENTS, THE WORLD TRADE SYSTEM AND DEVELOPMENT. By Richard Newfarmer. World Bank Trade Note, 13 September 2005. The number of regional trade agreements (RTAs) has grown exponentially over the last two decades, significantly altering the world trade landscape. Today, there are more than 200 agreements in force with nearly one-third of all trade taking place between countries that have some form of reciprocal RTA. This paper addresses two questions: What are the characteristics of RTAs that strongly promote -- or hinder -- development for member countries? Does the proliferation of RTAs pose risks to the multilateral trading system, and how can those risks be managed? Available online at http://siteresources.worldbank.org/INTRANETTRADE/Resources/239054-1126812419270/TradeNote24_Newfarmer.pdf.

SAVING WATER THROUGH GLOBAL TRADE. By A.K. Chapagain, A.Y. Hoekstra and H.H.G. Savenije. UNESCO-IHE Institute for Water Education, September 2005. Many nations save domestic water resources by importing water-intensive products and exporting commodities that are less water intensive. National water saving through the import of a product can imply saving water at a global level if the flow is from sites with high to sites with low water productivity. The assessment presented in this paper shows that such "virtual water flows" that take place through international trade of crop and livestock products reduce worldwide water use in agriculture by 6 per cent. To access this paper visit <http://www.waterfootprint.org/Reports/Report17.pdf>.

SPECIAL AND DIFFERENTIAL TREATMENT OF DEVELOPING COUNTRIES IN THE WORLD TRADE ORGANIZATION. By Peter Kleen and Sheila Page. Ministry for Foreign Affairs, Sweden, 2005. This study

analyses the development of the provisions for special and differential treatment (S&D) within the WTO and the actual and potential developmental effects of existing provisions. It puts forth a number of suggestions for how to improve the current system. Some findings from the study include: S&D should increase the benefits to developing countries from trade and the weight given to their interests, it should not replace international or national development strategies, and there is a difficult balance between biasing the system to help developing countries and promoting developed countries' own view of what type of development is best. Available online at http://www.egdi.gov.se/pdf/study/40725_GI%20Dev%20Stud%202.pdf.

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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/>.

Contributors to this issue of **BRIDGES Weekly Trade News Digest**© are Andrew Aziz, Heike Baumüller, Trineesh Biswas, Teisha Mattison, Daniel Robinson, Malena Sell, Knirre Sogaard, David Vivas. Editor: Trineesh Biswas, bridges_weekly@ictsd.ch. Director: Ricardo Meléndez-Ortiz, rmelendez@ictsd.ch. ICTSD is an independent, not-for-profit organisation based at: 7, ch. de Balexert, 1219 Geneva, Switzerland, tel: (41-22) 917-8492; fax: 917-8093. Excerpts from **BRIDGES Weekly Trade News Digest**© may be used in other publications with appropriate citation. Comments and suggestions are welcomed and should be directed to the Editor or the Director.

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