



INTERNATIONAL CENTRE FOR
TRADE AND SUSTAINABLE
DEVELOPMENT

Bridges

Weekly Trade News Digest

18 October 2006

Volume 10 Number 34

LEAD STORIES

ACP, UK ANXIOUS ABOUT EU DEMANDS IN EPA TALKS 1

EU, INDIA MOVE TOWARDS BILATERAL TRADE TALKS; DENY THREAT TO DOHA 2

OTHER STORIES

UNCTAD GOVERNING BODY HIGHLIGHTS NEED FOR 'POLICY SPACE' 4

IN BRIEF

UNCTAD UNVEILS 2006 WORLD INVESTMENT REPORT 5

WTO IN BRIEF

VIETNAM LOOKS SET TO JOIN WTO 5

DEVELOPING COUNTRIES POINT TO PRIVATE STANDARDS AT SPS CTTEE 6

EVENTS & RESOURCES

EVENTS 6

RESOURCES 7

LEAD STORIES

ACP, UK ANXIOUS ABOUT EU DEMANDS IN EPA TALKS

EU Trade Commissioner Peter Mandelson has defended plans for new trade agreements with some of the world's poorest countries, in spite of increasing criticism of the EU's demands from its would-be partners, development campaign groups, and most recently from the UK government.

Speaking to EU trade and development ministers in Luxembourg on 16 October, Mandelson insisted that Brussels had "no mercantilist objectives" in the 'economic partnership agreements' (EPAs) it was negotiating with 79 members of the African, Caribbean, and Pacific (ACP) group of countries, mostly former colonies of EU member states.

The EPA negotiations were launched in 2002 because of the end-2007 expiry of a WTO waiver that has allowed the EU to maintain lower tariffs on ACP exports. Unlike the unilateral preferences, which have been ruled illegal under WTO law, the EPAs are to be largely reciprocal. This means that ACP countries will have to open their markets to EU exports.

ACP, UK ministers concerned

ACP ministers are worried that they will be compelled to liberalise trade in goods and services too much, too fast. At a 12 October meeting in Brussels organised by the South Centre, an international organisation based in Geneva, Senegalese Trade Minister Mamadou Diop called for postponing the deadline for signing the EPAs past 1 January 2008. Kaliopate Tavola, Fiji's trade minister, said that "a pessimistic mood prevails" in his own Pacific region. "At the beginning of negotiations, we expected a lot of the idea of the EPAs becoming a tool for development. But as things stand now, the agreement is threatening to overwhelm our fragile economies. Some small islands may just opt out of the agreement altogether."

Their Barbadian counterpart, Dame Billie Miller, said that the EU should invest much more in building capacity and competitiveness in ACP countries before

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: bridges_weekly@ictsd.ch, or by telephone at: (41-22) 917-8498

expecting them to open their markets to trade. She also said that Brussels should provide greater compensation for losses in tariff revenue that would result from liberalisation. Many ACP governments rely heavily on customs duties for revenue. Several ACP countries also fear the EU's attempts to include rules on foreign investment, competition, and government procurement in the EPAs. The EU had wanted these issues to be part of the Doha Round WTO negotiations, but ultimately had to give up on them in the face of strong developing country opposition.

Two junior ministers in the UK government voiced similar concerns in an open letter sent to Mandelson and EU Development Commissioner Louis Michel. "The EU must... allow ACP countries as much time as they reasonably need to open their own markets, while providing effective safeguards to prevent unfair competition from subsidised European products undermining African products on their own doorstep," wrote Ian McCartney, UK trade minister, and his colleague Gareth Thomas, parliamentary minister for development. "Nor do we think it is acceptable to oblige ACP countries to negotiate rules on investment, competition, and government procurement unless they specifically request it." They expressed anxiety about the fact that little over a year remained for the negotiations, and urged the European Commission to be flexible in the event that a developing country is reluctant to enter into an EPA.

Mandelson rejects criticism

The EU trade chief countered that reciprocal trade concessions would fundamentally change the EU-ACP relationship "from one that offers tariff preferences – an eroding lifeline, to one that builds lasting regional and international markets for the ACP." He added that although the EU was willing to be flexible about the January 2008 deadline, it was "politically unrealistic to think that WTO Members would agree to extend the current waiver, and certainly not without a hefty price." Mandelson argued that trade preferences were eroding anyway, so "it does the ACP no favours to cling to the past, as some NGOs want." The Financial Times reports he had earlier said that investment, competition, and government procurement were already present in "jointly agreed road maps" between the EU and the ACP countries.

In Luxembourg, Mandelson identified some questions that he said needed to be answered during the negotiations. One was whether Brussels' could offer complete duty- and quota- free access under the EPAs without compromising farm subsidy reforms to products such as sugar; another was about the duration of acceptable transition times for ACP liberalisation – periods of up to 25 years have been suggested.

Trade-related aid increase announced

On 17 October, the EU trade and development ministers agreed to increase trade-related assistance by EUR 2 billion. Half of this will come from the European Commission budget, and the remainder from EU member governments. Much of the new aid spending will be targeted to ACP countries, to help them implement the EPAs.

ICTSD reporting; "UK urges EU to ease trade laws for poor nations," FINANCIAL TIMES, 16 October 2006; "Brussels stands by trade-aid plan despite critics," REUTERS, 16 October 2006; "Mandelson defends tariff deals," THE TIMES, 17 October 2006; "Time running out on European trade pacts," JAMAICA GLEANER, 15 October 2006; "Britain urges EU to change stance on free trade talks," GUARDIAN, 16 October 2006; "Small nations' Doubts About EU Get Bigger," INTER PRESS SERVICE, 12 October 2006.

EU, INDIA MOVE TOWARDS BILATERAL TRADE TALKS; DENY THREAT TO DOHA

The EU and India have agreed to step up efforts towards a "broad-based" bilateral trade and investment pact, aiming to conclude a deal by 2009. The decision was announced at a 13 October EU-India leaders' summit in Helsinki.

A carefully-worded joint statement issued after the meeting did not refer to a formal launch of bilateral negotiations, saying only that both sides had decided to "move towards negotiations for such an agreement." Nevertheless, discussions on the scope of future talks were quite specific.

Indian Prime Minister Manmohan Singh said that the prospective accord would ultimately cover "over 90 percent of tariff lines and trade volume." He refused to call it a 'free trade' agreement, though he did not rule out the possibility. Officials suggest that some agricultural products might remain exempt.

Formal talks would mark the first new bilateral trade initiative between major economic powers since the Doha Round multilateral trade talks were suspended in July (see BRIDGES Weekly, 26 July 2006, <http://www.ictsd.org/weekly/06-07-26/index.htm>).

India seeks protection for its own foreign investors

In addition to trade in goods and services, negotiations would set out rules on bilateral investment flows. Notably, Kamal Nath, India's trade minister, identified

'national treatment' for Indian businesses operating within the EU as one of Delhi's key objectives.

Developed countries in general have long sought greater access and protections for foreign investors. In recent years, however, firms based in developing countries have been the source, rather than the target, of international takeover bids. This new development has spurred political controversy -- and opposition -- in both the EU and the US. Nath wants to obtain firmer legal footing for Indian firms that are attempting to acquire EU counterparts, such as Tata Steel's bid for UK-Dutch steelmaker Corus Group.

Bilateral panel recommends wide-ranging negotiations

In the stalled WTO trade talks, India and the EU have both taken defensive positions on cutting farm tariffs, although Delhi remains a vocal critic of rich country agricultural subsidies. The two also supported extending additional geographical indication (GI) protections beyond wine and spirits to cover all products. However, they remained at loggerheads in the discussions on industrial tariff cuts, where India found Brussels' demands excessive.

Bilateral trade negotiations will broadly follow the suggestions of a 'high-level trade group' (HLTG) set up last year to explore ways of intensifying bilateral trade and investment relations. The panel's recommendations to the summit included goals for goods trade liberalisation, opening a higher number of services sectors to bilateral competition, and new rules governing the access and treatment of foreign investors. Its report also urged the development of provisions on trade facilitation, as well as cooperation on technical regulations (such as sanitary and phytosanitary measures) and competition policy. The panel called for a 'pragmatic approach' to government procurement, pointing to the advantages of an "open and competitive tendering framework." Significantly, the HLTG agreed that WTO-plus rules on intellectual property rights could potentially be part of an eventual deal, and that "geographical indications... should be covered in any possible bilateral agreement."

The bilateral group's suggestions matched many of the key objectives for EU trade agreements identified by the European Commission in a report earlier this month -- with the notable exception of labour and environmental standards (see BRIDGES Weekly, 11 October 2006, <http://www.ictsd.org/weekly/06-10-11/story4.htm>). Singh said in Helsinki that the EU had agreed to Indian demands to leave labour standards out of any agreement, reports the Times of India.

India-EU trade is bedeviled by a variety of barriers other than tariffs -- from EU health and safety standards that Indian exporters find too high, to India's often-complicated licensing and regulatory requirements. In spite of this, goods exchanges between the EU and India amounted to EUR 40 billion in 2005 -- a 20 percent increase over the year before. India is especially looking to expand its exports of textiles and clothing, farm products, leather, machinery, and gems to the EU, already its largest export destination. Although India currently accounts for only 1.8 percent of the EU's trade, the Confederation of Indian Industry believes that this could rise to 5 percent by 2011 with a comprehensive trade agreement. Bilateral investment flows and services trade have also been increasing.

Another blow to Doha Round?

The joint summit communiqué insisted that the stalled Doha Round multilateral trade negotiations remained the EU and India's "foremost trade policy priority."

Nevertheless, an analysis in the Wall Street Journal described the "push for a bilateral deal... [as] a strong signal that countries are putting aside hopes of resuming talks toward a global trade deal that would slash tariffs among the World Trade Organization's 149 members."

EU Trade Commissioner Peter Mandelson argued that a bilateral EU-India pact would actually reinforce the worldwide trading system, since it would "set new standards for openness and global trade rules."

Upon his return to Delhi after the summit, Indian Prime Minister Singh said the "agricultural subsidy issue" remained responsible for the Doha Round stalemate. The ball, he implied, was not in India's court. "Unless the US comes forward with a more pragmatic offer and unless there is an agreement between the European Union and the United States, I don't think things can move forward."

WTO Director-General Pascal Lamy warned that bilateral deals could contribute to weakening the multilateral trading system, in a speech to the EU Parliament's International Trade Commission on 17 October. He noted that when it came to bilateral talks, some countries appeared to be "promising concessions beyond what would be needed to unblock the multilateral negotiations."

ICTSD reporting; "India must get 5% EU trade share by 2011: CII," THE HINDU, 16 October 2006; "EU and India agree to trade deal," BBC NEWS, 13 October 2006; "India has its way on trade pact with EU," TIMES OF INDIA, 13 October 2006; "EU, India summit take first step toward trade deal," THE HINDU, 13 October

2006; "India, EU to push for big trade, investment deal," THE HINDU, 14 October 2005; "EU and India pursue cooperation and trade," ASSOCIATED PRESS, 13 October 2006; "Trade negotiations between India, EU to finish in two years," INDIAN EXPRESS, 15 October 2006; "India's PM Singh says no progress at WTO until US makes 'pragmatic offer' – PTI," XFN-ASIA, 15 October 2006.

OTHER STORIES

UNCTAD GOVERNING BODY HIGHLIGHTS NEED FOR 'POLICY SPACE'

Developing countries must be able to balance 'policy space' with international commitments, said the governing body of the UN Conference on Trade and Development (UNCTAD) while charting out a course for the organisation over the next two years. Member governments called on UNCTAD to help ensure that economic globalisation promotes development and poverty reduction, and to step up its analytical work and technical cooperation efforts.

UNCTAD's Trade and Development Board used its 3-10 October session in Geneva to finish a three-part 'mid-term review' – so called because it came two years after UNCTAD's last quadrennial conference in Sao Paulo, and will guide work leading to the next one in Ghana in 2008. They also reviewed progress on the 'Sao Paulo Consensus' – the adopted conclusions of UNCTAD XI in 2004, which set out several principles and objectives on development strategies, improving productive capacity, and ensuring that developing countries gain from international trade.

Governments note need for policy space, good governance

During the meeting, ministers and top trade diplomats returned to the so-called 'policy space' debate. This hinges on the extent to which governments should have to constrain their ability to pursue particular policies by embracing international economic rules. The issue has been a contentious one, with several developing countries calling for more space to pursue development policy, while industrialised countries peddle the merits of tying governments' hands in order to avoid policy missteps.

Nevertheless, member states managed to agree on language referring to the importance of policy space to developing countries. The report adopted at the end of the week of discussions stated that "it is for each government to evaluate the trade-off between the

benefits of accepting international rules and commitments and the constraints posed by the loss of policy space. It is particularly important for developing countries, bearing in mind development goals and objectives, that all countries take into account the need for appropriate balance between national policy space and international disciplines and commitments."

The Trade and Development Board also stressed the importance of good governance and policy coherence for sustainable development, specifically pointing to democratic institutions, market-oriented policies, the rule of law, and respect for human rights. It called on UNCTAD to "contribute to increasing coherence for development between national development strategies and the international monetary, financial and trading systems." Participants also agreed that UNCTAD should "assist in ensuring that trade-related policies and processes... help maximize development gains and contribute to poverty eradication, including through support of efforts to reach a development-focused outcome of the WTO's Doha Work Programme." UNCTAD should play "an important role in providing assistance to developing countries under the [WTO] aid for trade initiative," they added.

Focus on research, technical assistance

Member governments called for bolstering what they called UNCTAD's 'three pillars' – research and analysis, consensus building, and technical cooperation. They said that UNCTAD's analytical work "should help advance consensus on important trade and development issues," such as debt, finance, intellectual property, technology, globalisation, commodity dependence, and sustainable development. They also agreed to boost technical assistance at the regional level, and to explore additional sources of funding for such efforts.

They also requested UNCTAD to bolster its analytical work on the developmental implications of issues including foreign direct investment, and to examine new developments in trade facilitation.

Participants discussed how UN-wide reforms would affect UNCTAD. They stressed that UNCTAD would remain the UN's "focal point for the integrated treatment of trade, development and related issues." Third World Network reports that Ethiopian Ambassador Fisseha Yimer warned that prior attempts to reform UNCTAD had had negative consequences, and that any future changes should not serve as a pretext to further "cut resources and... downside the institution's mandate."

In his closing address, UNCTAD Secretary General Supachai Panitchpakdi stressed that the primary responsibility for promoting development lies with

national governments. However, he conceded that national policymaking does not occur in isolation from developments elsewhere in the world. Supachai suggested there was a "need to address the issue of finance in the context of trade and development," contrasting the rule-based trading system with the current absence of international standards for the global financial system.

The report on the Trade and Development Board's mid-term review (TD/B(S-XXIII)/7) is available at http://www.unctad.org/en/docs/tdsxxiid7vol1_en.pdf.

ICTSD reporting; "Trade: Reform process must revitalize UNCTAD, countries say," SOUTH-NORTH DEVELOPMENT MONITOR, 10 October 2006; "United Nations: UNCTAD Board adopts Mid-Term Review Outcome," SOUTH-NORTH DEVELOPMENT MONITOR, 12 October 2006.

IN BRIEF

UNCTAD UNVEILS 2006 WORLD INVESTMENT REPORT

The new edition of the UN Conference on Trade and Development's annual World Investment Report focuses on new sources of foreign direct investment: transnational corporations (TNCs) from developing countries. Released on 16 October, the study indicates that FDI continued to increase for the second consecutive year, with inflows reaching USD 916 billion in 2005 – a 29 percent increase over the year before, though still lower than the amount in 2000. However, FDI in the manufacturing and services sectors declined relative to investment in primary commodities, particularly mining.

Much of this growth was driven by increased investment in developed countries. The UK, the largest recipient of such investment, reaped USD 165 billion in FDI. Regionally, the EU received the FDI inflows totaling USD 422 billion – nearly half of the world total. Inflows of FDI in developing countries reached a record high of USD 334 billion, though they declined as a share of global inward FDI to 36 percent of the total. South, East, and Southeast Asia continued to account for the bulk of FDI flows to developing countries.

Notably, patterns of investment are shifting. While FDI flows used to occur between developed countries only, or from developed countries to developing ones, transnational companies (TNCs) from developing countries are now investing in developed and developing countries as well. These firms emerging

from developing countries are becoming powerful regional, even global, players.

According to UNCTAD estimates, FDI between developing countries has grown tremendously over the past 15 years, with total outflows from transition and developing economies increasing from USD 4 billion (1985) to USD 61 billion (2004). Furthermore, the majority of this trading is intraregional, with Asia remaining the key target for FDI flows, followed by Latin American and Africa.

Khalil Hamdani, director of UNCTAD's investment division, said the most encouraging aspect of the figures was the "resilience of FDI into developing countries."

The World Investment Report 2006 is available online at <http://www.unctad.org/Templates/webflyer.asp?docid=7431&intltemID=3968&lang=1&mode=toc>.

ICTSD reporting; "Global inflows of foreign direct investment soar," THE FINANCIAL TIMES, 16 October 2006.

WTO IN BRIEF

VIETNAM LOOKS SET TO JOIN WTO

Vietnam looks set to join the WTO after Members were able to resolve their last remaining quibbles about its accession process during a week of discussions that ended on 13 October, according to reports from Vietnamese state news sources.

Upon his return to Hanoi two days later, Vietnamese Trade Minister Truong Dinh Tuyen told Than Nien Daily that the WTO General Council would hold a special meeting around 6-8 November to ratify the Southeast Asian nation's membership.

Last week, Norwegian Ambassador Eirik Glenne, who chairs the working party on Vietnam's accession, had set 13 October as the deadline for sorting out any unsolved problems (see BRIDGES Weekly, 11 October 2006, <http://www.ictsd.org/weekly/06-10-11/wtoinbrief.htm>). Tuyen said that they managed to resolve the toughest obstacle -- differences on Vietnam's special consumption tax on alcohol and beer. He acknowledged that the existing duty, which is based on alcohol content rather than the type of beverage, appeared to fall foul of WTO rules.

Tuyen said that the members of the working party would now take a week to verify the documents that will

form the country's package of accession commitments, before meeting again with Vietnam on 25-26 October.

If all goes according to plan, the Vietnamese negotiating team will submit a report to the National Assembly for ratification between 10-14 November, just ahead of the 18-19 November Asia-Pacific Economic Cooperation (APEC) summit in Hanoi. A month after ratification, Vietnam would become a full Member of the WTO, thus ending negotiations that have lasted over 11 years.

"Rocky road to WTO smoother now: trade minister," THAN NIEN, 16 October 2006; "WTO to okay Vietnam's entry," ASSOCIATED PRESS, 16 October 2006.

DEVELOPING COUNTRIES POINT TO PRIVATE STANDARDS AT SPS CTTEE

At the 11-12 October meeting of the WTO Committee on Sanitary and Phytosanitary Measures (SPS), a number of developing countries highlighted the impacts of private sector standards, such as supermarket requirements, on their exports.

St Vincent and the Grenadines -- supported by Argentina, Ecuador, Jamaica and Peru -- had raised the issue for the first time in the SPS Committee at its June 2005 meeting, citing as an example the requirements for exporting bananas and other products to European supermarkets imposed by the Euro-Retailer Produce Working Group (EurepGap; see BRIDGES Weekly, 6 July 2005, <http://www.ictsd.org/weekly/05-07-06/story3.htm>).

At the October meeting, St Vincent and the Grenadines, joined by Argentina, Belize, Cuba, Dominica, Egypt, Indonesia, Kenya and South Africa, reiterated its concerns. While welcoming the information session with UNCTAD and EurepGap ahead of meeting, it called for a more systematic discussion of these issues in the Committee.

To support their case, some Members pointed to Article 13 of the SPS Agreement which calls on countries to implement measures to ensure compliance of non-governmental standards with the Agreement's provisions.

Committee Chair Juan Antonio Dorantes Sanchez of Mexico suggested that Members provide concrete examples for discussion.

The issue of private standards has also come up in the Committee on Technical Barriers to Trade (TBT). While

SPS measures related to food safety and animal health are often implemented by government bodies, many voluntary schemes that would be covered by the TBT Agreement are being imposed by private actors. In this context, the proliferation of eco-labels in developed country market has attracted particular concern from developing country exporters. Similar to the SPS Agreement, the TBT Agreement's Article 4 requires governments to ensure that national and regional private standardising bodies comply with the Agreement's provisions.

The next meeting of the SPS Committee has been tentatively scheduled for 7-8 March.

ICTSD reporting; "Sri Lankan cinnamon's future brightens, SPS Committee told," WTO NEWS, 11-12 October 2006; "Private sector standards discussed as SPS Committee adopts two reports," WTO NEWS, 29-30 June 2005.

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.

Upcoming Events: 19-25 October

19-20 October, Geneva, Switzerland: AD HOC EXPERT MEETING: INTERNATIONAL ARRANGEMENTS ON INTELLECTUAL PROPERTY AND MEASURES TO IMPROVE DEVELOPING COUNTRY PRODUCTIVE CAPABILITIES IN THE SUPPLY OF ESSENTIAL MEDICINES. Organised by the UN Conference on Trade and Development (UNCTAD), the meeting aims to promote sustainable domestic capability to produce and supply pharmaceuticals in developing countries. Such promotion depends on many factors, such as infrastructure and pharmaceutical know-how; domestic laws and practices on intellectual property rights; legal frameworks on drugs marketing, approvals and procurement; and the trade, investment and fiscal framework for medicines. These issues much be designed in a way to encourage local producers and create market incentives. For more information contact Christoph Spennemann; email: Christoph.Spennemann@unctad.org; internet: <http://www.unctad.org/Templates/Meeting.asp?intItemID=2068&lang=1&m=12170&year=2006&month=10>.

23-24 October, Chicago, Illinois, USA: SUSTAINABLE INNOVATION 06 -- 11 INTERNATIONAL CONFERENCE. Representatives from large companies, entrepreneurs and small and medium-sized businesses, as well as academics, government officials and non-governmental organizations will gather for this two-day event on sustainable innovation. For more information see internet: http://www.sustdev.org/index.php?option=com_events&task=view_detail&Itemid=&agid=420&year=2006&month=10&day=23.

25 October, Geneva, Switzerland: INTELLECTUAL PROPERTY RIGHTS, SMALL AND MEDIUM ENTERPRISES AND HEALTH-RELATED PUBLIC-PRIVATE PARTNERSHIPS – CLIMBING UP THE VALUE CHAIN. Organised by the World Intellectual Property Organization (WIPO) and the Stockholm Network. For further information contact Caroline Schwab; email: Caroline.Schwab@wipo.int; internet: <http://listbox.wipo.int/wilma/sme-en/200609/msg00001.html>.

25-27 October, Rome, Italy: WORLD CONGRESS ON COMMUNICATION FOR DEVELOPMENT. Jointly organized by the UN Food and Agriculture Organization (FAO), the World Bank and The Communication Initiative, the focus of the Congress is to effectively promote the mainstreaming of communication into development policies and programmes and to promote strategic partnerships and alliances in this field. Its ultimate objective is to demonstrate that communication for development is essential for meeting today's most pressing development challenges and, as such, should be more fully integrated in development policy and practice. The Congress will be structured around four broad thematic areas: Health, Governance and Empowerment, Sustainable Development, and Emerging Sectors and New Frontiers. Each of these areas will be divided into subtopics that delve into various aspects or dimensions of these challenges. For further information see internet: http://www.fao.org/sd/dim_kn1/kn1_060601_en.htm

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.

25-27 October: BENEFITING FROM GLOBALISATION, SYMPOSIUM ON TRANSPORT ECONOMICS AND POLICY

25-27 October: TRADE POLICY REVIEW BODY - KENYA, TANZANIA AND UGANDA

Other Upcoming Events

12-16 December, Haikou City, Hainan Province, China: THE EAST ASIAN SEAS (EAS) CONGRESS 2006. This event will bring together international organisations, experts and multi-sector stakeholders to exchange knowledge and build capacity in developing strategies to implement the Millennium Development Goals and World Summit on Sustainable Development objectives for the region's coasts and oceans. With the central theme, "One Ocean, One People, One Vision," the five-day event will feature several key activities designed to enhance regional cooperation for the benefit of the Seas of East Asia. For more information contact The EAS Congress Secretariat, tel: + 632 9 202211; e-mail: congress@pemsea.org; internet: <http://www.pemsea.org/eascongress/>

RESOURCES

AGRICULTURAL POLICIES IN OECD COUNTRIES. By the Organisation for Economic Co-operation and Development (OECD) and the UN Food and Agriculture Organisation (FAO), July 2006. This annual report analyses world commodity market trends and medium term prospects for the main agricultural products. It shows how these markets are influenced by economic developments and government policies and highlights some of the risks and uncertainties that may influence market outcomes. In addition to OECD countries, the market projections in the report cover a large number of other countries and regions including the agricultural giants of India, China, Brazil and Russia as well as Argentina, South Africa and several least developed countries. For more information see: http://www.oecd.org/document/62/0,2340,en_2649_33727_37032958_1_1_1_1,00.html.

WORLD INVESTMENT REPORT 2006. By the UN Conference for Trade and Development (UNCTAD), October 2006. This year's report focuses on the rise of foreign direct investment (FDI) by transnational corporations (TNCs) from developing and transition economies. This phenomenon has been particularly marked in the past ten years, and a growing number of TNCs from these economies are emerging as major regional -- or sometimes even global -- players. For low-income countries, FDI from developing countries can be of great importance. In some of them, it accounts for a significant share of all FDI flows. The

report also discusses the development implications of the rise of these new sources of FDI, along with policy responses, for both home and host developing countries. As in previous years, the report also presents the latest data on FDI and traces the global and regional trends of FDI and international production by TNCs. Global FDI inflows rose substantially in 2005. A major contributing factor to this strong growth was the marked increase in the inflows to developed countries. Rising global demand for commodities was reflected in the steep increase in natural resource-related FDI, although the services sector continued to be the major recipient of FDI. Among developing regions, Asia remained the main magnet for FDI flows, followed by Latin America, where re-invested earnings have played a major role. Africa's share in world FDI inflows was still small, but its FDI growth rate has nonetheless surpassed those of other developing regions. To access this report visit: <http://www.unctad.org/Templates/webflyer.asp?docid=7431&intItemID=2068&lang=1&mode=highlights>.

INTELLECTUAL PROPERTY RIGHTS AS A KEY OBSTACLE TO RUSSIA'S WTO ACCESSION. By Sherman Katz and Matthew Ocheltree. Carnegie Endowment, October 2006. Trade scholars Sherman Katz and Matthew Ocheltree elucidate the challenges and policy options that Russia faces on enforcing intellectual property rights, highlighting lessons learned from the experiences of China and Ukraine. Although recent intellectual property law enforcement initiatives are promising, reluctance to seriously address the problem results in little real progress. Katz and Ocheltree argue that Russia must prove itself a responsible member of the trading regime by strengthening its copyright laws on optical disc plants, step up its enforcement efforts, and follow through with fines and convictions for those who violate these laws. In principle, these requirements are comparable to those already acknowledged by China, Ukraine, and other recent WTO inductees. The goal of this paper is to advance US-Russia dialogue on accession and to help achieve significant progress in international trade. For more information visit: <http://www.carnegieendowment.org/publications/index.cfm?fa=view&id=18781&prog=zgp&proj=zted>.

Back issues 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 Heike Baumüller, Trineesh Biswas, and Kaitlin Mackenzie. 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 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 through the generous support of the Government of the United Kingdom (DFID) and ICTSD's core donors including the Governments of Finland, Denmark, the Netherlands and Sweden; Christian Aid (UK) and NOVIB (NL). *BRIDGES Weekly* also benefits from support for the BRIDGES series of publications from donors including the Rockefeller Foundation and the Swiss Agency for Development and Cooperation. ISSN 1563-0