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LEAD STORIES

EU SETS OUT NEW TRADE STRATEGY FOR CHINA

The European Commission has outlined a new strategy for a "fair and robust trade policy on China" that will encourage Beijing to continue liberalising its trade and investment regime -- or else risk facing a protectionist backlash in the EU. The document, dated 24 October, calls for pushing China to lower tariffs and non-tariff barriers, reform its subsidy practices, and to remove remaining constraints on foreign investment.

"China is the single most important challenge for EU trade policy," says the report. It stresses the need to nurture support for open markets both in the EU and China. "Europe should accept fierce competition," recommends the Commission. "China must ensure that it is fair competition." In other words, for open markets to remain a politically viable proposition in the EU, "China must show that it is committed to embracing globalization as a two way street."

The release of the openness-focused report comes at an awkward time for Brussels: less than three weeks after it started imposing anti-dumping duties on Chinese shoe imports, measures widely derided as protectionist even within the EU itself (see BRIDGES Weekly, 11 October 2006, <http://www.ictsd.org/weekly/06-10-11/story3.htm>).

EU Trade Commissioner Peter Mandelson commissioned the new strategy in response to the dramatic changes of the past two decades that have seen China emerge as the EU's largest source of manufactured goods, as well as its fastest-growing export market. The result attempts to fit Brussels' broader trade objectives to the Chinese market (see BRIDGES Weekly, 11 October 2006, <http://www.ictsd.org/weekly/06-10-11/story4.htm>).

In 2005, Chinese exports to the EU amounted to EUR 158 billion; EU exports to China were worth EUR 52 billion. The report warned that the seemingly yawning deficit, which had roughly doubled over the previous five years, should not be misconstrued: Asia's share of EU had remained roughly constant over the past

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decade, suggesting that Chinese exports have simply replaced some from other Asian countries (whose exports to China have increased). Nevertheless, it suggests that boosting domestic demand – notably through increased currency flexibility – would both increase China's imports and reduce its export dependency.

Speaking to the press at the launch of the policy document, Mandelson stressed that cheap Chinese imports had been a boon to EU consumers, kept inflation down, and helped EU business benefit from inexpensive inputs. Exports to the EU had helped China lift hundreds of millions of people out of poverty. He argued that "China has reached a stage in its development when the rest of the world is entitled to ask for more from China." Added the report: "The EU calls on China to assume a responsibility commensurate with the benefits it derives from the multilateral trading system and to make a substantial contribution to reviving and completing the WTO Doha Round."

Mandelson said that the EU would work to develop a new 'Partnership and Cooperation Agreement' with China. Updating a 1985 bilateral cooperation accord to focus more on trade and investment, the new pact will attempt to go beyond China's WTO commitments to open additional sectors of its economy to foreign competition.

The Commission identified several areas in which to pursue liberalisation by Beijing beyond the deep tariff cuts that were the price of its accession to the WTO. These ranged from existing tariff peaks on goods such as textiles and clothing, footwear, leather, steel, and vehicles, to the wide array of complex certification and other regulatory requirements that face EU exporters and investors in China. The report did not mention the EU's own health and safety standards, which have been attacked by other countries as often-unjustifiable barriers to commerce.

The EU said that China should open public procurement contracts to foreign bidders. When joining the WTO, China promised to become a party to the plurilateral Government Procurement Agreement. It has said that it will start proceedings to do so in 2008.

Performance requirements, subsidies targeted

Brussels will target various practices in China that it deems unfair and "contrary to the non-discriminatory principles of the WTO," such as local content requirements in key sectors including automobiles, steel, and semiconductors, and forced technology transfer. It will also seek the removal of joint venture requirements that currently prevent EU investors from

setting up wholly-owned foreign enterprises in some manufacturing and services sectors – including steel, petrochemicals, and financial services.

The report calls attention to Chinese subsidies to "favoured national industries, in particular companies destined to become national or regional champions." The EU has already criticised China for granting illegal subsidies in the WTO, and will push for increased transparency in Chinese subsidisation practices. The report also calls for banking reform to put an end to commercially unviable loans that can function as subsidies.

IP, labour, environmental standards

"The lower environmental, social, and safety standards applied in China confer a competitive advantage to production" there, concludes the report, pointing to China's failure to ratify and implement core international conventions. It describes the country's environmental regulatory regime as either inadequate or discriminatory in favour of local producers, blaming it for contributing to the "rapid deterioration of China's environment." Sustainability aspects of EU-China trade are to be addressed in the new partnership agreement.

The Commission said that the EU will "create a set of concrete benchmarks against which to measure China's progress" on intellectual property rights enforcement. It urged China to "implement its WTO commitments both in law and on the ground and impose effective deterrents against counterfeiting and piracy."

Threat of anti-dumping measures, WTO disputes

The EU stressed that it would be willing to use the WTO dispute settlement mechanism in order to resolve complaints about China's multilateral obligations that could not be solved through dialogue. It also warned that Brussels retained the ability to use trade defence measures such as anti-dumping duties "to ensure fair conditions of trade between China and the EU."

According to the report, China does not yet deserve 'market economy status' for the purposes of anti-dumping investigations – receiving it would make it harder for other countries to justify the introduction of additional duties. Chinese reform policies would play a central role in making it eligible for such status.

Although China's government is yet to respond to the EU's new strategy, reactions have been mixed in the Chinese media and blogosphere. Some argue that Brussels is being hypocritical in its demands for openness, in light of its attempts to curb Chinese clothing and footwear exports. Others, however, suggest that the EU policy could actually serve as a

useful encouragement for China to improve labour and environmental standards, create more competitive markets, and increase individual purchasing power.

Dai Binran, director of Fudan University's Center for European Studies, downplayed the significance of the document, suggesting that it largely reviewed already-known circumstances and policies. "There will not be a substantial change of EU trade policy towards China," he said.

More information on the EU's China trade strategy is available [online at http://ec.europa.eu/trade/issues/bilateral/countries/china/global_europe_china_en.htm](http://ec.europa.eu/trade/issues/bilateral/countries/china/global_europe_china_en.htm).

ICTSD reporting; "EU's First Trade Strategy Paper towards China," SHANGHAI STOCK NEWS, 24 October, 2006.

OTHER STORIES

END OF ROAD NOT YET IN SIGHT FOR RUSSIA'S WTO ACCESSION

Russia's efforts to become a member of the WTO have been held up for months over differences with the US on farm trade and intellectual property rights. They now face an additional roadblock: Moscow's deteriorating relations with Georgia. Thirteen years after starting accession negotiations, the country remains the world's only major economy not part of the WTO.

All applicants for membership in the global trade body must negotiate bilateral accords with any WTO Member that wants one. Russia has become increasingly impatient with Washington's demands, to the point of threatening to pull out of the talks and put an end to its compliance with core WTO obligations (see BRIDGES Weekly, 13 September 2006, <http://www.ictsd.org/weekly/06-09-13/wtoinbrief.htm>). Russian officials are in Washington this week, in yet another attempt to resolve their differences.

Moscow and Washington had hoped to strike a deal in July, on the eve of the St. Petersburg Group of Eight (G8) summit, but talks broke down over issues including copyrights and access to banking and insurance markets. More recent sticking points include Russia's refusal to relax import limitations on US beef and pork for health and safety reasons – measures that Washington argues are unjustifiable on scientific grounds. Lifting bans on beef imports has been a key focus of US trade diplomacy with other countries, such

as Colombia and Korea, which had instituted restrictions because of mad cow disease.

US officials remain concerned about counterfeiting and other intellectual property rights abuse, and have suggested that Russia would have to shut down alofmp3.com, a website which they accuse of selling music illegally, before Washington would consent to an agreement.

The Associated Press reports that part of Washington's reasons for taking a hard line with Russia is a perception that it did not secure adequate liberalisation commitments from China during the last stages of the latter's bilateral accession talks – leading to a series of subsequent disagreements over services and farm trade.

Nevertheless, Russian news agencies report that Deputy Prime Minister Alexander Zhukov expressed confidence on 24 October that the two countries would be able to strike a deal on meat imports. He did not rule out the possibility that the negotiations could be completed by the end of the month.

Georgia poses new obstacle in Russia's path

A newer hurdle to Russia's bid for WTO membership emerged on 12 October, when Georgia – a WTO Member since 2000 – asked the chair of the working party dealing with Russian accession to indefinitely postpone informal and formal meetings. Georgia says that it will block Russia's accession until Moscow ends the wide-ranging economic blockade it put in place after an espionage row in September, when four Russian officers were arrested in Tbilisi on charges of spying and deported home.

Amidst furious recriminations between Moscow and Tbilisi, Russia has blocked most trade (with natural gas a notable exception), transport, postal movement, and financial flows between the two countries. Remittances from Georgians working in Russia have been halted, and hundreds of Georgian workers have been deemed illegal and deported.

WTO decisions require consensus among all Members – which means Georgia could veto Russia's accession simply by withholding consent. However, sources suggest that Georgia would be powerless to prevent other delegations from meeting informally.

The sanctions currently in place mark a low point in two years of increasingly rancorous trade relations. Although Georgia and Russia concluded their bilateral accession protocol in May 2004, Georgia in July of this year notified the WTO Secretariat that it was restarting bilateral negotiations with Moscow.

Tbilisi argued that reopening the talks was necessitated by Russia's late-2005 import ban on Georgian plant products on the basis of sanitary and phytosanitary concerns, which was extended to wine, spirits, and mineral water in early 2006. The Georgian government argues that the bans are not scientifically justified. According to the New York Times, Russia has not made its test results public, and US authorities have deemed Georgian wines and spirits safe. Georgia also charges Russia with arbitrarily closing to trade the only legal border crossing between the two countries.

Georgian officials describe their signing of the original accession deal as a "gesture of goodwill" towards Russia, in light of their misgivings at the time. They say that the accession agreement was accompanied by an "additional protocol" in which Moscow agreed to address issues such as the "illegal checkpoints" it operates in Georgia's Russian-backed breakaway border regions of South Ossetia and Abkhazia, which are not under the control of Georgian state forces. Georgia argues that these have served as a conduit for the influx of illegal trade and contraband goods, and wants Russia to either close them or organise joint Russian-Georgian control. Moscow also promised to enforce intellectual rights protections on Georgian wines and spirits.

"We were forced to move in this direction because no other mechanisms were found to force Russia to respond to our concerns," one Georgian trade diplomat told Bridges. If Russia became a WTO Member, formal dispute settlement would offer Tbilisi little leverage in getting Moscow to comply with its obligations. "What counter-measures do I have? Retaliatory tariffs?" Many smaller WTO Members complain that retaliatory tariffs would be mere pinpricks to larger economies (and self-damaging to boot).

"Now is the only moment that we can get Russia to hear us, and to make some movement to address our concerns," concluded the official, stressing that Georgia was "ready to move constructively" to solve the problems with its largest trading partner.

Accession working party Chair Stefan Johannesson (Iceland) has urged Georgia and Russia to cooperate in order to resolve the situation.

Geopolitics playing role in accession

Broader geopolitical concerns are also playing a role in Russia's accession. Russian daily Kommersant reported on 23 October that the Kremlin has indicated that if the US softens its demands with regard to WTO accession, Moscow will take steps to help Washington ratchet up international pressure on North Korea and Iran.

Even a deal with the US would leave the working party much work to do to finalise Russia's package of accession commitments. China signed its last bilateral accession deal in May 2000, but did not join the WTO until December 2001.

"A Pilgrimage to the Cradle of Wine," NEW YORK TIMES, 8 October 2006; "Russia, U.S. may end WTO talks by end of Oct.-deputy PM," RIA NOVOSTI, 24 October 2006; "Russia Approaches the WTO Via Iran," KOMMERSANT, 23 October 2006; "US stance on Russia's WTO entry reflects Chinese lesson," ASSOCIATED PRESS, 19 October 2006; "Georgia Seeks to Block WTO Meetings Of Working Party on Russia's Accession," WTO REPORTER, 13 October 2006; "Much work to do" before Russia joins WTO," THE MESSENGER (Georgia), 16 October 2006; "Georgia lays new obstacle in Russia's WTO path," REUTERS, 12 October 2006.

PUTIN REJECTS EU DEMANDS ON ENERGY

Russian President Vladimir Putin resisted EU leaders' calls to ratify an international energy treaty that would liberalise trade and investment in its oil and gas sector, at a 20 October summit in Finland.

The EU currently relies on Russia for between a quarter and a third of its oil and natural gas imports, figures which are rising steadily. EU member states are concerned about Russia's reliability as an energy supplier, particularly after Moscow briefly cut off Ukraine's supply over a payment dispute earlier this year.

At the meeting in Lahti, EU leaders including German Chancellor Angela Merkel called on Russia to ratify the Energy Charter Treaty. The agreement, which Russia has signed but not ratified, sets out binding protections for trade and investment in the energy sector, as well as rules for energy transit. Russian ratification would open the sector for investment by EU companies, and allow them to export oil and gas produced there through Russian pipelines.

The treaty would also ensure that Russia did not discriminate against EU companies. Merkel urged Russia to provide the same legal contract security and market access that it enjoyed in the EU.

EU leaders expressed concern that the Russian government was taking firmer control of the sector, pointing to state-owned Gazprom's decision to develop the huge Shtokman gas field without foreign capital. They also drew attention to the Kremlin's recent threats to revoke Royal Dutch Shell's license to develop the

Sakhalin gas field over alleged environmental breaches. Many Western governments believe the move was a politically motivated pretext to renegotiate the deal in favour of Russia.

Even before the summit, Russian officials had indicated that they were not prepared to let other companies use Gazprom's pipelines.

High energy prices have left Russian oil companies flush with money, as a result of which the country does not need foreign investment to develop the sector nearly as much as when charter was first negotiated between the EU and members of the former Soviet bloc in the early 1990s.

The Russian National Strategy Centre's Iosif Diskin said that Moscow's refusal to accede to the treaty was motivated by economic rather than geopolitical factors, since Russia stood to lose financially from ratification. He added that the Kremlin feared losing control over its natural resources, according to Russian daily Novye Izvestia.

Putin said that Russia is not against the principles included in the treaty, but "we believe that certain provisions of the charter should be defined better."

Although EU governments differed on how hard a line to take with Moscow, European Commission President Jose Manuel Barroso said that they agreed that Russia and the EU needed a partnership based on the principles of "transparency, the rule of law, reciprocity, non-discrimination, market opening and market access."

ICTSD reporting; "Putin Firm on EU Energy Charter", BBC NEWS, 21 October 2006; "Putin Rejects EU Demands that Russia Ratify Energy Charter", INTERNATIONAL HERALD TRIBUNE, 20 October 2006; "Russia, EU Clash over Energy Charter", NOVYE IZVESTIA, 23 October 2006; "Russia Extends Shell Energy Probe," ASSOCIATED PRESS, 25 October 2006; Putin pressed to honour oil contracts," FINANCIAL TIMES, 21-22 October 2006; "The Really Cold War," NEW YORK TIMES, 25 October 2006.

IN BRIEF

WASHINGTON TO SEEK EXTENSION OF ANDEAN TRADE PREFERENCES

The Bush Administration will seek Congress' permission to extend unilateral trade preferences for Bolivia, Colombia, Ecuador, and Peru beyond their

scheduled expiry at the end of this year, a senior US official announced on 24 October.

Speaking in Bogota, Under-Secretary of State Nicholas Burns said that the administration would seek to extend the Andean Trade Promotion and Drug Eradication Act for another one to two years, and maintain military aid to Colombia for at least two more years.

Trade analysts say that continuing the preferences would save thousands of jobs throughout the region, helping to rebuild worn diplomatic relations while also limiting the influence of Venezuelan President Hugo Chavez, a staunch US opponent.

The looming loss of the trade preferences, which Washington offered in exchange for anti-drug cooperation, had motivated Peru, Colombia, and Ecuador to pursue free trade agreements with the US, in order to lock in existing levels of market access. Peru and Colombia have concluded separate bilateral FTAs with the US. Even so, it is not clear when they will be ratified and enter into force, leaving a potential gap during which their exports would be ineligible for favourable tariff treatment.

Ecuador's FTA talks with Washington have stalled due to political discord after its state oil company seized an oil field operated by Occidental Petroleum Corporation in May. Ecuador's presidential election on 26 November pits free trade advocate Alvaro Noboa against Chavez ally Rafael Correa.

Bolivia has declared it is not ready for a formal FTA and is seeking extension of the one-way preferences. However, Bolivian President Evo Morales' anti-US rhetoric has strained bilateral relations.

The White House would like to have the bill passed between the November midterm elections and the January entry into office of the new Congress. During this so-called "lame-duck session," Bush's Republican Party would be guaranteed to still hold the majority vote in Congress.

Gary Hufbauer, an economist with the Washington-based Institute for International Economics, said the White House's decision recognised that the loss of trade benefits would unduly punish Colombia and Peru, while also "[giving] the populists in Bolivia and in Ecuador more reason to push back against the United States."

ICTSD reporting; "Scrambling to Save Trade Perks," LOS ANGELES TIMES, 21 October 2006; "Bush to seek extension of Andean trade program," REUTERS, 24 October 2006.

SOUTHERN AFRICA TO PUSH FOR GREATER ECONOMIC INTEGRATION

Heads of state and senior ministers from the 14-member Southern African Development Community (SADC*) agreed at a 23 October summit in Johannesburg to work towards harmonising trade and investment rules, with the ultimate goal of establishing a common market and shared currency.

Botswana, Zimbabwe, and Swaziland signed the SADC Finance and Investment Protocol, bringing the total number of signatories up to 10. Once ratified by nine member countries, the protocol will seek to encourage investment and macroeconomic stability by harmonising their financial and investment policies and promoting cooperation on trade and taxation matters.

The investment protocol is part of a broader plan for economic integration and convergence in the region. Modelled after the EU, it calls for a free trade area by 2008, a customs union by 2010, a common market by 2015, and economic and monetary union by 2018.

SADC Chair and Prime Minister of Lesotho Pakalitha Mosisili said "[it] is quite clear that we are on course to realizing the free trade area (FTA) by 2008...so all in all its all systems go." Member states are aiming to eliminate tariffs on 85 percent of all goods traded within the region by then.

The summit leaders recognised that many challenges lay ahead, noting that commodity-reliant SADC countries would have to diversify their economies and increase intra-regional trade and growth. They also expressed concern about endemic poverty in the Southern Africa region outside South Africa and Botswana, and the slow pace of growth compared to other regions on the continent.

Nevertheless, Mosisili stressed to reporters after the meeting that SADC member states are committed to "developmental integration elements such as infrastructure, poverty alleviation and sustainable development," and to "ensuring that we are all winners and that there would be no losers in integration, that the small economies will be also catered for and will benefit fully."

*Angola, Botswana, Congo, Lesotho, Madagascar, Malawi, Mauritius, Mozambique, Namibia, South Africa, Swaziland, Tanzania, Zambia and Zimbabwe.

ICTSD reporting; "SADC Free Trade Soon a Reality, Summit Told," SAPA, 23 October 2006; "SADC Urges Remaining Countries to Sign Investment Protocol," BUA NEWS, 24 October 2006; "Single Currency on

SADC Agenda," PRETORIA NEWS, 24 October 2006; "Southern African Nations Press Ahead with Economic Integration," XINHUA, 24 October 2006.

JAPAN, VIETNAM TO LAUNCH BILATERAL FTA TALKS

Japan and Vietnam have agreed to launch bilateral free trade agreement (FTA) talks in January 2007, Japanese government sources announced on 18 October. Vietnamese Prime Minister Nguyen Tan Dung visited his Japanese counterpart Shinzo Abe last week to finalise the plans.

The decision continues Japan's recent push for bilateral and regional free trade initiatives, motivated in part by increasing competition with China. Japan has already signed FTAs with Singapore, Mexico, the Philippines, and Malaysia. It has also broached the possibility of bilateral FTA talks with India. In August, soon after the WTO Doha Round negotiations were suspended indefinitely, Japan proposed the formation of a 'Comprehensive Economic Partnership in East Asia (CEPEA).' This would establish trade and investment links between the ten-member Association of Southeast Asian Nations (ASEAN) and the six other members of the East Asia Summit -- China, South Korea, Japan, India, Australia, and New Zealand.

For Vietnam, the agreement is the most recent step in a long trend of liberalisation which saw its booming economy grow by 8 percent in 2005. Following 11 years of accession negotiations, the WTO is expected to ratify Vietnam's membership in a matter of weeks.

The bilateral FTA negotiations follow an already-flourishing economic relationship between the two countries: Vietnam is an attractive target for Japanese business investment; and the countries' trade exchange – Japan imports fisheries products, garments, and electronics products from Vietnam, while exporting machinery, steel, and auto parts to its East Asian neighbour – is expected to reach USD 10 billion this year.

The two sides announced several steps to expand bilateral cooperation. Japan indicated that it would increase official development assistance for improving infrastructure and technology projects in Vietnam.

Japan's recent FTAs have been comprehensive deals liberalising trade in goods, services, with far-reaching protections for foreign investors and intellectual property rights.

"Japan Eyes Launching FTA Talks with India, Vietnam Next Year," INTERNATIONAL HERALD TRIBUNE, 28

September 2006; "Japan, Vietnam Agree to Start Official FTA Talks," KYODO, 28 April 2006; "Japan, Vietnam to launch EPA talks in January 2007," THANH NIEN NEWS, 19 October 2006; "Prime Minister Describes Japan Visit as Successful," NHAN DAN, 23 October 2006; Speech: New Zealand government, "Goff: Speech to Japan Press Club," SCOOP, 24 October 2006.

DISCORD IN US-SOUTH KOREA FTA NEGOTIATIONS

The fourth round of US-South Korea free trade agreement (FTA) negotiations kicked off on 23 October. Preliminary reports from the talks, which are set to run to the end of the week, indicate continuing disagreements over agriculture, automobiles, and textiles. The two countries did agree to step up discussions on pharmaceutical trade, which have proved contentious thus far (see BRIDGES Weekly, 13 September 2006, <http://www.ictsd.org/weekly/06-09-13/inbrief.htm#1>).

Both sides are aiming to conclude an agreement by March. The Bush administration has until the end of that month to submit a deal for Congressional approval without the possibility of major amendments, since its fast track trade authority expires in July. Both countries have voiced frustration with the lack of progress in the negotiations, leading some to question whether an agreement will ever materialise.

Wendy Cutler, the US' chief negotiator, said serious talks on South Korea's politically sensitive – and heavily protected -- rice market had yet to take place. The US is also seeking to lower South Korea's automobile tariffs.

Seoul, on the other hand, was frustrated by US duties on textiles and electronics. South Korean officials walked out of one committee on industrial products, stating that the US' new tariff concession offers "fell significantly short of our expectations."

North Korea's nuclear test on 9 October only strengthened Washington's resolve to exclude products made in the Kaesong Industrial Complex from the agreement. Although the industrial park is run by South Korean companies, it is located on North Korean soil and is a substantial contributor to the Stalinist country's economy.

US drug makers have been concerned about the effects of Korean healthcare regulations on their ability to sell new medicines there. A South Korean official said that both countries had agreed to speed up the discussions, with the US aiming to conclude a deal on

the mutual recognition of generic drugs and establish procedures for use of growth hormones and other biological medicines. The Korea Times reports that the US has asked Seoul to increase drug prices and extend the time of patent protection.

"S. Korean officials walk out of one committee in free trade talks with US," THE HANKYOREH, 23 October 2006; "Korea Demands Recognition for Generic Drugs," THE KOREA TIMES, 18 October 2006; "Protests as S.Korea, US resume trade talks," REUTERS, 23 October 2006.

WTO IN BRIEF

'NON-G-6' MEETS IN NORWAY

Top trade officials from six WTO Member countries – Canada, Chile, Indonesia, Kenya, New Zealand and Norway – met in Norway from 18-20 October in order to discuss some of the issues holding up progress in the stalled Doha Round negotiations.

None of the six were part of the so-called 'G-6' group of key players - Australia, Brazil, the EU, India, Japan and the US - whose inability to agree on farm subsidy and tariff cuts led to the negotiations' suspension in July (see BRIDGES Weekly, 26 July 2006, <http://www.ictsd.org/weekly/06-07-26/story1.htm>).

However, like the G-6, the countries present in Oslo did represent many of the major different negotiating groups at the WTO. Specifically, they represented a cross-section of interests on one of the most controversial issues under negotiation: the extent to which developed and developing countries will be able to shelter certain farm products from the full force of tariff cuts.

Canada, New Zealand, Chile and Indonesia are all members of the Cairns Group of farm exporters that have supported deep subsidy and tariff cuts and a relatively low number of 'sensitive' products for all Member countries. Norway is one of the G-10 countries, which want many more of their heavily-protected farm products to be eligible for 'sensitive' status. Indonesia, along with Kenya, belongs to the G-33, which has championed granting developing countries the right to shield 'special' products from liberalisation on livelihood and food security grounds. Chile and Indonesia are also part of the G-20, and Kenya is part of the African Group.

Delegates at the meeting are believed to have focused primarily on agricultural issues, such as tariff cuts, sensitive products, tariff caps and domestic support.

Officials from many of the countries present at the gathering were reluctant to comment on the substance of the discussions that took place.

ICTSD reporting; "Non-G6 Holds Talks on Outstanding Issues In Doha Round as Part of 'Quiet Diplomacy,'" WTO REPORTER, 23 October 2006.

EVENTS & RESOURCES

VACANCY

The Evian Group at IMD Business School in Lausanne is looking to fill a position for a 3 month unpaid internship, beginning in January 2007. Responsibilities include assisting in maintaining the website, undertaking data and bibliographical search for publications and programmes, taking notes during meetings and compiling them for the production of reports, and assisting in the planning and organization of meetings. Candidates must have an undergraduate degree in applied economics, political economy, political science, international relations, modern history, or international law; native-English language fluency; ability to work well in a team or independently; and an understanding and support of the Evian Group's overall goals and mission. Second language fluency is a plus, but not required. If interested, please send CV and motivation letter to Emma Cranfield (emma.cranfield@imd.ch) as soon as possible. Potential candidates will be invited to IMD on 10-12 November to become familiar with the Evian Group.

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: 26 October-1 November

30 October, Geneva, Switzerland: AD HOC EXPERT GROUP ON COMPETITION LAW AND POLICY. Organized by the UN Conference on Trade and Development. The meeting will focus on the relationship between competition law, policy and subsidies; and on the analysis of cooperation and dispute settlement mechanisms relating to competition policy in regional free trade agreements, taking into account issues of particular concern to small and developing countries. For more information see internet:

<http://www.unctad.org/Templates/Meeting.asp?intlItemID=2068&lang=1&m=11964&year=2006&month=10>.

30-31 October, Dar es Salaam, Tanzania: REGIONAL DIALOGUE FOR EASTERN AND SOUTHERN AFRICA ON TRADE IN SERVICES AND SUSTAINABLE DEVELOPMENT. Organised by the International Centre for Trade and Sustainable Development (ICTSD) with the collaboration of the African Economic Research Consortium (AERC) and the Economic and Social Research Foundation (ESRF). The three aims of the meeting are to examine regional interests in services trade and the manner and extent to which these may be reflected in multilateral and regional trade negotiations as well as through autonomous reform in order to promote sustainable development, through bridging the information gaps among the countries in the region on trade in services; gather regional thinking on key issues relevant to WTO and other international trade negotiations; and enable stakeholders in Eastern and Southern Africa to better define and articulate their own services objectives and policies both domestically and in multilateral and regional trade negotiations. For more information, contact Heidi Ullrich; email: hullrich@ictsd.ch; internet: http://www.ictsd.org/issarea/services/roundtable/2006-10-30/2006-10-30_ESA_desc.htm.

30 October-4 November, Rome, Italy: COMMITTEE ON WORLD FOOD SECURITY - 32ND SESSION. Organized by the UN Food and Agriculture Organisation (FAO). The Committee on World Food Security (CFS) serves as a forum in the United Nations system for the review of policies concerning world food security, including food production and physical and economic access to food. For more information see internet: http://www.fao.org/UNFAO/Bodies/cfs/cfs32/index_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.

26 October 2006: VIETNAM MEMBERSHIP NEGOTIATIONS (ACCESSION WORKING PARTY)

27 October 2006: TRADE POLICY REVIEW BODY - EAST AFRICAN COMMUNITY

Other Upcoming Events

6-7 November, Doha, Qatar: OECD POLICY DIALOGUE WITH NON-MEMBERS ON AID FOR TRADE: FROM POLICY TO PRACTICE. Organised by the Organization for Economic Cooperation and Development (OECD). The dialogue aims to share information on how to best support developing countries' trade expansion as an engine of economic growth and poverty reduction, and to seek input on the OECD's 2007/08 planned work on trade and development. Participants at this invitation-only gathering will include development and trade policy makers from both developing and developed countries, aid practitioners from the headquarters and field level, and African, Asian, and Latin American stakeholders from the private sector, academia and civil society. For more information, e-mail: doha2006@oecd.org; internet: http://www.oecd.org/document/50/0,2340,en_2649_201185_37232754_1_1_1_1,00.html.

6-7 November, Maputo, Mozambique: NATIONAL MEETING AND EXPERTS ROUNDTABLE ON TRADE IN SERVICES AND SUSTAINABLE DEVELOPMENT. Organised by the Economic Justice Coalition in collaboration with the International Centre for Trade and Sustainable Development (ICTSD). The findings of a Mozambique case study commissioned by ICTSD will be presented at the national meeting. The study, which focuses on Mozambique's interests in 'mode 4' (temporary labour movement), tourism services, maritime transport and inland transport services, seeks to analyse the relevance of the services sector in advancing the sustainable development goals of Mozambique, as well as the opportunities and risks associated with liberalising trade in selected services sectors or modes of supply. The experts' roundtable, which will be facilitated by an international expert in tourism services, will serve to discuss the main findings in tourism services, identify Mozambique's goals in tourism services, and examine the possible options regarding the corollary regulatory reform and other flanking measures that may be needed to achieve these goals. This discussion will result in the preparation of a road map for implementation, which will constitute a practical tool for policy makers to take the next step and translate the domestic interests identified in each priority sector into specific domestic reform proposals. For more information, contact Heidi Ullrich; email: hullrich@ictsd.ch; internet: http://www.ictsd.org/issarea/services/roundtable/2006-11-06/2006-11-06_MNN_desc.htm

RESOURCES

THE SUSPENSION OF THE WTO DDA NEGOTIATIONS: SCENARIOS AND IDENTIFICATION OF PRESSURE POINTS FOR DEVELOPING COUNTRIES. By the South Centre, October 2006. This analytical note identifies some opportunities and challenges that the suspension of the WTO Doha negotiations has created for developing countries. It proposes that an early identification of pressure points in the negotiations can help developing country delegations prepare for the resumption of negotiations. To assist in identification of such pressure points, the note is structured around three main possible scenarios for the negotiations: (1) Quick resumption and conclusion, (2) Slower resumption or early harvest, and (3) Hibernation or collapse of the round. To access this note visit http://www.southcentre.org/publications/AnalyticalNotes/CrossCuttingIssuesTradeNegotiation/2006Oct_Suspension_of_the_Round.pdf

"Specific Environmental Effects of Trade Liberalization: Sugar." By Jane Earley and Thomas Earley in INTERNATIONAL POLICY COUNCIL Brief #20, October 2006. This paper is the second in a series examining whether recent trade liberalisation might have adverse environmental effects that could be ameliorated if governments correctly anticipate them. The study finds that changes in the biofuels market will have a greater impact on world sugar production, and in turn, the environment, than policy changes in trade. Also among findings are country-specific recommendations for policymakers on how to mitigate negative impacts. The brief discusses the important roles of resource endowments, law enforcement, and technology in creating national policies to overcome the adverse environmental effects of increased sugar production on the world stage. To access this brief visit <http://www.agritrade.org/publ.htm>.

GLOBAL FINANCIAL STABILITY REPORT: MARKET DEVELOPMENTS AND ISSUES. International Monetary Fund World Economic and Financial Surveys, September 2006. The Global Financial Stability Report provides semiannual assessments of global financial markets and addresses emerging market financing in a global context. To access the report visit <http://www.imf.org/external/Pubs/FT/GFSR/2006/02/index.htm>.

"Whither Food Aid?" By Robert L. Thompson in ILLINOIS AG POLICY BRIEFS, June 2006. This policy brief outlines the status of the international debate over eliminating agricultural export subsidies, and proposes concessions that the US may make on food aid to elicit the lowering of EU agricultural export subsidies. To access this brief visit

http://www.farmdoc.uiuc.edu/policy/ag_policy_briefs/abp_06-02/apb_06-02.html.

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