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LEAD STORIES

TRIPS COUNCIL DISCUSSIONS FALL APART OVER ENFORCEMENT ISSUE

The WTO Council for Trade-related Aspects of Intellectual Property (TRIPS) met on 25-26 October for the first time since the collapse of the Doha Round without making substantive progress in the ongoing discussions. The special (negotiating) session of the TRIPS Council remains suspended. The issue of enforcement proved especially controversial. In particular developing countries opposed the EU's initiative to introduce the topic in the Council, arguing that this was an issue subject to domestic jurisdictions alone.

Other issues discussed included progress on the acceptance and implementation of the 2005 TRIPS amendment on public health, and the relationship between the TRIPS Agreement and the Convention on Biological Diversity (CBD).

The Council also took up the transitional review of China's implementation of its TRIPS obligations (see related story, this issue).

Clash on enforcement issues

Fundamental differences persisted among Members during debates on the enforcement of intellectual property rights (IPR). These discussions are being driven largely by the EU which has been pushing for the implementation of effective measures to enforce IPRs at the regional and international levels, for instance through the EU Directive on criminal measures aimed at ensuring the enforcement of IPRs and proposals in the TRIPS Council.

In a paper submitted jointly with the US, Switzerland and Japan, the EU highlighted the need for intervention from the TRIPS Council to assist efforts to curb the rapid increase in piracy and counterfeiting world wide. While the EU recognised that Members are allowed to implement suitable enforcement provisions domestically, it felt that such measures must ultimately

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help to achieve the objectives of the TRIPS Agreement. The EU has previously submitted a paper (IP/C/W/448) suggesting that the Council should assess Members' compliance with the TRIPS Agreement's enforcement provision (see BRIDGES Weekly, 22 June 2005, <http://www.ictsd.org/weekly/05-06-22/story3.htm>).

During the Council meeting, several developing countries, including China, Chile, India, South Africa, Argentina and Brazil, strongly opposed the initiative and objected to a presentation by the EU on its experiences, which they felt would amount to implicitly accepting the EU's proposal to share country experiences. The developing countries felt that enforcement was an issue outside the scope of the TRIPS Agreement. Referring specifically to Article 1.1 of the TRIPS Agreement, which stipulates that Members are free to determine the appropriate method to implement the TRIPS Agreement's provisions, they argued that discussing enforcement in the TRIPS Council would mean restraining countries' flexibility to draft domestic legislation on this issue.

Slow progress on ratifying and implementing of public health waiver

At the meeting, Switzerland and El Salvador announced that they had accepted (ratified) the public health amendment to the TRIPS Agreement. The amendment would make permanent the decision adopted in 2003 which waives certain TRIPS obligations to allow Members to export drugs produced under compulsory licence subject to various conditions (see BRIDGES Weekly, 7 December 2005, <http://www.ictsd.org/weekly/05-12-07/story1.htm>). The two ratifications bring the number of countries who have accepted the waiver to three (in addition to the US). Kenya said it was in the process of ratifying the amendment. The decision will be formally built into the TRIPS Agreement once two thirds of the WTO membership has ratified the change. The TRIPS Council Chair Ambassador Trevor Clarke of Barbados urged Members to step up ratification of the amendment.

For the waiver to be operational (i.e. to allow a country to export or import), countries will need to incorporate the waiver into their national legislations. So far, Norway, India, the EU, Netherlands, Norway, Korea and Canada -- all pharmaceutical exporters -- have done so. Canada announced at the meeting that it was in the process of reviewing its 'access to medicine' legislation to examine how it could be improved. Among the importing countries, Kenya sought technical assistance to help incorporate the waiver into its national legislation.

Discussions on preventing misappropriation of genetic resources continue

Member states again picked up discussions on the potential conflict between the TRIPS Agreement and the CBD. Developing countries have proposed an amendment to the TRIPS Agreement to incorporate requirements for disclosure of the origin of genetic resources and associated traditional knowledge in patent applications along with evidence of prior informed consent and ensure benefit sharing (BRIDGES Weekly, 7 June 2006 <http://www.ictsd.org/weekly/06-06-07/story2.htm>). Despite featuring as a permanent agenda item in the Council, discussions on this topic have not as yet resulted in any significant outcome.

At this meeting, Peru (IP/C/W/484) responded to questions by the US (IP/C/W/469) regarding its earlier paper that had highlighted several 'biopiracy' cases (IP/C/W/458). Peru indicated that the list of cases presented only reflected potential cases which could be used as a basis for further analysis. An effective assessment of actual cases of biopiracy would require incorporating a universal obligation to disclose the origin/source/legal provenance of biological resources in patent application. Such a requirement would facilitate the verification of the fulfilment of the patentability criteria of an invention that is based on genetic resources and/or TK as well as other obligations under the CBD (such as the existence of prior informed consent and benefit sharing arrangements). Peru's paper was well received by many developing countries, such as Brazil, India, Ecuador, Venezuela, China, Sri Lanka and Malaysia, who yet again urged countries consider incorporating the disclosure requirements in the TRIPS Agreement.

Other (mainly developed) countries, including Australia, Canada, the EU, Japan, Korea, New Zealand, the US and Switzerland, reiterated their stance on the issue, noting that they did not see any conflict between the TRIPS Agreement and the CBD. Most of them supported the creation of traditional knowledge databases for use by patent examiners as a protection measure. TK databases have attracted opposition from some quarters, notably some indigenous groups, due to concerns that they might render the knowledge accessible to the public at large, thereby preventing knowledge holders from attaining the rights over the knowledge. Japan had previously submitted a proposal (IP/C/W/474) calling for the establishment of an international database on traditional knowledge.

ICTSD reporting.

AGRICULTURE: LACK OF TRANSPARENCY ATTRIBUTED TO LATE WTO NEGOTIATIONS

Extensive delays in Members' notifications of their farm subsidies and tariffs are undermining the WTO's ability to promote transparency and are creating obstacles to progress in the negotiations themselves, according to Christian Häberli (Switzerland), Chair of the WTO Committee on Agriculture (CoA).

While the Doha round negotiating meetings remain suspended due largely to Members' differences over agriculture (see BRIDGES Weekly, 2 August 2006, <http://www.ictsd.org/weekly/06-08-02/story2.htm>), regular committee meetings are continuing.

At a meeting on 31 October, a number of countries, including Australia and Brazil, voiced support for the views of the Chair, calling on Members to submit their notifications of agricultural subsidies and tariffs. Documents circulated by the WTO showed significant delays in notifications, with 70 Members (almost half of the WTO membership) failing to provide some or all of the required information for the 1995-2000 period. Heavy subsidisers such as the EU and the US have not submitted domestic support notifications since 2001, and Japan has not done so since 2002. Other major players in the negotiations, such as Argentina, Canada, Korea, Norway and Switzerland, are just as far behind.

It was noted that the absence of accurate, comparable and up-to-date information exacerbated existing inequalities between Members, and presented particular problems for smaller developing country delegations in the negotiations. Brazil, which had managed to notify despite being a developing country, noted that developed countries should be in a position to do so as well. Chair Häberli also suggested that governments should use staff members that have been 'freed up' by the suspension of the negotiations to try to rectify the backlog in notifications.

The EU said that it would soon submit domestic support notifications for 2002 and 2003. The delay was a result of the addition of ten new member states, which had meant that the calculations had had to be adjusted, the EU said.

EU enlargement, export subsidies prompt questions

Supported by the US and Canada, Australia raised questions about how the EU's export subsidy commitments would be adapted following its enlargement to 25 members. It noted that the EU had not tabled the draft 'schedules of commitments,' which

Australia said still had to be negotiated and agreed with Members following the expansion. The EU was also asked how it intended to handle the planned inclusion of Bulgaria and Romania in the next expansion phase.

The EU stated that, although its subsidised wheat exports were expected to increase, these would remain below the bound level. When the EU renewed its use of export subsidies for wheat during the Doha Round, some Members saw this as a sign of bad faith (see BRIDGES Weekly, 16 February 2005, <http://www.ictsd.org/weekly/05-02-16/WTOinbrief.htm>).

Liberalisation versus 'sensitive' and 'special' products

At the same meeting, the World Bank warned that too much flexibility through 'sensitive products' (products both developed and developing countries would be able to designate for relatively lower rates of tariff reduction) and 'special products' (set for lenient tariff treatment on the basis of food security, livelihood security, and rural development concerns in developing countries) could undermine the benefits of liberalisation. Citing its research, the Bank emphasised "the importance of liberalising reforms in agricultural trade on the part of both developing and industrialised countries, and the potential for the concepts of sensitive and special products to create significant exemptions, which would undermine this objective." Both the Philippines and Cuba objected to this comment, and indicated their intention to return to it at a later stage following closer examination of the statement.

Developing country delegates in Geneva privately questioned the wisdom of the Bank's intervention, which they described as 'unwarranted.' The comments could be seen as prejudging the outcome of negotiations which are still in progress, they said.

No further meetings of the Agriculture Committee are planned until March 2007, although, if governments agree to restart the Doha round, special negotiating sessions could be held before then.

ICTSD reporting.

OTHER NEWS

EAST AFRICAN COMMUNITY REVIEW CALLS FOR IMPROVING MULTILATERAL COMMITMENTS

The WTO Secretariat's Trade Policy Review of the East African Community (EAC) lauds the continuing

economic reform programme in the EAC. At the same time, the Review calls on the customs union -- comprising Kenya, Tanzania and Uganda -- to improve its members' multilateral commitments on both goods and services in an effort to increase its attractiveness for business and investment. While the Review recognises regional trade agreements as one of the drivers of trade and investment liberalisation, it also raises concerns with regard to the membership of EAC countries in multiple and sometimes overlapping regional arrangements.

The original EAC is a regional intergovernmental organisation that dates back to 1917 and collapsed in 1977 due to various political and economic reasons. The present EAC was established in 2000 with the aim of become an economic area (including customs and monetary unions, with harmonised macroeconomic policies, and ultimately a political federation). However, no overall timetable has been established for this process.

Calls for greater integration and harmonisation among EAC countries

The Review notes that full integration of EAC members would provide a strong foundation for their participation in the world economy. To date, however, the EAC members are yet to fully implement some of the provisions within the legal framework of the EAC, such as the harmonisation of customs procedures, other duties and charges on imports, internal indirect taxes and fees on production.

The Review also reveals differences in implementation capacity among the various EAC members. For instance, it states that Kenya is the only EAC country with a certain capacity to enforce its technical regulations and sanitary and phytosanitary (SPS) measures.

The report also points out that the free-trade area component of the EAC customs union is being established through asymmetrical liberalisation. While imports from Tanzania or Uganda are duty-free, tariffs on some selected items from Kenya to the other EAC countries remain in place and will be phased out by 2010.

Moreover, the Review cites tariff escalation (i.e. higher tariffs on value-added products) and supply-side constraints -- including high production costs, limited access to financing and low quality of products -- as major obstacles to the development of EAC manufacturing. In services greater commitments in sectors such as telecoms, energy and transport would help tap export potential and improve competitiveness in general.

Commenting on the Review, an African trade diplomat remarked that harmonisation should be a "continuous" exercise and different circumstances of Members should be taken into account. Another delegate stressed the need for EAC Members to "move together".

Membership in multiple trade agreements problematic

Kenya, Tanzania and Uganda participate in different regional trade agreements. For instance, Kenya and Uganda are members of the Common Market for Eastern and Southern Africa (COMESA) while Tanzania is a member of the Southern African Development Community (SADC) and a signatory to the Agreement on the Global System of Trade Preferences among Developing Countries (GSTP). Tanzania is also considering re-entering COMESA after its withdrawal in 2000.

The Review notes that while each country is free under the provisions of the EAC to negotiate bilateral agreements provided they notify the other two members, in practice, overlapping membership has created problems. For instance, the agreements use different types of rules of origin, i.e. the criteria used to define where a product was made to determine whether it is eligible to benefit from liberalised trade within a regional trade agreement. The terms of entry of goods into the EAC can also vary for different importing countries since SADC and COMESA are governed by different protocols of trade.

Further steps to improve predictability and credibility of trade regime needed

The Review calls for the simplification of the EAC tariff structure through, among others, the reduction of rates on agricultural commodities. This would reduce the need for concessions and introduce more transparency in the tariff regime, thus making it less distorting.

Also recommended are further improvements of multilateral commitments through the reduction of bound rates, enlargement of the scope of bindings on goods and services, elimination of applied compound tariffs (all bound duties are ad valorem) and removal of other duties and charges as a means to ensure predictability and credibility of the EAC trade regime. The Review also calls for greater attention to be paid to non-tariff barriers in the full establishment of the EAC customs union (both free trade area and common trade measure components).

Commenting on the Review, an African trade diplomat stressed that liberalisation needed to be managed and that liberalisation, *per se*, could not always be equated

with development. Agricultural tariff protection, for instance, was at times essential for food security, rural development and livelihood concerns, he pointed out.

Addressing supply-side constraints

The Review highlights the importance of technical assistance to address supply-side constraints. In response, one African trade delegate stressed that 'aid for trade' should be independent of the state of the negotiations at the WTO. Another delegate added that 'aid for trade' needed to be comprehensive, i.e. addressing all trade-related problems, and effective in its operationalisation and implementation, thereby responding to the 'development' concerns enshrined in the 'Doha Development Agenda'. Finally, as also stated in Review, the delegate stressed that trading partners needed to enhance market access for EAC goods and services.

The review is available at http://www.wto.org/english/tratop_e/tpr_e/s171-00_e.doc.

ICTSD Reporting

WTO SCRUTINISES CHINA'S TRADE POLICIES

For the fifth time, WTO Members scrutinised China's industrial subsidies and intellectual property rights protection last week under the annual transitional review mechanism established in the country's accession agreement. China claimed it had faithfully fulfilled its commitments, but admitted that difficulties in the collection of data made it impossible to answer some of the questions raised.

Local- and regional-level subsidies challenged

At the meeting of the Committee on Subsidies and Countervailing Measures (SCM) on 26 October, the US and the EU charged that China had only included subsidies granted by the central government in the 88-page notification it forwarded to the WTO last April, leaving out substantial support measures provided by local and regional authorities.

Despite the lacking data, China cautioned WTO Members against exaggerating the extent of local- or regional-level support to domestic industries. It argued that local authorities had only limited jurisdiction, as well as few resources to provide extensive subsidies. China also rejected allegations about WTO-inconsistent subsidies to industries such as textiles and clothing, autos, semiconductors, and the banking and financial

sectors. In response to US complaints regarding state-owned banks and the low interest rates charged by the Exim Bank, China stated that state-owned banks had long been transformed into market-based commercial banks, and that the export credit policy of the Exim Bank was WTO-consistent.

More forceful implementation needed in IPRs

China's compliance with its intellectual property protection commitments was examined in the 25-26 October meeting of the Council for Trade-related Aspects of Intellectual Property Rights (TRIPS). Many Members praised China for its efforts in this area, but expressed concerns over its inadequate enforcement of IPRs and the prevailing high level of piracy.

Prior to the meeting, the EU, Japan and the US had submitted written questions mostly focused on the enforcement of IPR protection. They were particularly concerned that IPR infringements were not pursued adequately under criminal law.

China said it had strengthened law enforcement with more effective penalties and set up service centres to receive complaints regarding intellectual property infringements. China also circulated three documents to Members: a report on Intellectual Property Protection in 2005; information on China's Action Plan Protection for this year (issued earlier in the year) and a book called 'Protect Your Intellectual Property Rights in China'. The Chinese representative maintained that five years after the country joined the WTO, its intellectual property rights system was fully consistent with the TRIPS Agreement and that China had "fully implemented its accession commitments".

Nevertheless, China left unanswered some requests for data, which it said were not available.

Transformation of the Transitional Review Mechanism

The WTO created the Transitional Review Mechanism in order to monitor China's compliance with its accession commitments on an annual basis. The final review is to take place in 2010, or eight years after China's accession.

In previous years, the EU, the US and other Members had pressed China to comply with its WTO obligations, as well as requested further liberalisation even beyond existing WTO commitments. The 2006 transitional review pointed to a shift in focus from monitoring implementation of accession commitments to examining the compatibility of China's new policies with WTO rules.

China's consent to the establishment of the review mechanism was widely viewed as a major concession. Since last August, seven WTO committees have examined China's implementation of commitments with regard to anti-dumping, import licensing, sanitary and phytosanitary measures, safeguards, market access, IPRs and subsidies. In 2005, seventeen different WTO bodies undertook reviews within their mandates.

ICTSD Reporting

IN BRIEF

US-KOREA FTA TALKS BEGIN TO MAKE PROGRESS

The fourth round of US-South Korea free trade agreement (FTA) negotiations ended in Jeju, South Korea, on 27 October. Although the two countries made progress towards reaching an agreement, the talks have proceeded more slowly than expected (see BRIDGES Weekly, 25 October 2006, <http://www.ictsd.org/weekly/06-10-25/inbrief.htm#4>), necessitating a sixth round of negotiations in January 2006 in addition to the December round already planned.

During the negotiations, the two sides addressed less contentious issues such as customs administration, re-manufactured goods, administration of agriculture tariff rate quotas and anticorruption provisions. Progress in these areas was a welcome change from the third round of negotiations, which saw no progress at all.

The most contentious issues have been placed on the agenda for the fifth round, to take place on 4-8 December. The US will focus on trying to open up Korea's beef and rice markets, while Korea will attempt to coax American concessions in the automobile and textile industries.

The US has recently adopted a softer stance in the hope of soliciting concessions from Korea. Among other concessions, the US has offered to immediately remove tariffs on 1,000 industrial goods and to set up a 10-year time frame for phasing out textile duties (valued at a total US\$2.85 billion). In response, Korea has offered reduction of 138 agricultural tariffs (valued at US\$88 million) and has indicated a willingness to make further concessions in December.

If the deal is concluded, Korea will be the biggest economy with which the US has made a trade pact

since it concluded NAFTA in 1994. Korean exports to the US would rise by an estimated 15.1 percent, and Korean imports from the US would rise by an expected 39.4 percent. Although some kind of deal is certain to be signed, the scope of the eventual agreement remains to be determined. Due to the political sensitivity of the remaining issues, some analysts expect that the final agreement might be a diluted one.

"Next FTA Talks with U.S. Expected to be Turning Point," THE KOREA HERALD, 30 October 2006; "Some Progress' in FTA Talks, Big Issues Still Unresolved," THE HANKYOREH, 28 October 2006; "Free Trade Talks: Crucial Bargaining Has Yet to Begin," THE KOREA TIMES, 29 October 2006.

EU TAKES STEPS TO REDUCE GLOBAL MERCURY EXPOSURE

The European Commission has proposed a regulation to ban all EU mercury exports and to mandate the safe storage of surplus mercury. Pending joint approval by the European Parliament and the Council of Ministers, the legislation would take effect beginning in July 2011.

Both the ban and the storage measures are part of the EU's stated commitment to reduce levels of mercury in the global environment, as exposure to high levels of mercury in any form -- metallic, inorganic or organic -- can permanently damage the brain, kidneys, and developing fetus. The EU mercury strategy launched by the Commission in 2005 outlines 20 measures to reduce mercury emissions, cut supply and demand, and protect against mercury exposure.

Although many environmental and health groups applauded the EU's initiative in addressing the international mercury threat, some were still not satisfied as the proposed legislation will not cover mercury compounds or mercury-containing products. While some are concerned that the proposed implementation date of 2011 is too distant, others fear that there will not be enough time to allow for development of an environmentally sound method of permanently storing mercury.

The EU is also attempting to kick-start international action on mercury regulation. The Commission organised an international conference on mercury on October 26-27, where the EU and more than 30 non-EU countries began to discuss means of reducing human and environmental exposure. Next February, the possible development of a legally binding international agreement will be discussed at a meeting of the UN Environment Program (UNEP) Governing Council. Delegates hope to find more common ground than at the last Council meeting, where the US,

Australia, and Japan preferred voluntary agreements to binding instruments (see BRIDGES Trade BioRes, 4 March 2005, <http://www.ictsd.org/biores/05-03-04/inbrief.htm#3>).

"Environment: Commission proposes ban on EU mercury exports," EU PRESS RELEASE, 26 October 2006; "European Commission Proposes Ban on EU Mercury Exports," ENS, 30 October 2006.

STERN WARNING ON CLIMATE COSTS

In a 700-page report on climate change delivered to the British government, Sir Nicholas Stern, former chief economist at the World Bank, warned that the world must take action now in order to avoid facing huge costs in the future. In fact, 20 percent of global GDP might be lost due to the effects of climate change by 2050 if nothing is done, he noted. On the other hand, investing one percent of global GDP into measures to mitigate climate change now would be enough to set the globe on a sustainable path. Nicholas Stern called for international action, with developed countries taking the lead, noting that "Whilst there is much more we need to understand - both in science and economics - we know enough now to be clear about the magnitude of the risks, the timescale for action and how to act effectively."

The report comes on the eve of the twelfth meeting of the Conference of the Parties (COP) of the UN Framework Convention on Climate Change (FCCC) and the second meeting of the parties to the Kyoto Protocol in Nairobi, Kenya from 6-17 November. The meeting is set to discuss the contention issue of what will follow once the Kyoto Protocol expires in 2012.

To access the Stern Review, visit http://www.hm-treasury.gov.uk/Independent_Reviews/stern_review_economics_climate_change/sternreview_index.cfm

For further information on the climate meeting see http://unfccc.int/meetings/cop_12/items/3754.php

"Climate change fight 'can't wait'," BBC, 31 October 2006; "Publication of the Stern Review on the Economics of Climate change," UK TREASURY RELEASE, 30 October 2006.

WTO IN BRIEF

VIETNAM COMPLETES WTO ACCESSION NEGOTIATIONS

Following twelve years of negotiations, the WTO Working Party on the Accession of Vietnam finalised and approved the country's membership on 26 October. The WTO General Council is expected to convene in a special meeting on 7 November to formalise the deal, just days before Hanoi hosts the annual summit of the Asia-Pacific Economic (APEC) Forum.

The final approval from the WTO working party came after Vietnam agreed to open its market to foreign goods and services, and following legal and institutional reform to prepare the country for membership (see BRIDGES Weekly, 18 October 2006, <http://www.ictsd.org/weekly/06-10-18/wtoinbrief.htm#1>). The accession documents include a 560-page list detailing Vietnamese tariffs, quotas and ceilings on subsidies, and timetables for phasing in cuts. In addition, a 60-page document enumerates which services will be opened up by Vietnam and any conditions on that process, including limits on foreign ownership. Vietnam's Prime Minister Truong Dinh Tuyen expressed his country's intentions to continue economic liberalisation and international integration after membership is granted.

This breakthrough for the communist-ruled country came after nearly two decades of pushing through liberalising reforms. The reforms have already seen the country experience rapid economic growth. Vietnam's economy grew by an average 6.8 percent annually from 1997 to 2004, and the Asian Development Bank predicts that Vietnam's economy will grow by 7.8 percent this year. The road ahead will not be entirely smooth, however. Prime Minister Tan Dung has warned that the country still faces structural challenges, and will have to continue actively integrating into the world economy in order to fully benefit from WTO membership. Local companies will face fierce competition, and while some sectors stand ready to benefit from new trading opportunities, others do not.

The Vietnamese National Assembly is expected to ratify the accession in late November, after which Vietnam will become the 150th Member of the WTO following a waiting period of 30 days.

"Vietnam Gets OK to Join World Trade Organisation," REUTERS, 26 October 2006; "Vietnam's Completion of WTO Negotiation a Happy End: Spokesman," THANH NIEN NEWS, 27 October 2006; "Vietnam Sees Economic Status Glimmer as WTO Sets Accession

Meet," AFP, 28 October 2006; "Vietnam's WTO Talks Due for Completion Thursday: Trade Source," AFP, 25 October 2006; "WTO Draft Report Says Vietnam Ready to Become Trade Body's 150th Member," ASSOCIATED PRESS, 24 October 2006.

DSB PANEL TO EXAMINE CHINA'S COMPLIANCE WITH TRADE RULES

A panel has been established to examine the legality of China's tariff treatment of imported auto parts, making it the first formal trade dispute against China since it acceded to the WTO in 2001.

The 26 October meeting of the WTO Dispute Settlement Body (DSB) established the panel at the request of the US, the EU and Canada. These countries claim that China's tariff policies discriminate against imported auto parts, and, as a consequence, discourage domestic auto manufacturers from using imported parts. China blocked the initial request for a panel in late September this year (see BRIDGES Weekly, 4 October 2006, <http://www.ictsd.org/weekly/06-10-04/story4.htm>).

Previous spats between China and its trading partners have been settled through informal consultations or in the pre-litigation phase. In response to the establishment of the panel, China said it was "greatly disappointed" and that the three major trading partners had "ignored its arguments and good faith" in seeking to find a solution through consultations.

The DSB meeting also set up panels to rule on US measures on shrimp from Thailand, and on US anti-dumping measures on steel from Mexico.

"WTO to Examine China's Tariffs on Auto Parts," WALL STREET JOURNAL, 26 October 2006; "WTO to rule on western dispute with China over auto parts," AFP, 26 October 2006; "Dispute Settlement Body: DSB sets up panels to examine disputes on auto parts, shrimp and steel," WTO RELEASE, 26 October 2006.

EVENTS & RESOURCES

VACANCY

ICTSD is searching for a EDITOR – TNI / ECLAIRAGE. His/her duties will include overseeing every step of the production and distribution of the ICTSD-ECDPM periodical Trade Negotiations Insights (and its French version Eclairage sur les Négociations). Specifically, the Editor will be responsible for the strategic direction

of the publication; developing the story list; commissioning, writing and editing articles; and ensuring timely and targeted dissemination. This position requires a relevant educational background, proven experience and an understanding of the EPA negotiations, as well as perfect command of English and French. For further information please contact Deborah Vorhies at dvorhies@ictsd.ch.

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: 2-8 November

2-3 November, Mombasa, Kenya: AFRICA DIALOGUE ON WTO DISPUTE SETTLEMENT AND SUSTAINABLE DEVELOPMENT. Organised in collaboration with the Centre for International Trade and Investment Law (CITIL). The overarching objective of the dialogue is to explore strategies to enhance the participation of developing countries in the WTO dispute settlement system where the need arises. With an aim to strengthen developing countries' understanding of the options and potential strategies for advancing their trade objectives and defending their trade rights through the dispute settlement system, the conference seeks to provide a platform for dialogue between various stakeholders including government officials, private practitioners and academia. More information on the dialogue is available at <http://www.ictsd.org/dlogue/2006-11-02/2006-11-02-desc.htm>.

6 November, Nairobi, Kenya. TOWARDS A SUSTAINABLE BIOENERGY STRATEGY: THE ROLE OF INTERNATIONAL TRADE. This event, organised as a side event at the UNFCCC COP-12, aims to generate innovative thinking and engage key stakeholders in addressing the vast range of opportunities and challenges associated with harnessing the potential of bioenergy in a sustainable manner. Participants will assess sustainability challenges and try to identify viable solutions for harnessing the potential of bioenergy as a means of enhancing access to cleaner energy, reducing emissions of greenhouse gases and contributing to income generation for improving rural livelihoods. For more information, contact Gueye Kamal, e-mail: gkamal@ictsd.ch; tel: +41 22 917 8754; fax: +41 22 917 8093.

6-7 November, Maputo, Mozambique: **MOZAMBIQUE NATIONAL MEETING AND EXPERTS' ROUNDTABLE ON TRADE IN SERVICES AND SUSTAINABLE DEVELOPMENT.** Organised in collaboration with The Economic Justice Coalition. The findings of a Mozambique case study commissioned by ICTSD will be presented. The case study, which focuses on Mozambique's interests in mode 4, tourism services, maritime transport and inland transport services, analyses the relevance of the services sector in advancing the sustainable development goals of Mozambique; the opportunities and risks appurtenant to liberalising trade in selected services sectors or modes of supply; and possible options regarding the corollary regulatory reform and other flanking measures that may be needed to achieve these goals. The project will then convene an Experts' Roundtable, which will be facilitated by an expert that will be responsible for compiling the main elements raised during the discussion and reflecting them in a road map for implementation. For more information see http://www.ictsd.org/issarea/services/roundtable/2006-11-06/2006-11-06_MNN_desc.htm.

6 November, 13:00-15:30, Copenhagen, Denmark: **AID FOR TRADE: A NEW MODALITY OR OLD WINE IN NEW BOTTLES?** Organised by The Danish Institute for International Studies (DIIS) and the Research Network on Governance, Economic Policy and Public Administration (GEPPA), this seminar in the Trade Mondays series examines the evolution, recent visibility, and future potential of 'Aid for Trade' as a development assistance mechanism. The seminar is divided into two sessions. The first session provides a general overview of Aid for Trade and some reflections on specific experiences. The second session is a round-table discussion involving leading trade and development experts from academia, policy-making, and NGO environments, followed by an open discussion with the public. Participation is free of charge, and registration is not required. For further information, tel: +45 32 69 87 51; fax: +45 32 69 87 00; e-mail: event@diis.dk; internet: <http://www.diis.dk>.

6-17 November, Nairobi, Kenya: **UNFCCC COP-12.** Kenya will host the twelfth session of the Conference of the Parties (COP-12) to the United Nations Framework Convention on Climate Change (UNFCCC) at the headquarters of the United Nations Office at Nairobi (UNON), Kenya. Participants will hear a report by the co-facilitators of the dialogue on long-term cooperative action to address climate change by enhancing implementation of the UNFCCC and conduct a review of the implementation of commitments and of other provisions of the UNFCCC. For more information contact the secretariat at tel.: (+ 254 20) 7623 416 / 7623 652; fax: (+ 254 20) 7624 275 / 217 119; internet: <http://www.nairobi2006.go.ke/> or <http://www.unfccc.int>.

6-7 November, Doha, Qatar: **OECD POLICY DIALOGUE WITH NON-MEMBERS ON AID FOR TRADE: FROM POLICY TO PRACTICE.** This dialogue aims to share information on how best to 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. Participation by invitation only; Guests 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 further 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.

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.

2 November: **WTO COMMITTEE MEETING ON BUDGET, FINANCE AND ADMINISTRATION**

3 November: **WTO COMMITTEE MEETING ON TRADE AND DEVELOPMENT**

3 November: **WTO COMMITTEE MEETING ON MARKET ACCESS**

7 November: **GENERAL COUNCIL SPECIAL MEETING ON VIETNAM MEMBERSHIP**

8 November: **WTO COMMITTEE MEETING ON TRADE IN CIVIL AIRCRAFT**

Other Upcoming Events

14-16 November, Geneva, Switzerland. **UNCTAD EXPERT MEETING ON UNIVERSAL ACCESS TO SERVICES.** Organised by the United Nations Trade and Development Board Commission on Trade in Goods and Services, and Commodities. Discussions will serve to provide UNCTAD member States with a better understanding of the important role that universal access plays in efforts aimed at improving living conditions, economic growth, domestic supply capacity building, and trade in developing countries. The meeting will explore key services sectors that are essential from an infrastructural and human

perspective, and address the role of government and the private sector in these services. It will consider national experiences and policies for ensuring access, analysing how they may differ across countries and sectors in line with specific national policy objectives. The meeting will review linkages between universal access policies and international rules on services trade, including services commitments under the GATS. The report of the expert meeting will be submitted to the Commission on Trade in Goods and Services, and Commodities at its next session. For more information, contact Elisabeth Tuerk, tel: +41 22 917 5271; fax: +41 22 907 00 44; e-mail: elisabeth.tuerk@unctad.org.

29 November to 1 December, Geneva, Switzerland. UNCTAD INTERGOVERNMENTAL EXPERT MEETING ON THE PARTICIPATION OF DEVELOPING COUNTRIES IN NEW DYNAMIC SECTORS OF WORLD TRADE: REVIEW OF THE ENERGY SECTOR. This meeting, organised by the United Nations Conference on Trade and Development (UNCTAD), aims to promote participation of developing countries in dynamic and new sectors of world trade. It will focus on the challenges posed to developing countries by a changing international energy economy. Issues of particular consideration will be the need to diversify energy sources, and the need to secure access to reliable and reasonably-priced energy in order to reduce poverty and promote sustainable development. For more information contact the organisers at tel: +41 (0)22 917 56 42 or +41 (0)22 917 58 65; fax: +41 (0)22 917 00 44; e-mail khalil.rahman@unctad.org or victor.ogniutsev@unctad.org; internet: <http://www.unctad.org/Templates/meeting.asp?intltemlD=2068&lang=1&m=11907&info=not>.

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 to 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

AID FOR TRADE INITIATIVE IN NEED OF A DEFINITIVE STRUCTURE. By Samuel G. Asfaha, South Centre, October 2006. This article posits that as the 'Aid for Trade (AFT)' initiative of the World Trade Organisation (WTO) gathers steam, there are some essential next steps that need to be taken. It argues that the initiative can only deliver if it is given a concrete shape. To access this article visit <http://www.southcentre.org/wto-doha-round-aid-for-trade-South-Centre.html>.

WTO DISCIPLINES AND BIOFUELS: OPPORTUNITIES AND CONSTRAINTS IN THE CREATION OF A GLOBAL MARKETPLACE. By the International Food and Agricultural Trade Policy Council (IPC) and Renewable Energy and International Law (REIL), October 2006. This IPC Discussion Paper suggests that biofuels are a new technology to which existing WTO trade rules need to be adapted. The paper explores how biofuels should be categorised within WTO law; how subsidies to the existing biofuel sector should be considered from the perspective of WTO rules; and how domestic regulation on biofuel production should be viewed in light of WTO rules against non-tariff barriers to trade. To access this paper visit http://www.agritrade.org/Publications/DiscussionPapers/WTO_Disciplines_Biofuels.pdf.

A DEVELOPMENT ASSESSMENT OF THE CURRENT WTO NEGOTIATIONS. By Martin Khor, Third World Network, September 2006. This assessment argues that the suspension of the Doha Round negotiations should lead to a rethinking and revision of the frameworks of the round, instead of a resumption along the same lines. It posits that the original Doha proposals contained little development content and offered few benefits to developing countries, but instead contained dangerous potential costs to developing countries, including loss of policy space. To access the assessment, visit <http://www.twinside.org.sg/pos.htm>.

MILLENNIUM DEVELOPMENT GOALS: PROGRESS IN ASIA AND THE PACIFIC 2006. By the UN Economic and Social Commission for Asia and the Pacific (UNESCAP) and UN Development Programme (UNDP), with the involvement of the Asian Development Bank (ADB), October 2006. This report provides estimates of populations affected by social and economic poverty in the Asia-Pacific region and compares them with similar estimates of sub-Saharan-Africa, Latin America and the Caribbean. The report highlights that the Asia-Pacific region as a whole is on track to achieve most of the Millennium Development Goals (MDGs), but indicates that progress in many individual countries is slow; and performance on some

of targets, including infant mortality and access to basic sanitation, is unsatisfactory. To access the report, visit <http://www.mdgasiapacific.org/2ndMDGReport/progress2006.htm>.

WORLD ECONOMIC OUTLOOK: FINANCIAL SYSTEMS AND ECONOMIC CYCLES. By the International Monetary Fund (IMF), September 2006. The World Economic Outlook (WEO) presents the IMF staff's analysis and projections of economic developments at the global level, in major country groups (classified by region, stage of development, etc.), and in many individual countries. It focuses on major economic policy issues as well as on the analysis of economic developments and prospects. It is usually prepared twice a year, as documentation for meetings of the International Monetary and Financial Committee, and forms the main instrument of the IMF's global surveillance activities. To access the outlook visit <https://www.imf.org/external/pubs/ft/weo/2006/02/index.htm>.

"The WTO and the Shrinking of Development Space: How Big is the Bite?" in the JOURNAL OF WORLD INVESTMENT AND TRADE (7:5) 2006. By Alisa DiCaprio and Kevin P. Gallagher. The trade policy regimes that existed before and after the Uruguay Round of multilateral trade negotiations were strikingly different. Before 1994, the General Agreement on Tariffs and Trade (GATT) was the primary institution of international trade. Through the GATT Pillars of non-discrimination and reciprocity established text-based parameters on its Members' industrial policies, in practice the institution was relatively disengaged with its developing country Members and tended to overlook their policy violations (Hudec, 1987). In 1994, the World Trade Organisation subsumed the GATT through the Single Undertaking. This event ushered in a new policy regime that expanded both the scope and enforcement of new regulations. This article seeks to measure the extent to which policy implementation in the developing countries has reflected these changes.

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Contributors to this issue of *BRIDGES Weekly Trade News Digest*® are Yvonne Apea, Kathryn Bacharach, Trineesh Biswas, Jonathan Hepburn, Sarah Mohan, Megan Sheahan, Mahesh Sugathan, and David Vivas. . Editor: Trineesh Biswas. Director: Ricardo Meléndez-Ortiz. 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.

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