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17 February that he would start producing 'reference papers' on the handful of issues where there had been some convergence, in an effort to keep the talks on track towards the end-April deadline for an agreement on tariff and subsidy cuts set out in the Hong Kong Ministerial Declaration. He warned, however, that the negotiations had not entered "the zone of a deal" on these 'modalities.' Delegates had spent much of the week in consultations on the set of questions about each unresolved issue in the farm trade talks that Falconer had circulated to them on 9 February (see BRIDGES Weekly, 15 February 2006, <http://www.ictsd.org/weekly/06-02-15/story1.htm>).

Some negotiators praised the questions for helping to ensure that Members talked about the issues that required attention as opposed to simply repeating long-held positions, while others suggested that they didn't prevent delegations from simply focusing on the issues in which they were interested. In any case, they generally described the discussions as concrete and constructive.

Falconer has said that the 'reference papers' are intended to evolve, on the basis of Members' input, into draft modalities. They will outline the structure of the modalities, i.e., the general approach to be taken to specific issues, while leaving the decisions about the precise numerical values to political decision makers if necessary. Delegates report that these 'reference papers' are welcome so long as they reflect emerging consensus rather than an attempt by Falconer to push positions forward. They agreed on the need for text-based negotiations for making progress in the negotiations.

Food aid disciplines a step closer

The week's talks were most successful with regard to food aid, specifically on how to prevent it from distorting export competition -- part of the Hong Kong mandate to eliminate all forms of export subsidies by 2013. Falconer said that a "shadowy outline" of a deal was emerging on the issue. This will likely be reflected in his reference paper on the subject.

Members discussed the parameters of a 'safe box' through which to provide food aid during genuine emergencies, which ministers agreed in Hong Kong should be protected. Sources indicate that delegates

LEAD STORIES

AG CHAIR TO DRAFT 'REFERENCE PAPERS' ON ISSUES WHERE SOME CONVERGENCE APPARENT

Following a week of discussions, agriculture negotiations Chair Ambassador Crawford Falconer (New Zealand) told Members at an informal meeting on

discussed whether solicitations for emergency aid by intergovernmental organisations should be sufficient to make it qualify for the safe box, with some suggesting that what constitutes an "emergency" may need to be defined more clearly. Furthermore, they appeared to recognise that the safe box should also cover situations in which donor governments need to act before international organisations have time to declare an emergency.

As for non-emergency situations, Members continued to debate whether food aid should only be given in cash form, and whether in-kind aid could be 'monetised' (sold by recipient governments to raise money) or even re-exported. Falconer suggested that Members seemed more willing to discuss compromise than before. For example, supporters of monetisation seemed more open to discussing potential disciplines to reduce the chances that aid might displace commercial sales.

Falconer: "nothing particularly new" on domestic support

No convergence appeared on disciplines for the 'new blue box,' created in the July 2004 Framework (WT/L/579), which in the future is to cover price-related support such as the US counter-cyclical payments to farmers, which rise when world market prices fall. Positions also remain essentially unchanged on the need for disciplines for the 'old' blue box, which allows compensation for production-limiting measures. As before Hong Kong, some Members, including the US, advocated capping blue box spending at a lower level, while the others wanted more far-reaching measures, such as new disciplines on grants made through this box.

Members of the Cairns Group of agricultural exporters, as well as the G-20 coalition of developing countries, are also seeking to tighten existing criteria for 'green box' support, which will remain unlimited and exempt from reduction commitments. In addition, developing countries have proposed elaborating new criteria that would make it easier for them to support development objectives. These negotiations bore little fruit.

Discussions on the base year or period on which to calculate product-specific 'amber box' support levels were similarly inconclusive -- several countries want to use subsidies notified during the 1995-2000 period for implementing Uruguay Round commitments. Sources report that US, in contrast, would prefer a 1999-2001 base period, since this would take into account some of its newer farm subsidy programmes.

In spite of the continuing lack of convergence, Falconer indicated that he would prepare a reference paper on these issues.

No agreement on sensitive products

Market access remains the most difficult area of the agriculture negotiations. No common ground emerged on the treatment of 'sensitive products,' which, under the July 2004 Framework, all Members may designate for cuts lower than those required by the formula so long as they provide 'substantially better' market access for them through a combination of tariff rate quota (TRQ) expansion and tariff reduction. Current proposals on the number of sensitive products vary between 1 and 15 percent of all tariff lines, and have been the subject of heated disagreement.

The treatment of these products -- basically, how to provide the substantial increase in market access -- has also proved contentious. Several countries want Members to raise TRQs to a level equivalent to a certain percentage of total domestic consumption of the product concerned. Some, including the G-10, have called for allowing Members to make tariff reductions smaller than the already-lower level required for sensitive products in exchange for expanding TRQs by a correspondingly higher amount.

Delegates report that the US is not enthusiastic about TRQ expansion, since it believes that tariff reductions would do a better job of providing the substantial improvements in market access that it is seeking. It tabled an informal document saying that Members should not be allowed to trade lower tariff reductions against higher TRQ expansions for sensitive products.

In the same proposal, the US states that it wants TRQ expansion to be based on both domestic consumption and the extent to which the tariff cut for a particular sensitive product deviates from what it would have been under the regular tariff reduction formula. It operationalises this to express TRQ expansion as the sum of two components: a 'base' increase that is equal to a certain percentage of domestic consumption, and an additional percentage (also of domestic consumption) that rises in proportion to the extent of the deviation from the formula. In sum, more flexibility in tariff treatment for sensitive products would mean larger TRQ expansions.

Falconer said there would be little point in trying to draft his own paper on the subject, since there had been little change in Members' positions.

Discussions on the special safeguard mechanism (SSM), which were effectively based on an October paper from the G-33, were inconclusive as well (see BRIDGES Weekly, 2 November 2005, <http://www.ictsd.org/weekly/05-11-02/story6.htm>).

Some issues remain unresolved with regard to the conversion of 'specific' duties based on import volumes into percentage based 'ad valorem equivalents' (AVEs). Members agreed in May 2005 on a broad mathematical approach for AVE conversion, which is a prerequisite for classifying tariffs into the tiers in the reduction formula, but left the treatment of sugar undecided, along with procedures for verifying each others' AVE calculations (see BRIDGES Weekly, 11 May 2005, <http://www.ictsd.org/weekly/05-05-11/story1.htm>). It was decided at the gathering that the Secretariat would organise a meeting to resolve outstanding issues on the matter.

New proposal on cotton

Benin, Burkina Faso, Chad, and Mali submitted a new proposal (TN/AG/GEN/12) calling cotton subsidies to be cut more deeply and more rapidly than domestic support to other products. The four proponents of the WTO work programme on cotton called for the reduction in trade-distorting domestic support to be three times higher than the cut agreed for domestic support in general, and the implementation period to be one third as long. This would be accomplished by linking the general reduction formula to a coefficient 'c' when calculating cuts to cotton subsidies.

How cotton subsidies might be cut by three times more than overall domestic support is unclear, since for the proposals on the table, this would entail reductions of the order of 150 to 210 percent. However, sources suggest that the four countries are, in coming weeks, likely to spell out how this coefficient 'c' would translate into a higher level of than that for other products. Major cotton subsidisers such as the US reportedly did not comment on the proposal.

Some process-related concerns emerged at the meeting. Cuba and Sri Lanka wondered out loud about whether their views had been represented in consultations to which they had not been invited. Some delegates suggested that countries not belonging to significant regional or other groupings in the negotiations risked being left on the margins of the discussions.

The next official 'agriculture week' is set to begin on 20 March.

ICTSD reporting; "WTO Chair seeks sufficient progress to begin drafting of agriculture texts," WTO REPORTER, 16 February 2006.

SERVICES: PLURILATERAL REQUESTS TAKING SHAPE

Trade negotiators are expecting groups of WTO Members to put forward close to 20 collective requests for countries to open their markets to foreign services providers, across almost every services sector and mode. Sources report that Brazil, China, Indonesia, Malaysia, the Philippines and Thailand are targeted by many of the plurilateral requests, with other countries named in just a handful. 'Friends' groups are said to be preparing requests in specific sectors including telecom, legal, maritime, energy, logistics, and financial services, as well as for increased access for individual workers (so-called 'Mode 4' of the services negotiations), and the expansion of the cross-border supply of services ('Mode 1').

During the 16 February meeting of the Special Session of the Council for Trade in Services (CTS-SS), delegates discussed how to structure the plurilateral market access negotiations that will follow the presentation of the requests. Several delegations want the next services 'cluster,' currently slated to start at the end of March, to allocate more time for meetings among groups of *demandeurs* and *demandees*, i.e., the countries receiving the requests. Some developing country delegations expressed concerns that capacity constraints could impair their ability to participate in these negotiations. They asked for meetings not to be scheduled concurrently, so as to ensure that they would be able to have Geneva-based trade negotiators present at each one. The December 2005 Hong Kong Ministerial Declaration's services provisions specifically emphasise that developing country capacity constraints should be taken into account in the plurilateral negotiation process. Some developing country delegates are particularly worried that three weeks of meetings, with two weeks exclusively allocated to plurilateral meetings, would pose a tremendous drain on their time and resources, given that they often have to handle other negotiating issues.

Although plurilateral market access negotiations have long been permissible under various sets of rules for WTO services negotiations, they were explicitly mentioned in the Hong Kong Declaration, which set out a 28 February target date for the submission of plurilateral requests.

Plurilateral requests still taking shape

Some issues about the forthcoming plurilateral requests proved tricky -- notably whether all countries presenting a collective request will be expected, formally or informally, to make the same liberalisation commitments they are seeking. As things stand, it

appears that countries will be presumed to receive the same plurilateral requests that they table. Members demanding concessions that they themselves are unwilling to make would in any event be unlikely to have a strong hand in subsequent market access negotiations.

Sources suggest that the liberalisation asked for in collective requests will be specifically linked to the standard flexibilities with regard to making market-opening commitments present in the General Agreement on Trade in Services (GATS), which allow countries to choose the subsectors in which they make commitments and specify the terms under which foreign services providers operate. This would apply to demandeurs as well -- this may allow collective requests to seek a deeper level of liberalisation than would have been possible if each country backing the request had to worry about whether its domestic legal constraints allowed it to make commitments comparable to those sought.

Washington could, for instance, use these flexibilities to try to justify not making politically controversial commitments on Mode 4 or ending the monopoly of US-manufactured and owned ships on merchandise transport between US ports.

The plurilateral requests are also likely to reaffirm the special and differential treatment for developing countries present in GATS Article XIX, which accords them "appropriate flexibility" for opening fewer sectors and "progressively extending market access in line with their developmental situation." This may provide developing countries with a basis for refusing to make commitments that they deem to be inconsistent with their developmental priorities.

One trade diplomat suggested that plurilateral negotiations might be more conducive to producing new liberalisation commitments than the standard bilateral process, since Members would have a broad idea of what several countries are both seeking and willing to give. Furthermore, the plurilateral requests are said to be more specific than bilateral ones tend to be, for example with regard to spelling out the particular market access restrictions that they want removed.

Plurilateral requests will also be structured in different ways. Some will be in the form of model commitment schedules, with demandees asked to comply as closely as possible, though they would at least in principle be able to use the flexibilities to refrain from making commitments with which they are uncomfortable. Others may ask countries to remove a list of reservations, i.e., restrictions on foreign services providers. Alternately, they may be asked to sign on to a 'reference paper,' such as the one on

telecommunications, which would entail adhering to the series of regulatory disciplines laid out within.

Plurilateral negotiations to be group-on-group?

Some trade observers suggest that the negotiations on the plurilateral requests will pit the group of demandeurs against the group of demandees, and not allow the demandeurs to 'gang up' on individual Members as some civil society groups and developing countries had feared. This could mean that a certain basic level of liberalisation commitments will be agreed upon plurilaterally, after which demandeurs will make deeper requests bilaterally to key target markets.

At the 16 February CTS-SS meeting, several developing countries including Brazil and Malaysia stressed the voluntary nature of the plurilateral process, emphasising that the language in the Hong Kong Declaration simply states that Members receiving plurilateral requests "shall consider such requests." These countries pointed out that this approach was only meant to complement the bilateral request-offer approach. During the recent cluster, Members also continued to meet bilaterally to discuss existing requests and offers.

ICTSD reporting.

OTHER NEWS

TRADE FACILITATION TALKS RESUME WITH FLURRY OF NEW PROPOSALS

The 15-16 February meeting of the WTO Negotiating Group on Trade Facilitation, its first since the December Ministerial Conference in Hong Kong, saw a flurry of new proposals. The eight new submissions addressed all three of the General Agreement on Tariffs and Trade (GATT) 1994 articles that the trade facilitation negotiations are supposed to clarify: freedom of transit for goods from other Member states (Article V), trade-related fees and formalities (Article VIII), and transparency in the regulation and administration of trade regulations (Article X).

Which way towards transit?

Chile's submission (TN/TF/W/70), which dealt with all three articles, called on Members to establish "precise routes and periods of transit between an entry and an exit point," to levy no fees that are not strictly related to transport costs, and to make all transport-related charges public. Similar issues were raised in a joint eight-country paper from Armenia, Canada, the EU, the

Kyrgyz Republic, Mongolia, New Zealand, Paraguay and Moldova (TN/TF/W/79), which said that transit-related charges should be transparent, roughly equivalent to the cost of the service rendered, and subject to periodic review.

Transit routes were the subject of many interventions at the meeting. Most countries felt that the choice of transit route should be based on commercial considerations, and be left to the operator. Others, notably Pakistan, deemed this approach 'risky'; Argentina mentioned the need for balancing commercial interests with national ones. The EU reportedly supported allowing traders to choose the route, with governments retaining the right to apply restrictions if needed. One developing country delegate when contacted mentioned that intensive use of one specific route could lead to congestion particularly when road quality and infrastructure were poor. It was necessary to improve a number of alternative routes between the entry and exit points and until then the government should be able to regulate traffic using a particular route.

Cost, S&D, TACB concerns underlie most proposals

With regard to trade-related fees and formalities, Chile's proposal included a 'single-window' for export/import clearance, as well as a register of all services connected with export and import operations in order to increase transparency and predictability. Some Members were sceptical of the proposal for a 'register,' considering it to be too costly.

Concerns about technical assistance, capacity building, and the cost of implementing future rules on trade facilitation were expressed in a number of proposals.

Mauritius' proposal on the behalf of the Group of African, Caribbean, and Pacific (ACP) countries (TN/TF/W/73) called for the establishment of an inter-agency coordinating mechanism for the provision of trade facilitation-related technical assistance and capacity building (TACB) involving international, regional and sub-regional organisations such as the UN Conference on Trade and Development (UNCTAD), the UN Economic Commission for Africa, the WTO, the World Customs Organisation, and the World Bank. This agency would help them identify their TACB related needs and priorities during the negotiations, and implement them afterwards.

Flexibility and the need for special and differential treatment (S&D) was a key aspect of the ACP submission. Moldova and the Kyrgyz Republic focused on these issues in a joint paper (TN/TF/W/74), as well as the proposal that they cosponsored with Armenia,

Canada, the EU, Mongolia, New Zealand, and Paraguay. While the submission by Moldova and the Kyrgyz Republic requested special flexibilities for small low-income transition economies, the eight-country submission put forth concrete suggestions on S&D, including longer implementation periods for resource-intensive commitments, and even specific exemptions until capacity existed for least-developed countries (LDCs) and other countries in need, notably small low-income transition economies. The latter paper also noted the importance of S&D with regard to transit for land-locked countries, although it did not spell out what this might entail.

General, security exceptions emphasised

The eight-Member paper (W/79) set out a principle of 'non-discrimination' with regard to trade-related procedures and fees that echoed GATT prohibitions on discriminating between goods based on their national origin: "With respect to all laws, regulations, requirements, procedures and fees and charges, including transportation charges, affecting the internal passage of traffic in transit across the territory of a Member, without prejudice to the legitimate customs control and supervision of goods in transit, Members shall accord to traffic in transit to or from the territory of any Member, treatment no less favourable than that accorded to domestic goods, exports and imports, and their movement."

Stressing the importance of public policy objectives, the proposal refers to GATT general and security exceptions, specifying that "national security, health, safety and the environment, shall not be compromised in any way" by new disciplines on trade facilitation. It specifies that the treatment of traffic in transit must simply not be arbitrary, or constitute a disguised restriction on international trade. According to one trade source, these may be significant in terms of trade facilitation transit rules given increasing environmental, health and terrorism-related concerns among Members.

India: customs unions should harmonise border procedures

India made two submissions about harmonisation across customs unions. In a proposal on trade-related fees and formalities (TN/TF/W/ 77), it stressed the importance of uniform border clearance procedures for agriculture and food products among parties to a customs union, including specifications, definitions, inspection, sampling and test methods. India argued that the alternative was 'differential treatment' for the same good by different member states of a customs union.

In a complementary proposal on transparency (TN/TF/W/78), India argued that the 'rapid-alert' system used in some customs unions (and countries) to monitor and ensure the quality of imported food had trade-restricting effects. Under such systems, as soon as imports that are contaminated or that fail to meet the required standards are detected, every member of the customs union is notified, as is the exporting country, after which consignments from the exporter are subject to 100 percent inspection at points of entry, thus delaying clearance.

India contended that the alerts may be triggered by a parameter for which different member states of a customs union apply different requirements. It argued, therefore, that customs unions should only use rapid alert systems if they apply uniform standards across all of their constituent states. India also proposed procedures for rapid alerts to follow to minimise the chance that they would become an unfair barrier to trade.

One trade observer suggested that these proposals may have been made with the EU in mind, as it is both a major export market and a customs union in which some member states have different policies vis-à-vis food imports.

While the Indian proposals received praise for their substantive content and concrete focus, the EU and some other Members questioned whether the issues they raised fell within the mandate of the trade facilitation talks. India responded that while standard-setting did indeed lie outside the Negotiating Group's mandate, the problem in question was not about the standard, but about transparency and uniformity in administrative procedures at borders. According to one trade delegate, India asked why imports were rejected in one port but not another in the same customs union. Another developing country negotiator said that some exports often faced rejection during the months of the year in which the product in question was being harvested locally in the importing country, adding that specific causality in this case would be hard to prove.

The meeting also saw Egypt presenting its national experience on trade facilitation and their ideas on future needs and priorities (TN/TF/W/75), as well as a short paper from Australia, Canada and the US (TN/TF/W/80) on advance rulings. 'Advance rulings' allow traders to ask for and receive written certification about tariff levels from authorities in a destination country -- before the merchandise is prepared for export. The paper summarises common elements from eight prior proposals on the subject and suggests that Members consider scope, transparency, S&D, and technical assistance related to such rulings at the next meeting.

According to the informal timeline for the negotiations put forward by a late-January meeting of ministers from some 25-odd Member governments in Davos, countries are supposed to submit and discuss proposals on trade facilitation in February. The target for the first full draft text is July.

ICTSD reporting.

CHIRAC RECALLS ASBESTOS-LADEN SHIP FROM INDIA, ORDERS INQUIRY

French President Jacques Chirac on 15 February ordered the decommissioned French aircraft carrier *Clemenceau* back home, after the country's top administrative body ruled that the warship contained too much asbestos to legally be sent to India for dismantling. The *Clemenceau*, which had already been moored outside Indian territorial waters as courts in India deliberated over whether to let it in, will now be towed back to the French naval base in Brest, where it will remain until a solution is found for its disposal.

Environmental groups, which had lobbied against sending the ship to India on the grounds that Indian shipbreakers lack the safety equipment necessary to deal with cancer-causing asbestos, hailed the decision as a victory for efforts to halt the export of hazardous wastes to developing countries, as well as for Indian workers. However, workers at the Alang shipbreaking yard in western India, where the ship had been headed, were less enthusiastic about the decision, fearing job losses.

Chirac announced the recall moments after the French Conseil d'Etat, the supreme arbiter of the legality of government decisions, cancelled the ship's export documents on the grounds that the vessel contained more asbestos than previously thought, and that it therefore fell afoul of EU laws on industrial waste. He has also ordered an inquiry into how much asbestos the vessel contained -- one of the main areas of contention between the French government and environmental groups. Asbestos trade is regulated by the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal.

The ship was halted en route to India in January, after an Indian Supreme Court committee made an interim report recommending that the ship not be allowed to enter Indian waters. After the committee returned a split final decision, with seven members in favour of accepting the ship under strict conditions and three recommending its return to France, the Supreme Court decided on 13 February to create a new panel of technical experts that would determine whether the *Clemenceau* should be allowed to enter the country.

French government officials had suggested that France would take the ship back if the Supreme Court denied it permission to enter India.

Countries such as India, Pakistan and Bangladesh have developed massive shipbreaking industries in which low-wage workers, often poorly equipped to prevent both damage to themselves and the environment, dismantle ships for scrap metal. The *Clemenceau* had been purchased by an Indian company, Shri Ram Vessels. Reports in the Indian press put the value of the steel in the old warship at around USD 10 million.

Controversy over amount of asbestos on board

The controversy surrounding the *Clemenceau*, which left France on 31 December, stems from the presence on board of undetermined quantities of hazardous materials, in particular asbestos, that were not removed before its departure.

French authorities say that their assessment had indicated that 160 tonnes of brittle asbestos were originally present on the ship. The vessel was sent to French scrap firm Technopure, which told the French government that it had removed 115 tonnes of asbestos, leaving 45 tonnes on board. However, the French Defence Ministry subsequently announced that the landfill charged with disposal of the removed waste had only provided documentation accounting for 85 tonnes of asbestos. This threw into question whether the full 115 tonnes were taken out of the ship, or whether 30 tonnes remained in the *Clemenceau* over and above the 45 tonnes that were supposed to be on board.

The French Defence Ministry has ordered an inquiry into the discrepancy between Technopure claims and the landfill records.

Furthermore, environmental group Greenpeace and several scientists suggest that there may be more asbestos on board than the 160 tonnes identified during the preliminary assessment. They say that the true amount of asbestos on the ship could have been as high as 500 tonnes.

It is also possible that other carcinogenic hazardous wastes, including polychloric biphenyls (PCBs), are present on the ship. Non-governmental organisation Basel Action Network (BAN) used a comparable US vessel to argue that the *Clemenceau* likely contained a high amount of material contaminated with PCBs. It also suggested that the transfer of the ship to India violated the Basel Convention's stipulation forbidding signatories to undertake transboundary shipments of hazardous waste without assurances that the

destination facility meets its definition of environmentally sound management. BAN claims that it is "internationally recognised" that "the shipbreaking yards in Alang do not constitute environmentally sound management as required under the Convention," though the authorities in charge of the Alang shipbreaking yard counter that workers there have the training to handle the ship's toxic waste.

Conseil d'Etat: boat not exempted from waste transfer rules

French authorities claimed that apart from the 45 tonnes of asbestos there were no other hazardous materials on board the ship. They argued that since this amount falls below the threshold level set by the Basel Convention, the ship does not qualify as 'hazardous waste', and is thus exempt from both the purview of the Convention and EU rules on the transfer of waste ships to countries like India that are not members of the Organization for Economic Co-operation and Development (OECD). These claims were dismissed by the Conseil d'Etat, as was the French government's assertion that the ship was a warship and as such qualified for an exemption from the two sets of rules. This prompted Chirac to recall the ship.

Employment implications in question

Greenpeace celebrated the decision as a victory for workers and their health. Labourers in the Alang shipping yard, however, stressed that they needed the work. "All these foreign organisations, who have focussed the spotlight on Alang, are painting a negative picture of it abroad. Because of that, all the big companies will now sell their ships to Bangladesh, Pakistan and China," said Haresh Parmar, a worker in the area. "It's a big blow for the industry," said Girish Luthra, chairman of Gujarat Enviro Protection and Infrastructure, whose company was due to remove the toxic materials from the vessel. "This particular ship could have given 300 to 400 workers jobs. Overall I am sure this would have given work to 5,000 to 10,000 people." Some Indian port officials in the region suggested that the decreased levels of work in the Alang yards has been a long-term trend that is unlikely to be changed by the presence of the *Clemenceau*.

The Alang yards have a long history of accidents, some of them fatal. Many of them have been caused by the presence of flammable materials on ships that are being dismantled – chemicals that should have been removed before the ship was sent there, according to both the Basel Convention and domestic law.

In spite of Chirac's decision to bring the warship back to French waters for the duration of the legal processes in both countries, it could, in the foreseeable future, be

sent back overseas for dismantling. The results of the investigation of the Indian Supreme Court's new expert committee, together with the French inquiries, will determine the fate of the Clemenceau.

ICTSD reporting; "French Vessel "Clemenceau" Toxic Waste Export," BASEL ACTION NETWORK, January 2006; " EU Seeks Details from France on Scrapped Warship," REUTERS, 3 February 2006; " India Panel on Toxic Waste Divided over French Ship," REUTERS, 8 February 2006; "Indian Court Orders New Panel for "Toxic" Ship," REUTERS, 14 February 2006; " French official against sending Clemenceau to India," SIFY, 14 February 2006; "Court for new panel on Clemenceau," THE HINDU, 14 February 2006; " France looks into asbestos on ship sent to scrap," REUTERS, 14 February 2006; " France orders probe into asbestos ship contractor," XINHUANET, 14 February 2006; "Unsafe Alang: fire a wake-up call to officials," INDIAN EXPRESS, 19 February 2006; "Clemenceau will return if SC denies permission," PRESS TRUST OF INDIA, 12 February 2006; "'Clemenceau' Not To Enter India Until Further Orders: SDIC," UNITED NEWS OF INDIA, 16 January 2006; "Breaking up is hard to do," THE ECONOMIST, 8 December 2005.

IN BRIEF

EU TO SLAP ANTI-DUMPING DUTIES ON CHINESE AND VIETNAMESE SHOES

The EU is planning to impose anti-dumping duties of up to 20 percent on leather shoes from China and Vietnam. Press reports suggest that EU Trade Commissioner Peter Mandelson will announce the additional tariffs on 23 February, after an investigation by the European Commission found what spokespersons described on Monday as "compelling evidence" that Beijing and Hanoi were helping shoe producers export at prices lower than domestic ones in violation of international trade rules. They said this was done by providing manufacturers with cheap rent and loans, tax breaks and other trade-distorting measures. The recommended tariffs would be phased in starting at 4 percent on 7 April, and gradually rise through October.

EU retailers, consumer groups, and international shoe manufacturers have warned that consumers will bear the brunt of the duties, with estimates of the increase in price of a pair of shoes affected ranging from five to 20 euros.

Last month, Chinese Vice-Minister of Commerce Gao Hucheng threatened the EU that Beijing would

challenge any additional duties on shoes at the WTO. However, Chinese officials are now striking a more conciliatory tone, and have expressed the hope that a solution could be reached bilaterally. Trade commentators in China suggest that the government may offer to place limits or a tax on exports to the EU, as it did last year in the spat over textiles. Unlike China, Vietnam is not a member of the WTO, and has indicated that it would prefer to seek a compromise.

Shoe manufacturers in China and Vietnam are joining forces to fight the EU measures, and are expected to carry out investigations in order to provide information on local shoe production.

Notably, the mere threat of anti-dumping measures from Brussels has been sufficient to affect Vietnamese shoe exports to the EU.

"China, Vietnam shoe companies cooperating to fight EU tariff threat," FORBES, 20 February 2006; "Chinese manufacturers oppose EU anti-dumping duties," CHINA VIEW, 22 February 2006; "EU on brink of shoe war," EUOBSERVER, 21 February 2006; "EU to impose 20% duties on shoes from China," CHINA VIEW, 21 February 2006; "Footwear giants condemn EU plans for China import tariffs," THE INDEPENDENT, 22 February 2006; "EU plans duty on Chinese shoe imports," UNITED PRESS INTERNATIONAL, 21 February 2006; "Brussels to curb Asian shoes exports," FINANCIAL TIMES, 21 February 2006; "China hopes for solution to EU shoes spat," CHINA DAILY, 21 February 2006.

WTO IN BRIEF

ADDITIONAL PANEL ESTABLISHED IN BOEING-AIRBUS DISPUTE

On 17 February, the WTO Dispute Settlement Body (DSB) established a panel in response to an additional EU complaint against the US in the mammoth transatlantic dispute over subsidies to Airbus and Boeing for the development of new aircraft. The US blocked the EU's first request for the establishment of a panel at the DSB's 2 February meeting (WT/DS317/5), but WTO rules prohibit countries from doing so a second time.

The original panels in the dispute were established in July 2005 (see BRIDGES Weekly, 27 July 2005, <http://www.ictsd.org/weekly/05-07-27/story4.htm>). The new panel will address 13 subsidy programs that cannot be considered by the earlier panel since they were not mentioned in the EU's original October 2004 request for consultations, the first step in the WTO

dispute settlement process. The US, too, is initiating a complaint about some additional EU subsidy schemes, and filed a request for consultations on 31 January. It is likely to proceed in a similar manner.

The case is considered to be possibly the biggest dispute to be brought before the WTO. Some trade observers are questioning whether the dispute settlement system is truly prepared for such a case.

In parallel to the formal DSB process, the parties are still trying to settle the dispute amicably outside the WTO. However, on 15 February, US Trade Representative Rob Portman described prospects for the resolution of the dispute outside the WTO as "dim." Noel Foregaard, one of the chief executives of Airbus' parent company, recently told the press that it appeared that the dispute would remain in litigation. As a result, the European Commission would "probably" seek launch aid for the development of the Airbus A350 aircraft in spite of earlier statements that none would be given before the end of 2006, in support of the ongoing negotiations.

ICTSD reporting; "Airbus and Boeing fail to make progress in dispute," FINANCIAL TIMES, 16 February 2006; "USTR Not Hopeful of Settling Dispute With EU Over Aircraft Subsidies Outside WTO," WTO REPORTER, 17 February 2006.

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.

VACANCY

The International Centre for Trade and Sustainable Development is recruiting a Programme Officer for its Trade in Services Programme. The objective of the position is to assist in the full implementation of ICTSD's Services Programme and contribute to ICTSD publications, including BRIDGES Weekly and Monthly. Interested candidates should send their CVs, a covering letter explaining how their qualifications and experience relate to the position and a writing sample in English to jobs@ictsd.ch. Applications by e-mail only. For additional information please visit www.ictsd.org. The deadline for submitting applications is 15 March 2006. Only shortlisted candidates will be contacted personally.

Upcoming Events: 23 February - 1 March

23-24 February, Kingston, Jamaica: PRIME MINISTER'S BUSINESS DEVELOPMENT FORUM: TODAY'S STRENGTH, TOMORROW'S SUCCESS. The aim of this forum, organised by the UN Conference on Trade and Development (UNCTAD) and the Commonwealth Journalists Association (CJA), is to sensitise local, regional and international investors about the wealth of investment opportunities available in Jamaica. The creative industries have been selected as the number one priority for new investments and expanded business in the country. For further information contact Josanne Leonard, e-mail: miribai@tsst.net.tt; Patricia Leonard, e-mail: pfrancis@jamprocorp.com; or Edna dos Santos, e-mail: edna.dos.santos@unctad.org; internet: <http://www.unctad.org/Templates/Meeting.asp?intItemD=2068&lang=1&m=11602&year=2006&month=2>.

28 February-2 March, Copenhagen, Denmark: CARBON MARKET INSIGHTS 2006. This event, which is organised by the company Point Carbon, will focus on various aspects of the growing international emissions trading market. For more information, e-mail: conference@pointcarbon.com; internet: http://www.pointcarbon.com/wimages/CMI_2006_Overview.pdf.

1-3 March, Geneva, Switzerland: OPEN FORUM ON THE DRAFT SUBSTANTIVE PATENT LAW TREATY (SPLT). The World Intellectual Property Organization (WIPO) is organising this forum to address various issues in the draft of the SPLT, or that member states may wish to include in the draft. The event is open to the general public and is free of charge. Interested parties may fill in and send the registration form to the WIPO Secretariat online at http://www.wipo.int/meetings/2006/scp_of_ge_06/en/registration.html. For further information contact the Patent Law Section of WIPO, tel: (+41) 22-338-8332 or (+41) 22-338-9602; fax: (+41) 22-338-8830; e-mail: patents.mail@wipo.int; internet: http://www.wipo.int/meetings/2006/scp_of_ge_06/en/.

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.

20 February - 3 March: NAMA WEEKS

22-23 February: DISPUTE SETTLEMENT BODY - SPECIAL SESSION

27 February: TRADE POLICY REVIEW BODY - DJIBOUTI

27 February: NEGOTIATING GROUP ON MARKET ACCESS

28 February: TRADE POLICY REVIEW BODY - OVERVIEW OF DEVELOPMENTS IN THE INTERNATIONAL TRADING ENVIRONMENT

28 February: SUB-COMMITTEE ON COTTON

1 March: TRADE POLICY REVIEW BODY - DJIBOUTI

Other Upcoming Events

13-31 March, Singapore: DIPLOMATIC CONFERENCE FOR THE ADOPTION OF A REVISED TRADEMARK LAW TREATY (TLT). This conference, organised by the World Intellectual Property Organisation (WIPO), is meant to revise the existing Trademark Law Treaty, bringing it in line with the technological advances of the past decade. For further information contact Angelia Chia, tel: (+65) 6331-6572; e-mail: angelia_chia@ipos.gov.sg or Joann Tan, tel: (+65) 6332-8828, e-mail: joann_tan@mlaw.gov.sg; internet: <http://www.wipo.int/meetings/2006/tlt-singapore/en/>.

29-31 March, Vancouver, Canada: GLOBE 2006. Organized by the GLOBE Foundation, this business and environment event is expected to host nearly 10,000 participants, 2,000 conference delegates, 400 exhibits, 200 speakers and dozens of international delegations. Themes of the conference include corporate sustainability, sustainable finance, energy and the environment, and building better cities. For more information contact: GLOBE Foundation; tel: (+1) 604-775-7300; fax: (+1) 604-666-8123; e-mail: info@globe2006.com; internet: <http://www.globe2006.com>.

22-23 May, Paris, France: OECD FORUM 2006: BALANCING GLOBALISATION. This "multi-stakeholder summit," organised by the Organisation for Economic Co-operation and Development (OECD), will bring together business and labour leaders, civil society representatives, government ministers and leaders of international organisations to discuss the key issues of the 21st century. The agenda includes themes such as solving global economic imbalances, optimising the contribution of financial markets to economic growth, and ensuring that trade and investment are effective and ethical motors for development. For further

information contact John West, tel: (+33) 01-45-24-80-25; fax: (+33) 01-44-30-63-46; e-mail: oe.cd.forum@oe.cd.org; internet: http://www.oe.cd.org/site/0,2865,en_21571361_358420_76_1_1_1_1,00.html.

RESOURCES

POLICY BRIEF ON INTELLECTUAL PROPERTY, DEVELOPMENT AND HUMAN RIGHTS: HOW HUMAN RIGHTS CAN SUPPORT PROPOSALS FOR A WORLD INTELLECTUAL PROPERTY ORGANISATION (WIPO) DEVELOPMENT AGENDA. By 3D -> Trade - Human Rights - Equitable Economy, February 2006. The purpose of this policy brief is to encourage advocates, policy-makers and WIPO member states to continue high-level discussions and elaborate an actionable Development Agenda that is consistent with the development commitments and human rights obligations of member governments. Part I will briefly outline how human rights can reinforce a development approach to intellectual property policy. Part II will consider the main proposals submitted on the WIPO Development Agenda and outline how human rights can support a pro-development outcome. Available online at http://www.3dthree.org/pdf_3D/3DPolBrief-WIPO-eng.pdf.

SAFEGUARDS AND ANTIDUMPING IN LATIN AMERICAN TRADE LIBERALISATION: FIGHTING FIRE WITH FIRE. Edited by J. Michael Finger and Julio J. Nogues. Palgrave Macmillan and World Bank, December 2005. Until the 1990s, the main users of safeguards and antidumping laws were Australia, Canada, the EU, and the US. Since then, many countries have implemented such laws, leading to a proliferation in antidumping and safeguard activity across the world. This timely book documents the political economy surrounding the implementation of these laws in seven Latin American countries and provides details on the institutions created, implementation of the laws, and subsequent activity. It finds that, in the larger political context, antidumping and safeguards are a necessary quid pro quo to certain important sectors in order to obtain their acceptance of much more liberalised trade policies for the economy overall. Further information can be found at <http://publications.worldbank.org/e-commerce/catalog/product?context=drilldown&item%5fid=5106292>.

FROM DISINTEGRATION TO REINTEGRATION: EASTERN EUROPE AND THE FORMER SOVIET UNION IN INTERNATIONAL TRADE. Edited by Harry G. Broadman. The World Bank Group, February 2006. As the world marketplace becomes ever more globalised, much is at stake for the prosperity of

hundreds of millions of people in Europe and Central Asia as the region's transition process continues through its second decade. Understanding the underlying dynamics shaping the contours and most salient impacts of international integration that have emerged -- and are likely to emerge -- in the region is thus a crucial challenge for the medium-term economic development agenda, not only for policymakers in the countries themselves, but also for their trading partners, the international financial institutions, the donor community and the world trading system as a whole. Further information can be found at <http://publications.worldbank.org/ecommerce/catalog/product?context=drilldown&item%5fid=4756780>.

THE TYRANNY OF FREE TRADE: WASTED NATURAL WEALTH AND LOST LIVELIHOODS. Friends of the Earth International (FOEI), 2006. This publication argues that current trade negotiations pose a danger to people and their environments around the world, and highlights how people are losing their livelihoods and natural resources in the process. Those on the losing end include farmers, fishing communities, women, indigenous peoples and literally millions of others around the world who depend on environmental resources in order to survive. Those on the winning end include corporations and those governments that profit from the drive to liberalise markets and privatise natural resources. Available online at <http://www.foei.org/publications/pdfs/tyranny.pdf>.

T.R.A.D.E. ANALYSIS – SOUTH CENTRE ANALYSIS ON THE HONG KONG MINISTERIAL DECLARATION. South Centre, February 2006. This Analysis examines developments in the Doha Work Programme and analyses the implication of the Hong Kong Ministerial Declaration and identifies some important strategic issues for developing countries that need to be considered in subsequent negotiations. Available online at http://www.southcentre.org/tadp_webpage/SCAnalysisOfHongKongMinDeclaration.pdf.

Back issues of *BRIDGES Weekly Trade News Digest*® can be accessed at: <http://www.ictsd.org/weekly/archive.htm>.

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