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### LEAD STORIES

#### NAMA WEEK UNDERWAY AS MEMBERS LOOK TO G-8 FOR BOOST

WTO Members are meeting from 27 February - 3 March for a week of discussions on a wide range of topics in the non-agricultural market access (NAMA) negotiations. These include the flexibilities to be accorded to developing countries when making their tariff cuts, sectoral initiatives for tariff reduction, and the relationship between industrial goods and farm trade liberalisation. Members are unlikely, however, to devote too much attention to the biggest outstanding issue in the talks: the overall formula for tariff reduction. Trade diplomats report that this may be because they are waiting to see what emerges from a series of meetings leading up to a summit of trade ministers from the EU, the US, Australia, Brazil, India, and Japan (now referred to as the 'G-6') scheduled to take place in London on 10-11 March. The ministers are expected to discuss potential deadlock-breaking compromises in the Doha Round talks.

Senior agriculture officials from the six countries met in Paris from 26 February - 1 March to take stock of the farm trade talks. Sources report that this gathering is to be followed by a 'senior officials meeting' in Geneva from 7-9 March, where representatives from the G-6 will be joined by counterparts from countries including Canada, Malaysia, Norway, and Egypt to discuss the overall negotiations before the ministers get together in London.

Meanwhile, the G-6 and the four countries mentioned above are in the process of running an informal simulation exercise to assess how implementing the main proposals on the table in the agriculture and NAMA negotiations would affect their bound and applied tariffs. The results of the simulation exercise are likely to inform the discussions in Geneva and London.

The London meeting may play a key role in determining whether Members are able to meet the 30 April deadline set out in the Hong Kong Ministerial Declaration for agreement on 'full modalities' in the

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NAMA negotiations, which would entail a comprehensive deal including numerical values and formula structures for making tariff cuts, as well as associated flexibilities.

### **Chair circulates questions on flexibilities, AVEs, coverage, Para 24**

Prior to the NAMA week, the new chair of the Negotiating Group on Market Access, Ambassador Don Stephenson (Canada), met with several different regional- and issue-based Member groupings to hear their views on the state of the talks. On 24 February, he circulated to delegations a list of questions on a limited number of issues in the NAMA negotiations that he hoped they would focus on during the week's discussions.

Stephenson's list directed Members' attention to Paragraph 8 of the NAMA mandate set out in Annex B of the July 2004 Framework (WT/L/579), which provides for flexibilities that would let developing and least-developed countries retain some unbound tariffs or apply tariff cuts smaller than those required by the formula to a to-be-determined percentage of products (or even exempt some altogether). The text contained bracketed figures, indicating a lack of agreement, that would allow developing country Members to make cuts up to half of the size of those demanded by the formula to 10 percent of tariff lines, so long as these lines did not account for more than 10 percent of their total imports, or to completely exempt 5 percent of tariff lines from cuts (or to keep them unbound), if they did not exceed 5 percent of total import value.

Specifically, Stephenson's list asked if there were "any issues contained in" Paragraph 8 that needed to be clarified before it could be operationalised. It also inquired after the potential for convergence on the bracketed figures in the July Framework.

The relationship of the flexibilities to the formula has long been a matter of debate, with the US, for example, arguing that developing countries should give up recourse to the flexibilities in exchange for a formula coefficient that would leave them with tariff levels higher than those of developed countries after reduction (this would not necessarily mean smaller percentage reductions by developing countries, since their NAMA tariffs are generally much higher than those in the industrialised world). Many developing countries, including a group known as the NAMA-11, counter that the negotiating mandate provides for both the flexibilities and a formula that is more favourable to developing countries. They point to Paragraph 4 of Annex B of the July Framework, according to which the tariff reduction formula is supposed to account for the needs of developing and least-developed countries,

"including through less than full reciprocity in reduction commitments." Initial reports from sources suggest that negotiators largely repeated past positions on Paragraph 8 during the 1 March small-group meeting dedicated to the issue. Some questioned whether it was possible to discuss the flexibilities in isolation from the formula.

Stephenson asked Members how they could reach an agreement with regard to the limited number of issues that remain unresolved with regard to product coverage.

Pointing to the long past 14 October 2005 date for Members to express their quantity-based specific tariffs in terms of a percentage of the imported product's value and submit these 'ad valorem equivalents' (AVEs), Stephenson's list noted that only ten had done so, and a further two had requested technical assistance to make the calculations. He asked the remaining Members when they would come forward with their AVE conversions, and if they had encountered any problems when submitting them. Stephenson also asked them if they could consider the submitted AVE lists to be verified approved. AVE conversion is a prerequisite for plugging specific tariffs into the formula; Members must accept each others' AVE calculations before they can proceed to the stage of determining their tariff reductions.

The list sought Members' views about how to proceed with the negotiations on non-tariff barriers (NTBs) and achieve meaningful results in the area. At the 27 February meeting of the Negotiating Group, Japan made a presentation on export restrictions, saying that they should be simple, transparent and predictable. Some Members indicated that they did not want further limitations placed on their ability to use export restrictions.

Stephenson's questions also dealt with Paragraph 24 of the Hong Kong Ministerial Declaration, which instructed negotiators "to ensure that there is a comparably high level of ambition in market access for agriculture and NAMA... in a balanced and proportionate manner consistent with the principle of special and differential treatment." He asked Members how this "comparably high level" could be assessed, and about how the mandate for proportionality could be fulfilled. The open-ended consultation on Paragraph 24 will reportedly continue on 2 March.

### **Simulation exercise results anticipated soon**

The ongoing tariff simulation will subject the actual tariff structures of the G-6 countries, Canada, Malaysia, Norway, and Egypt to the main proposals in the negotiations. Two broad approaches will be used in the

exercise. The first is a 'simple Swiss' formula with coefficients of 2-15 for developed countries and 15-40 for developing countries. Members' tariffs would be sharply reduced towards the level of the coefficients, with higher tariffs cut more steeply than lower ones. The second approach, similar to the formula structure favoured by Argentina, Brazil, and India (TN/MA/W/54), links the overall value of the coefficient to each country's average tariff level as well as a 'corrective factor' of between 1 to 3. This means that a country with a relatively high average tariff level would, after reductions were made, still have a tariff average somewhat higher than that of other Members.

One set of calculations will be made with no Paragraph 8 flexibilities for developing countries; another will be made for the bracketed figures present in the July 2004 Framework.

Although the results of the simulation were expected by the end of February, sources indicated on 1 March that they were "still in the works," though imminent. One official suggested that the simulation may improve Members' understanding of the different offers on the table, leaving them more favourably disposed to engage with each others' negotiating positions.

The 27 February plenary session also saw a joint informal paper from Singapore, Switzerland, and the US calling for a sectoral liberalisation initiative on medicines and medical devices, to build on Uruguay Round-era plurilateral deals that already removed tariffs on the bulk of international trade in such products, albeit primarily among developed countries. The proposal points out that many developing countries maintain tariffs of up to 40 percent on drugs, making them more expensive. Notably, the US and Switzerland have in the past been the strongest opponents of relaxing WTO rules to let developing countries import cheap generic versions of drugs that are still under patent.

Sources report that delegations are, generally speaking, participating more actively than before in meetings related to sectoral initiatives, though this need not imply support for them.

Stephenson opened the NAMA week by stressing the urgency of the talks, reminding Members how much work remains to be done. A closing plenary session is scheduled for 3 March.

ICTSD will provide coverage of the rest of the NAMA week in upcoming issues of BRIDGES Weekly.

ICTSD reporting; "'Striptease' summit called to save trade talks," GUARDIAN, 22 February 2006; "US Proposes Elimination of Tariffs On Medicines, Medical

Products in Talks," WTO REPORTER, 28 February 2006.

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## WIPO MEMBERS AGREE ON HOW TO STRUCTURE FUTURE TALKS ON DEVELOPMENT AGENDA

After a week's talks, members of the World Intellectual Property Organization (WIPO) managed to agree on 24 February on a method for structuring future discussions on the large number of proposals submitted by countries on how to embed a 'development agenda' in all aspects of the work of the global intellectual property body.

The Provisional Committee on Proposals Related to a WIPO Development Agenda (PCDA), which was established in September 2005, met from 20-24 February to continue discussions on the development agenda. It is mandated to come up with recommendations for the September meeting of the WIPO General Assembly (GA), the institution's top decision-making body. The PCDA was established as a follow-up to three so-called 'inter-sessional inter-governmental meetings' (IIMs) on the development agenda that were held in 2005, between annual sessions of WIPO's General Assembly (see BRIDGES Weekly, 5 October 2005, <http://www.ictsd.org/weekly/05-10-05/BRIDGESWeekly9-33.pdf>).

The WIPO Development Agenda negotiations sprang from a September 2004 submission by a fourteen-country group known as the 'Friends of Development' (FoD; Argentina, Bolivia, Brazil, Cuba, Dominican Republic, Ecuador, Egypt, Iran, Kenya, Peru, Sierra Leone, South Africa, Tanzania and Venezuela), which called for wide-ranging changes to WIPO's mandate and functioning (see BRIDGES Weekly, 6 October 2004, <http://www.ictsd.org/weekly/04-10-06/story1.htm>; and 13 April 2005, <http://www.ictsd.org/weekly/05-04-13/story1.htm>).

### **New proposals focus on way forward, public domain**

Prior to the meeting, the FoD made a proposal identifying five core questions that were common to most of the proposals on the development agenda, in spite of their substantive differences. These include: how to design new approaches to WIPO norm-setting activities; how to enable WIPO to evaluate intellectual property rules, including their development impact; the appropriate design of technical assistance; ways to improve WIPO's assistance on technology transfer; and

measures needed within WIPO to facilitate access to knowledge and promote a robust public domain.

With regard to how to take the development agenda discussion forward, the FoD suggested that in the short term, the second PCDA, scheduled for June, should come up with concrete recommendations for immediate action by the September General Assembly. The group said that the PCDA should pay equal attention to all proposals submitted by the end of 20 February 2006, the first day of the committee's first meeting, and that it should agree on any concrete recommendations by the end of the second meeting, i.e., by 30 June 2006. As for the medium and long term, the FoD proposed that the PCDA should agree on a set of actions requiring longer and more in-depth discussion among member states, which would necessitate a consensus building exercise by Member States, either in the General Assembly or in a new body created specifically for the purpose.

Chile made a submission focusing on the importance of the 'public domain' as an area where resources are freely available without authorisation by a right holder or payment of licence fees. It pointed to the crucial importance of the public domain for researchers, academics, teachers, artists, authors and enterprises, and argued that WIPO should make the protection of the public domain part of its norm-setting processes. To do so, it continued, WIPO should deepen its analysis of the implications and benefits of a rich public domain and draw up proposals for its protection. The Chilean proposal calls upon WIPO to establish a permanent area for analysis and discussion of incentives to promote creativity, innovation and technology transfer both within and outside the IP system, pointing to examples such as tax benefits, direct contributions, work commissions, public procurement and open licensing systems. It also proposed that WIPO prepare a study on what constitutes an appropriate level of IP protection, based on a country's level of development and institutional capacity.

Colombia made a proposal encouraging WIPO to enter into agreements with privately-owned IP databases, in order to enable developing country patent offices to make searches free of cost or at affordable fees. This idea is based on current activities supported by Spain and the EU for Latin American patent offices.

Taking a different approach than Chile, the US elaborated on its 2005 proposal for the establishment of a 'WIPO Partnership Program,' an internet-based tool to facilitate the strategic use of intellectual property assets by developing countries. The US called upon member states to undertake a quantitative and qualitative stock-taking of WIPO development cooperation activities to come up with a statement of core policies and

objectives related to development. It called upon WIPO to help developing countries prepare methodologies to conduct surveys on how to use the intellectual property system for the promotion of economic growth and the transfer of technology, for instance through strengthening their internal systems for the protection of intellectual property. The US suggested that WIPO's Standing Committee on Information Technologies (SCIT) could be a forum for discussing the importance of intellectual property for the development of information technology and the bridging of the "digital divide" between developed and developing countries. The proposal also contended that counterfeiting and piracy are obstacles to developing countries' potential to attract foreign direct investment and promote local innovation and creativity.

### **Broad differences persist on development agenda**

There are considerable differences between the proposals submitted by developing countries such as the FoD or the African Group and those by developed countries such as the US and the UK. Broadly speaking, developing countries wish to see WIPO address development in a holistic manner, incorporating considerations about the impact of intellectual property on developing economies in every aspect of its activities. For example, the FoD would have a "WIPO Evaluation and Research Office" created to evaluate the impact of the organisation's activities, including technical assistance and norm setting, on development in general and especially on innovation, creativity, and access to knowledge and technology. In contrast, developed countries (the so-called 'group B' of WIPO members), and in particular the US, see the development agenda discussion as purely related to technical assistance activities. They take the general view that strengthening intellectual property rights will have beneficial effects on a country's development, irrespective of its current developmental level. These stark differences in approach will constitute a considerable challenge for future discussions on a WIPO Development Agenda.

### **Structuring future talks on the development agenda**

In addition to the recent proposals, both developing and developed countries have made more than 100 submissions on the development agenda since the original FoD proposal. As a result, before turning to the substance of these submissions, the PCDA had to focus on the issue of how to group the proposals for effective discussion.

Member states finally agreed to break up the individual proposals and cluster them under six substantive categories: technical assistance and capacity building; norm-setting, flexibilities, public policy and public

domain; technology transfer, information and communication technology (ICT) and access to knowledge; assessments, evaluation and impact studies; institutional matters including mandate and governance; and other issues.

On the last day of the meeting, Chair Ambassador Rigoberto Gauto Vielman of Paraguay issued a draft compilation of the submitted proposals, based on these categories. Disagreement arose over a list submitted by the FoD that classified their own proposals into the categories under subheadings referring to the broad issue addressed by each. Some countries alleged that the list included material submitted after the generally accepted 20 February deadline, while the FoD insisted that their list included no substantive additions. As a result of this disagreement, the FoD list was not immediately included in the draft compilation of members' proposals. The chair announced he would merge his document with that of the FoD, but that the substance of each proposal would be examined before the next PCDA meeting.

The second PCDA meeting, which is scheduled for 26-30 June of this year, will have the task of entering into substantive discussions on the proposals. The US government, with the support of other developed countries, has said that proposals not enjoying consensus should not be discussed. Developing countries disagree, arguing that the entire purpose of the exercise is to discuss all of the proposals in an attempt to build consensus on them. The chair has indicated that he would conduct consultations with member governments, as well as with regional- and issue-based groupings (such as the FoD) prior to the next PCDA session, in an attempt to fuse proposals that are similar and come up with a new draft compilation in time for the June gathering.

ICTSD reporting.

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## OTHER NEWS

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### CTE NEGOTIATORS DISCUSS WAY FORWARD ON IDENTIFYING ENVIRONMENTAL GOODS

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During an informal 21-22 February meeting of the WTO Committee on Trade and Environment Special Session (CTE-SS), Members decided on a work plan to at least start proceeding with the identification of environmental goods for the purpose of liberalising trade in them. Divisions, however, remain about the broad approach to follow when liberalising trade in environmental goods, as well as on the overall scope of products to be

discussed. Also, while Members agreed that there is a distinction between goods that only have environmental uses and those that have additional purposes as well, they could not agree on a procedure for discussing these so-called dual or multiple use products. They also remain uncertain about how to address issues such as special and differential treatment for developing countries and non-tariff barriers.

Paragraph 31(iii) of the Doha Declaration mandated Members to negotiate on "the reduction or, as appropriate, elimination of tariff and non-tariff barriers to environmental goods and services." The December 2005 Hong Kong Ministerial Declaration instructed them to complete this work "expeditiously."

### Chair, US propose parameters to identify environmental goods

Members adopted a step-by-step approach towards fulfilling the Paragraph 31(iii) mandate. They decided to consider products from among the 480 that have already been identified in the environmental goods lists submitted by nine Members (and compiled into an informal document by the WTO Secretariat in November 2005, TN/TE/W/63). This would not preclude the future consideration of goods not included in the compilation.

Countries are considering two sets of 'indicative parameters' for evaluating some of these products. The first set, which was proposed by Chair Ambassador Toufiq Ali (Bangladesh) a week before the meeting, asks whether the product has a clear and direct environmental end use; what environmental products, categories of products or projects are of particular interest to developing country Members; and what other considerations may be taken into account when determining whether a product constitutes an environmental good. The second, more product-specific, set was tabled by the US on the day of the meeting (TN/TE/W/64). It asks whether the product had a clear and direct environmental benefit; if any potential dual or multiple uses could be addressed by using a narrower product description at the national level; whether the product is "so central to the delivery of key environmental and developmental benefits... that its exclusion from liberalisation would reduce the intended environmental benefits" of the initiative; and if the product is sensitive or raised other concerns for delegations. The US proposal, furthermore, urged Members not to continue "the same kind of unstructured debate" as last year.

Delegates decided to start by looking at products with a single environmental end-use, and might subsequently broaden the scope of the discussions to dual and



multiple uses. As a start, they will apply these parameters to products in two categories, namely 'renewable energy' and 'air pollution control.'

### Issue of multiple use of products remains divisive

At the meeting, divisions again emerged between proponents of the so-called "list approach" to liberalising trade in environmental goods and those sceptical of the approach. The latter are mainly developing countries. India, which prefers a method that would temporarily liberalise market access for certain goods and services used in approved 'environmental projects' (see BRIDGES Trade Biores, 13 July 2005, <http://www.ictsd.org/weekly/05-07-13/story5.htm>), contends that the environmental character of some of the lists that countries have put forward is called into question by the fact that they include many products with multiple uses. According to one developing country delegate, industrialised countries that have already put forward lists have simply adopted those put together either by Asia-Pacific Economic Cooperation (APEC) or the Organisation for Economic Cooperation and Development (OECD) -- organisations that many developing countries are not members of -- without having made an effort to filter the products contained therein on the basis of environmental merit. The subsequent technical meetings ought to remedy this situation, India felt.

After consulting with several Members on the second day of negotiations, Ali proposed discussing the merits of some proposed products in four categories -- renewable energy, air pollution control, wastewater treatment and soil remediation -- in a technical meeting during the next CTE-SS. India, on behalf of a group of ten developing countries including Argentina, Brazil, China, Egypt, Mexico and South Africa, rejected that suggestion. Instead, it proposed that Members apply only the criteria of single environmental end-use to products in the categories of renewable energy and air pollution control, and to examine cross-cutting issues such as special and differential treatment, related non-tariff barriers and technology transfer at the same time. The US expressed opposition to proceeding in such a manner, indicating that it would prefer to proceed quickly to the consideration of multiple use products, and to discuss other issues later. Cuba also raised some doubts about the practicality of applying the parameters first for single-use renewable energy and air pollution control products, and then restarting the whole exercise for multiple use products in the same categories.

As a result of these disagreements and the existence of the two sets of parameters for evaluating products, the procedure to be adopted at the next meeting remained somewhat ambiguous. The chair emphasised, however,

that all proposals related to products within the categories of air pollution control and renewable energy tabled prior to the Hong Kong Ministerial Conference would be discussed.

ICTSD reporting.

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## IN BRIEF

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### US, COLUMBIA SIGN BILATERAL FTA

The US and Colombia have concluded a comprehensive bilateral free trade agreement (FTA), US Trade Representative Rob Portman, and Colombian Trade, Industry and Tourism Minister Jorge Humberto Botero announced on 27 February. The accord, signed after a final two-week round of negotiations in Washington, will lower tariffs and other barriers to trade in goods and services; it also contains provisions on intellectual property rights, the rights of foreign investors, and environmental protection.

This is the second bilateral FTA to emerge from the Andean FTA negotiations that the US launched with Colombia, Ecuador, and Peru in May 2004 (with Bolivia as an observer). As the joint talks faltered over disagreements on a number of different issues -- in particular, Ecuador's opposition to some of the US' demands on intellectual property rights -- the US and Peru signed a bilateral deal in December 2005 (see BRIDGES Weekly, 25 January 2006, <http://www.ictsd.org/weekly/06-01-25/story3.htm>). The Colombia FTA appears to broadly resemble the accord with Peru, down to the side-letter on biodiversity issues. Talks with Ecuador are scheduled to resume in March.

Sources report that the primary obstacle in the recent talks was Colombia's desire to retain a measure of protection for corn, rice, and poultry farmers. In the end, however, Bogota will phase out all tariffs on US farm exports over the next 15 to 19 years, with the longest transition time accorded to rice, its most sensitive product. The US will maintain strict limits on Colombian sugar imports, but will phase out all other tariffs.

The agreement came in spite of strong opposition from various sectors of the Colombian economy, in particular poultry and rice, which feared displacement by subsidised US imports. Some fear that such farmers will turn to coca production instead, undermining anti-narcotics efforts. Colombian flower exporters, however, expect to thrive.

ICTSD reporting; "US Announces Completion of Free-Trade Agreement with Colombia," NEWS BLAZE, 27 February 2006; "United States and Colombia Conclude

Free Trade Agreement," OFFICE OF THE US TRADE REPRESENTATIVE, 27 February 2006; "Free Trade with Colombia Fact Sheet," OFFICE OF THE US TRADE REPRESENTATIVE, 27 February 2006; "Uribe for US FTA, Colombia Against," PRENSA LATINA, 12 February 2006; "US and Colombia Reach Trade Deal After 2 Years of Talks," NEW YORK TIMES, 28 February 2007; "Colombia Secures Trade Agreement with Washington," FINANCIAL TIMES, 28 February 2006; "Back Mr. Uribe," WASHINGTON POST, 17 February 2006.

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## WTO IN BRIEF

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### PLURILATERAL SERVICES REQUESTS LAUNCHED; CTS-SS TO MEET 7 MARCH

On 28 February, groups of WTO Members started to circulate collective requests for countries to open their markets to foreign services providers. This coincided with the target date for the submission of such 'plurilateral requests' set out in the Hong Kong Ministerial Declaration, prompting one Western official to dub it, tongue-in-cheek, the first successfully-met deadline in the Doha Round negotiations. Sources report that the Special Session of the Council for Trade in Services (CTS-SS) will meet informally on 7 March to discuss how to proceed with the plurilateral market access negotiations.

The collective requests have only been sent to the target countries, and are not publicly available. Furthermore, not all of the groups have circulated their requests yet; more are expected over the next week. Negotiators are expecting requests across virtually every services sector and mode (see BRIDGES Weekly, 22 February 2006, <http://www.ictsd.org/weekly/06-02-22/story2.htm>).

The EU and the US announced separately that they were part of close to 12 plurilateral requests. Many of these are in the same sectors, such as telecom, financial, logistics, construction, legal, environmental, and energy services. They are also seeking similar types of liberalisation, such as the removal of limitations on foreign ownership, discrimination between domestic and foreign services suppliers, prohibitions on the cross-border supply of services, and unfriendly regulatory policies. However, the EU is likely to ask for access to the US' highly-protected and politically sensitive domestic maritime transport market, while the US may target the EU with a request in its sensitive audiovisual services sector. The EU has emphasised that it is not participating in any request related to

health and education services, or "water for human use."

Some developing countries are also participating in collective requests, most notably on increased temporary access for their individual workers (so-called 'Mode 4').

ICTSD will provide coverage of the plurilateral market access negotiations in upcoming issues of BRIDGES Weekly.

ICTSD reporting; "US is Active Participant in Coalition to Jumpstart WTO Services Negotiations," US TRADE REPRESENTATIVE PRESS RELEASE, 28 February 2006; "WTO Circulates Plurilateral Requests; EU Participates in 11 Services Initiatives," WTO REPORTER, 1 March 2006; "EU and others launch 'plurilateral' process to boost Doha services negotiations," EUROPEAN COMMISSION PRESS RELEASE, 28 February 2006; "WTO services negotiations move up a gear," REUTERS, 1 March 2006.

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### PLANS SET FOR S&D TALKS' LDCs URGE FOLLOW-UP ON DUTY-FREE DECISION

WTO Members on 24 February welcomed Ambassador Burhan Gafoor of Singapore as the new chair of the Committee on Trade and Development Special Session (CTD-SS), and agreed to re-start the negotiations on special and differential treatment (S&D) by focusing on proposed amendments to the S&D provisions in specific WTO agreements. During the informal session, Gafoor suggesting that Members make comments and suggestions on the draft text of the remaining eight agreement-specific proposals. These proposals, five of which are from the African Group, will be taken up at a formal meeting of the group on 6 March as well as at the beginning of a gathering scheduled for 7 April.

The second part of the 7 April meeting will address the second part of the group's mandate: the so-called "underlying issues" including cross-cutting issues, a monitoring mechanism and the incorporation of S&D treatment into the architecture of WTO rules. Gafoor noted that Members should not prejudge the outcome of the talks, but several developing countries stressed that it should remain "faithful" to the mandate to ensure that S&D flexibilities in the WTO Agreements are made more effective.

Least-developed countries (LDCs) called on the CTD-SS to address the means of implementing the decision that developed countries (and developing ones

declaring themselves able to do so) would grant duty-free and quota-free market access to at least 97 percent of LDC exports, one of the five S&D texts adopted as part of the Hong Kong Ministerial Declaration. This would include implementation dates, which products should not be allowed in the 3 percent exemption, rules of origin, and the nature of flexibilities for developing countries that agree to provide such access. The chair suggested, however, that the CTD regular session should deal with such unresolved issues, since it is the already established as the forum to which Members will notify steps taken to implement the decision.

ICTSD reporting.

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### GAMBLING DISPUTE: ANTIGUA AND BARBUDA SAY US STILL NOT IN COMPLIANCE

Antigua and Barbuda has alleged that two new bills on internet gambling introduced in the US Congress fail to bring it into compliance with the rulings and recommendations of a WTO dispute panel and the Appellate Body in their "gambling dispute" (see BRIDGES Weekly, 13 April 2005, <http://www.ictsd.org/weekly/05-04-13/story2.htm>). In a 16 February letter addressed to US Trade Representative Rob Portman, the government of Antigua and Barbuda expressed concern that the bills, the 'Internet Gambling Prohibition Act' and the 'Unlawful Internet Gambling Enforcement Act,' did not rectify the inconsistencies associated with the cross-border supply into the US of gambling and betting services. The letter states, in fact, that the bills are in "key respects" expressly contrary and "non-responsive" to the rulings and recommendations of the WTO Dispute Settlement Body (DSB), which had ruled that US federal and state restrictions on internet gambling based out of Antigua violated its commitments under WTO services rules.

Noting that "one of the most consistent criticisms" of the country's decision to initiate dispute proceedings in the gambling case was that "the US would simply fail to respect a decision" that found it to be in the wrong, Antigua called on the US to comply with the decision by 3 April 2006, the deadline for doing so set by a WTO arbitrator.

Within the context of the ongoing negotiations to improve existing WTO rules on dispute settlement -- the WTO Dispute Settlement Understanding Review (DSU Review) -- several developing countries have expressed concern about the difficulty of compelling powerful developed ones to comply with adverse rulings. In this regard, they have called for some

changes to be made to the DSU rules (see BRIDGES Weekly, 24 November 2005: <http://www.ictsd.org/weekly/04-11-24/story4.htm>).

ICTSD reporting; "Government protests US stance on WTO decision," ANTIGUA SUN, 20 February 2006; "Antigua-Barbuda protests US anti-gambling legislation," CARIBBEAN NET NEWS, 19 February 2006; "Antigua protests US move to bar Internet gambling," REUTERS SOUTH AFRICA, 18 February; "US Banning Attempts Impact WTO & Antigua?" ONLINE-CASINOS.COM (Denmark), 18 February, 2006.

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### SMALL ECONOMIES REVIEW PROGRESS, AGREE TO FOCUS ON AG, NAMA, SERVICES

A comprehensive paper (WT/COMTD/SE/W/20) prepared by the 22 proponents of the WTO work programme on small and vulnerable economies served as the basis for discussions during an informal open-ended meeting of the Committee on Trade and Development Dedicated Session (small economies) (CTD-DS) on 21 February. The document summarized progress made thus far on the work programme.

The 22 Members expressed happiness about the repeated mention of SVE concerns in the Hong Kong Ministerial Declaration, including an endorsement of the two-track approach adopted in October 2005 under which they are to pursue their concerns in the relevant WTO negotiating bodies at the same time as work within the CTD-DS continues (see BRIDGES Weekly, 19 October 2005, <http://www.ictsd.org/weekly/05-10-19/story3.htm>).

Pointing to their proposals currently pending in the negotiating groups on agriculture, non-agricultural market access (NAMA), services and rules -- and the April and July deadlines in these areas -- the SVEs agreed that the work programme's priority in the next five months should be to follow the progress of their concerns in the relevant committees.

Nonetheless, they noted that there was "broad support" for their proposals at the last CTD-DS meeting on the recognition of regional bodies to notify the WTO of national measures adopted by SVEs under the TBT, SPS, and TRIPS Agreements (see BRIDGES Weekly, 23 November 2005, <http://www.ictsd.org/weekly/05-11-23/WTOinbrief.htm#2>). They agreed to take up the issue, including the legality of such a mechanism, at the next session of the group. However, their controversial proposal to ensure that SVEs are not faced with



"unreasonable" demands during the WTO accession process garnered less support.

Faizel Ismail (South Africa) will replace Ambassador Gomi Theraka Senadhira (Sri Lanka) as CTD-DS chair after the 3 March meeting of the CTD regular session.

ICTSD reporting.

## 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](mailto:events@ictsd.ch).

#### Upcoming Events: 2 March – 8 March

6 March, Arusha, Tanzania: PROMOTING PRODUCTION AND TRADING OPPORTUNITIES FOR ORGANIC AGRICULTURAL PRODUCTS IN EAST AFRICA. A joint delegation from the UN Conference on Trade and Development (UNCTAD) and the UN Environment Programme (UNEP) will present the results of four background studies done on food security and organic markets in the East African region with the goal of better integrating information and facilitating cooperation between Kenya, Uganda, and the Republic of Tanzania. For more information, see: <http://www.unep-unctad.org/cbtf/openArusha.htm> or contact Anna Griggs at [anna.griggs@unep.ch](mailto:anna.griggs@unep.ch).

6-9 March, Washington, D.C.: WORLD BANK ENERGY WEEK 2006 -- "CLEAN ENERGY FOR DEVELOPMENT." The conference will explore a timeline to build on the G8 Plan of Action as adopted at Gleneagles focused on energy issues in developing countries. Participation is by application on website. For more information, see: <http://web.worldbank.org/WBSITE/EXTERNAL/NEWS/0,,contentMDK:20684128~menuPK:34482~pagePK:34370~piPK:34425~theSitePK:4607,00.html>.

7 March, Copenhagen, Denmark: EU, TRADE AND AFRICA: ECONOMIC PARTNERSHIP AGREEMENT NEGOTIATIONS. This seminar is organised by the 'WTO, Trade & Development' network, an initiative based at the Danish Institute for International Studies (DIIS). It will include presentations from an African representative involved in EPA negotiations, Martin Jess Pilegaard of DIIS and Paul Goodison of the European Research Office. The meeting is part of the DIIS' monthly 'Trade Mondays' seminar series. For

further information, contact Michael Friis Jensen, tel: +45 3269 8787; fax: +45 3269 8700; email: [mje@diis.dk](mailto:mje@diis.dk); internet: <http://www.diis.dk/sw239.asp>.

7-10 March, Porto, Alegre, Brazil: INTERNATIONAL CONFERENCE ON AGRARIAN REFORM AND RURAL DEVELOPMENT. The UN Food and Agricultural Organization (FAO) will host a series of meetings to review different experiences of agrarian reform around the world by analysing impacts, processes, mechanisms and the actors involved, in order to develop proposals for future action. Those interested in attending can find more information about registration online. email: [ICARRD-Secretariat@fao.org](mailto:ICARRD-Secretariat@fao.org); internet: <http://www.icarrd.org/index.html>.

8-10 March, Hong Kong, China: PRACTICAL SOLUTIONS TO COMBAT ILLEGAL LOGGING: INTERNATIONAL DIALOGUE ON BEST PRACTICE FOR BUSINESS AND CIVIL SOCIETY. This initiative is being organized by the Forest Dialogue of Yale University, in collaboration with various other organisations and agencies such as the Nature Conservancy and the World Wildlife Fund. The dialogue has three objectives: to raise awareness among business leaders of the problems posed by illegal logging, identify solutions, and agree on how participants can work together for widespread adoption of these resolutions. For further information contact Gary Dunning, tel: +1 203 432 5966; fax: +1 203 432 3809; email: [info@theforestdialogue.org](mailto:info@theforestdialogue.org); internet: <http://research.yale.edu/gisf/tfd/logging.html>.

#### WTO Events

An updated list of forthcoming WTO meetings is posted at: [http://www.wto.org/english/news\\_e/meets.pdf](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 March: SUB-COMMITTEE ON COTTON

3 March: WORKING PARTY ON THE ACCESSION OF LEBANON

3 March: COMMITTEE ON TRADE AND DEVELOPMENT

8 March: WTO INTRODUCTION DAY

## Other Upcoming Events

14-18 March, Geneva, Switzerland: UN CONFERENCE ON TRADE AND DEVELOPMENT (UNCTAD) COMMISSION ON TRADE IN GOODS AND SERVICES AND COMMODITIES, 9TH SESSION. The main agenda includes discussions on market access, market entry and competitiveness; trade in services and development implications; trade, environment and development; and a progress report on the implementation of agreed conclusions and recommendations of the Commission, including the post-Hong Kong follow-up. For further information contact Mr. Mehmet Arda, tel: +41(0)22 917 5790; fax: +41(0)22 917 0509; email: [meahmet.arda@unctad.org](mailto:meahmet.arda@unctad.org); internet:

<http://www.unctad.org/Templates/Meeting.asp?intltemD=1942&lang=1&m=9478&year=2005&month=3>.

4 April, Copenhagen, Denmark: TWISTING THE RULES OF TRADE? ANTI-DUMPING, SAFEGUARDS AND COUNTERVAILING DUTIES. This conference is part of a series of conferences entitled 'Trade Mondays.' They are an initiative of the 'WTO, Trade and Development' (WTRADE) Network, and funded by the Danish Institute for International Studies (DIIS) and the Governance, Economic Policy & Public Administration Research Network (GEPPA). Three topic areas that will be discussed at this seminar are anti-dumping policy and Denmark; how 'fair' anti-dumping practices are in dealing with 'unfair' trade practices from a developing country perspective; and the EU's anti-dumping policy towards non-market economies. For further information contact Michael Friis Jensen, tel: (+45 32) 69 88 27; fax: (+45 32) 69 88 00; email: [mje@diis.dk](mailto:mje@diis.dk); internet: [www.diis.dk](http://www.diis.dk).

14 April, Paris, France: STUDIES ON THE IMPACT OF TRADE AGREEMENTS ON SUSTAINABLE DEVELOPMENT: ASSESSMENT AND PROSPECTS. Organised by the French Ministry of Ecology and Sustainable Development, and GRET, Research and Technological Exchange Group. The seminar, which will be given in French and English, aims specifically to bring together experts involved in impact assessments and sustainable development (the ministries of EU member states, international organisations, research institutes, the private sector, and NGOs) so as to take stock of impact assessments and reflect on operational ways to improve this tool. For further information, contact Isabel Berest, tel: +33 1 40 05 61 51; email: [berest@gret.org](mailto:berest@gret.org).

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## RESOURCES

TRADING ON TIME: REFORMS IN DEVELOPING COUNTRIES CAN BOOST EXPORTS. By Simeon

Djankov, Caroline Freund, and Cong S. Pham. World Bank. January 2006. The study found that in developing countries each day of delays in moving standard cargo from the factory gate to the ship reduces a country's export volume by 1 percent. Even more heavily impacted are highly perishable agricultural products, where export volume can drop as much as 7 percent per day. It is thus highly unlikely that these countries will benefit from either duty-free access provisions or future trade liberalization unless export procedures are simplified. Available online at [http://www.doingbusiness.org/documents/trading\\_on\\_time\\_full\\_report.pdf](http://www.doingbusiness.org/documents/trading_on_time_full_report.pdf).

A 'PROBABILISTIC' APPROACH TO THE USE OF ECONOMETRIC MODELS IN SUNSET REVIEWS. By Alexander Keck, Bruce Malashevich, and Ian Gray. WTO Working Paper. February 2006. This paper attempts to fill the gaps between the legal requirements for anti-dumping policy and the available econometric methods by outlining a simple 'probabilistic' model for analysing the likelihood of injury to the local industry concerned. Using data from US International Trade Commission investigations, it is found that a probabilistic model that takes into account the uncertainty surrounding economic parameters reduces the risk of misjudging the effect on the domestic industry of a termination of trade remedies. Further information can be found at: [http://www.wto.org/english/res\\_e/reser\\_e/ersd200601\\_e.htm](http://www.wto.org/english/res_e/reser_e/ersd200601_e.htm).

GLOBAL TRADE -- PAST MISTAKES, FUTURE CHOICES. By Greg Buckman. Zed Books. November 2005. This book traces the history and impact of the global trade regime, its hugely differential consequences for high-income and low-income countries, and the future options for revised trading agreements. The cost of fossil fuels, global warming, and economic imbalances, are highlighted as factors that may cause a radical reshaping of the WTO and the principles enshrined in its agreements. Further information is available at: <http://zedbooks.co.uk/>.

WORLD ECONOMIC SITUATION AND PROSPECTS (WESP) 2006. United Nations. WESP is the UN's annual analysis of current developments in the world economy and emerging policy issues. It contains the UN's forecast of short-term global and regional economic trends, reviews major developments in international trade, and discusses the net transfer of financial resources to and from developing countries. In its 2006 edition, the UN predicts that the world economy will continue to grow at a rate of 3 percent, with the US remaining the main engine of global economic growth even as larger developing economies gain importance. Further information can be found at: <http://www.un.org/esa/policy/wesp/wesp.html>.

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