



INTERNATIONAL CENTRE FOR
TRADE AND SUSTAINABLE
DEVELOPMENT

Bridges

Weekly Trade News Digest

25 April 2007

Volume 11 Number 14

LEAD STORIES

DIVISIONS UNRESOLVED, WTO MEMBERS GEAR UP
FOR ANOTHER PUSH TOWARDS DOHA DEAL 1
EU TO START FTA NEGOTIATIONS WITH INDIA,
KOREA, ASEAN 3

OTHER STORIES

WHO MEMBERS DIVIDED OVER PLAN FOR
PROMOTING PHARMACEUTICAL INNOVATION 5

IN BRIEF

INEFFICIENCY AND INEFFECTIVENESS PLAGUE US
FOOD AID, INVESTIGATORS FIND 6

EUROPEAN PATENT OFFICE IMAGINES
INTELLECTUAL PROPERTY CIRCA 2025 7

WTO IN BRIEF

AG DELEGATES AWAIT CHAIR'S 'HARD TALK'
PAPER 7

WTO DISPUTE PANEL TO INVESTIGATE INDIAN
WINE, SPIRITS TARIFFS IN SPAT WITH EU 8

EVENTS & RESOURCES

EVENTS 8
RESOURCES 10

LEAD STORIES

DIVISIONS UNRESOLVED, WTO MEMBERS GEAR UP FOR ANOTHER PUSH TOWARDS DOHA DEAL

WTO Members are gearing up for another push towards a deal in the troubled Doha Round trade talks, even though major trading nations remain divided on many of the central issues in the negotiations. Many Geneva-based delegations are starting to worry that time is running out for an accord, but say they will step up work with the chairs of the various negotiating groups to help them produce new draft agreement texts for further bargaining.

"The key urgent need now is serious substantive engagement by all partners in the multilateral process here in Geneva," Director-General Pascal Lamy told ambassadors at an informal meeting of the Trade Negotiations Committee (TNC) on 20 April. He said that the chairs need Members to be more precise about what they could accept.

"We need you all to be equally committed to supporting the work of the negotiating group chairs with constructive inputs and a real willingness to negotiate, which means, of course, defend your positions, but also show the necessary flexibility," added the WTO chief.

Despite a series of meetings since the start of the year, ministers from the US, Brazil, India, and the EU, together called the G-4, have not announced any major headway towards bridging their differences on farm trade and other issues. In New Delhi two weeks ago, they agreed, along with their counterparts from Japan and Australia (forming the G-6), to work to conclude the Doha Round by the end of the year (see BRIDGES Weekly, 18 April 2007, <http://www.ictsd.org/weekly/07-04-18/story1.htm>).

The G-4 countries are now promising to make some sort of joint contribution to the multilateral discussions by mid-June, before which they are planning at least three more sets of ministerial-level meetings.

BRIDGES Weekly Trade News Digest is [also available online](http://www.ictsd.org/weekly) and is updated every week. To subscribe to BRIDGES Weekly Trade News Digest, please visit the ICTSD website at <http://www.ictsd.org/subscribe>

If you require any assistance setting up your BRIDGES Weekly Trade News Digest subscription, please contact Trineesh Biswas, Editor, by email at: bridges_weekly@ictsd.ch, or by telephone at: (41-22) 917-8498

The chairs of the different Doha Round negotiating groups have received little new concrete information from Members in spite of extensive consultations, as they work to refine the texts they issued during last year's pre-July push for a deal. Those papers were deliberately vague in order to account for the wide gaps in countries' positions at the time.

Multilateral process cannot wait on others

Without mentioning the G-4's inconclusive talks, Lamy told the TNC that "it is clear today that the multilateral process can no longer be made to wait for the contribution of smaller groups." He did acknowledge, however, that the chairs' work would "be greatly assisted if they receive signs of convergence from discussions elsewhere."

Some countries had been growing increasingly uneasy about the G-4's discussions, and all the more so with their apparent failure to make meaningful progress. The secrecy surrounding the group's talks has not soothed nerves. Although they have presumably been talking about their specific differences on issues such as cutting farm tariffs and subsidies, G-4 officials have declined to provide details of the incremental progress that they claim to be making. This has led some observers to wonder whether the four countries are in the process of putting together a compromise, or simply trying to manage the political fallout from an eventual collapse.

Several delegations spoke at the meeting to welcome the renewed emphasis on the multilateral negotiation process, promising to work with the chairs.

Delegations tread carefully around 'deadlines'

Sources report that ambassadors from the G-4 reiterated their commitment to feeding concrete input -- some parameters indicating convergence -- into the multilateral negotiations by mid-June. Although sources say that no one directly referred to the end of 2007 as a "deadline," US Ambassador Peter Allgeier said that meeting that objective was "within reach."

In spite of reaffirming the mid-June target, India warned that any timeline for the negotiations must not undermine the content of what is being agreed, a point also made by Kenya and Cuba. The EU representative acknowledged others' concerns about the secrecy surrounding the G-4 negotiations, and stressed its commitment to the multilateral process.

Barbados, speaking on behalf of the group of small and vulnerable economies, asked for at least some more information about the substance, and not simply the process, of the G-4 and G-6 discussions. It admitted,

however, that they could not be expected to divulge every last detail about their discussions.

The Singaporean ambassador said that if Members are indeed going to try to conclude the negotiations by the end of 2007, they would be well-advised not to push back resolving important issues until after the WTO's August holiday. He noted that roughly 100 days remained until the end of July, with 100 more between the resumption of work in September and the end of the year.

Déjà vu, as talks heat up

One negotiator conceded that the latest calls for intensified negotiations seemed like a "replay of the past." Not only had the G-4 countries said they would step up the pace of talks after a meeting in Davos in January, the official noted, each of the past two years had seen a renewed push for a deal by the end of June or July.

The first new attempt to break the deadlock will come later this week, when agriculture negotiations Chair Ambassador Crawford Falconer (New Zealand) presents Members with a list of tough 'hard-talk' questions to determine where they stand on the key issues in the negotiations. He will use their answers to draft a new text.

Without greater input from Members, the negotiating group chairs will have two broad options when revising the drafts that would in theory become the new basis for an agreement, say officials. One would be to prepare texts with lots of sections in brackets to indicate disagreement. The second, more risky, approach would be to come up with a more defined paper that tries to guess where consensus might lie on some issues.

The timing and content of chairs' texts across different negotiating areas will also be significant. A developing country negotiator cautioned that there would need to be a "balance" between the non-agricultural market access (NAMA) and agriculture texts in terms of both timing and the degree of specificity, even if the former "might be more developed."

Lamy: window of opportunity may close in weeks

Members will be unable to finish the negotiations in time for the end-June expiry of the Bush administration's 'trade promotion authority' (TPA). This mandate lets it submit trade deals to Congress for a yes-or-no vote without amendments.

In Washington on 23 April, Lamy told the US Chamber of Commerce that even though TPA is technically only necessary for Congress to ratify an agreement, "many

US trade partners consider that no movement on TPA means that the US has lost faith in the Doha Round. As if the US was shifting gear from 'drive' into 'park'." And given that US lawmakers had an eye on the Doha Round negotiations in their discussions with the administration about renewing TPA, he added that it was "no surprise that many WTO Members believe we have a window of opportunity which will close unless there is clear progress over the coming weeks."

2008 is an election year in the US, which will make lawmakers there even more skittish about making concessions on trade if a Doha Round deal is not concluded by then.

The WTO head, who will discuss the Doha Round with officials from Congress and the administration while in Washington, acknowledged that the EU, Brazil, India, and the US were locked in a "prisoners' dilemma." They "are somewhat paralysed by fear that any move in the negotiation by any one of them will be pocketed by the others and will not lead to reciprocal moves," he said.

EU Trade Commissioner Peter Mandelson will travel to Washington at the end of April for the EU-US summit, along with several members of the European Commission. As for the G-4, its ministers appear set to meet in Paris in mid-May, during the Organisation for Economic Cooperation and Development's annual summit.

ICTSD reporting; "World watching U.S. for leadership on Doha: Lamy," REUTERS, 23 April 2007.

EU TO START FTA NEGOTIATIONS WITH INDIA, KOREA, ASEAN

The EU is set to open negotiations on far-reaching free trade agreements (FTAs) with India, South Korea, and the Association of Southeast Asian Nations. Nevertheless, Brussels insists that this will not weaken its commitment to the struggling Doha Round multilateral trade talks.

EU member governments on 23 April approved negotiating mandates for trade accords with the three rapidly-growing Asian economies. They agreed that the new FTAs "should be ambitious and comprehensive and comprise far-reaching liberalisation of trade in goods and services, and investment." Other key goals will be to open up public procurement contracts and reduce non-tariff barriers.

Ministers from the 27 member states claimed that the Doha Round "remains the EU's first priority in the field of trade policy," explaining that the multilateral forum "provides for the most effective removal of trade

barriers." Nevertheless, they called for work on the prospective bilateral accords to proceed rapidly, since the EU was being left out of Asia's current rush for market access deals. Talks are expected to start within months.

"Combined with a successful conclusion to the Doha Round, these agreements will open new markets to EU businesses and give a valuable boost to global trade," said EU Trade Commissioner Peter Mandelson.

As per standard practice, the European Commission will carry out the negotiations on behalf of the EU member states.

The EU's decision directly follows the new trade policy first unveiled by the Commission last October, in which it recommended comprehensive bilateral free trade agreements with major economies in order to secure new markets for European businesses (see BRIDGES Weekly, 11 October 2006, <http://www.ictsd.org/weekly/06-10-11/story4.htm>).

That strategy called for new FTAs to include rules governing foreign investment, business services, and intellectual property rights, often going well beyond existing WTO rules. Its principal aim is to identify and lower barriers to market access for the higher-end products and services that make up the bulk of the EU's exports. The Commission identified Korea, India, and the ASEAN because "they combine high levels of protection with large market potential."

Brussels' open pursuit of liberalised investment and government procurement regimes – precisely because it was unable to win support for them at the WTO – has raised the ire of some development advocates. "The EU plan to use free trade deals to force concessions on issues that developing countries have repeatedly rejected at the WTO will undermine multilateralism and increase poverty and inequality," Celine Charveriat, the head of Oxfam's Make Trade Fair campaign, has said.

Commission: big gains projected

According to the European Commission, independent research carried out at its behest suggests that the agreements could boost EU exports by more than 40 billion euros per year, and raise the bloc's GDP by 0.13 percent.

The think tanks that undertook the investigation, Copenhagen Economics and France's CEPIL, forecast that EU exports to ASEAN would grow by 24.2 percent, to Korea by 47.8 percent, and to India by 56.8 percent. This would represent a 3.72 percent rise in total EU exports.

The biggest gains for EU companies would come from exporting business services to ASEAN and Korea, and manufactured goods to India. Manufactured exports to India are projected to rise by some 50 percent, worth 5.1 billion euros, with 1.8 billion euros of this accounted for by automobiles alone – a 700 percent increase over the current level. A 29 percent rise is foreseen for business services exports to ASEAN, worth 7.9 billion euros.

In the opposite direction, ASEAN is projected to boost exports to the EU by 18.5 percent, India by 18.7 percent, and Korea by 36 percent.

ASEAN business services exports are expected to rise by 80 percent, worth 14 billion euros. For Korea, the biggest beneficiary would be the auto sector, which stands to see 40 percent export growth, equivalent to some 5.2 billion euros. Indian textiles and clothing exports are projected to rise by 46 percent, worth 3.6 billion euros.

In 2005, Brussels ran a trade deficit with Korea of approximately 13.2 billion euros, and a 25.8 billion euro deficit with ASEAN. These would stand to shrink under the projections cited by the Commission. However, India's 2.2 billion euro trade deficit with the EU would widen.

Projected gains based on various assumptions

The estimated benefits were based on a series of assumptions about the depth of the eventual FTAs. Under the scenarios envisioned, for instance, the EU and ASEAN would remove barriers to trade in almost all goods, and eliminate 50 percent of barriers to services markets. With India, 95 percent of goods tariffs would be lifted, along with a 25 percent cut to remaining restrictions on services trade.

Based on negotiations at the WTO, the latter at least may prove complicated – Indian officials have publicly criticised the EU (as well as the US) for seeking unjustifiably onerous tariff cuts from developing countries. Nevertheless, EU officials believe that it is achievable.

How the upcoming negotiations will deal with farm trade – a notoriously sensitive subject for the EU, but also for Korea, India, and many ASEAN countries – remains to be resolved. Moreover, as with all bilateral trade agreements, farm subsidies are not likely to be placed on the bargaining table.

Trade negotiations with each of the ten ASEAN member states will be conditional on their fulfilment of various human rights criteria. This is particularly unlikely in the case of the military dictatorship in Myanmar

(Burma). Sources say that it is conceivable that Brussels might end up initially striking a deal with five or six members of the bloc, which also includes Brunei Darussalam, Cambodia, Indonesia, Laos, Malaysia, the Philippines, Singapore, Thailand, and Vietnam.

EU downplays threat to multilateral system

The EU's move to initiate bilateral trade talks of major commercial proportions prompted questions about whether it is losing interest in the multilateral trading system and the troubled Doha Round negotiations. In its January review of EU trade policy, the WTO Secretariat warned that Brussels' decision to launch new bilateral and regional trade agreement negotiations "could further complicate its trade regime, and divert interest from the multilateral trading system."

Bilateral FTAs have been widely criticised by economists, trade experts, and companies for creating a 'spaghetti bowl' of overlapping trade rules that erode the principle of non-discrimination and raise the transaction costs of doing business (see BRIDGES Weekly, 19 January 2005, <http://www.ictsd.org/weekly/05-01-19/story1.htm>). They can exacerbate power imbalances between countries, since developing countries cannot band together as they do at the WTO to resist demands that they deem unfair. Furthermore, the pursuit of bilateral agreements has been blamed for drawing negotiating capacity and political capital away from the multilateral trade talks.

Peter Power, a spokesperson for the European Commission, downplayed these concerns. Not only was the EU's dedication to the Doha Round talks beyond reproach, he suggested, the FTAs with Korea, India, and ASEAN would be entirely WTO-compatible. Issues such as public procurement and investment, which will be a major focus of the new accords, are in any case not going to be part of an eventual Doha Round agreement, he said.

The Commission claims that the three agreements "will result in large net additions to global trade," with "minimal" trade diversion effects.

ICTSD reporting.

OTHER STORIES

**WHO MEMBERS DIVIDED OVER PLAN
FOR PROMOTING PHARMACEUTICAL
INNOVATION**

The World Health Organization (WHO) last week made public member governments' written comments on the development of a global strategy and plan of action for research and development on diseases that disproportionately affect poor countries. Differences persist, even though countries are scheduled to wrap up their discussions in the autumn.

To date, nineteen countries and regional groups have submitted their views on the initial draft texts drawn up in December 2006 by the Intergovernmental Working Group (IGWG) on Public Health, Innovation and Intellectual Property (see BRIDGES Weekly, 13 December 2006, <http://www.ictsd.org/weekly/06-12-13/story5.htm>).

Created by WHO members in 2006, the new working group is mandated to draw up a medium-term framework to support sustainable, needs-driven, essential medical research and development (R&D), in accordance with the findings of the global health body's Commission on Intellectual Property Rights, Innovation, and Public Health (CIPRH). Some see the group's deliberations as an opportunity to explore alternatives to drug patents as a means of encouraging innovation and the development of new and affordable drugs.

The working draft of the IGWG's plan of action has attracted a wide range of recommendations on topics including the strengthening of innovative capacity, transfer of technology, management of intellectual property, and financing mechanisms.

The sharpest division between governments relates to the WHO's role in dealing with international intellectual property rules, particularly the WTO Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS). Especially controversial was whether the action plan should deal with promoting the use of legal flexibilities in the TRIPS Agreement which make it easier to bring generic drugs to market and are widely considered to be crucial to the affordability of medicines.

Brazil suggested that many IP-related matters deserve increased attention, such as the full implementation of TRIPS flexibilities, ensuring the immediate entry of generic medicines into markets following patent expiry, and improving the patent approval process. It suggested "mapping out the various flexibilities

provided for in international agreements that might be relevant to ensure access to medicines."

Malaysia called for a "re-evaluation of the current (IP) system with emphasis on ensuring that public health needs are not adversely affected by strong intellectual property rights."

At the same time, several developed countries argued that the TRIPS Agreement and IP rules in bilateral trade agreements fell "outside the mandate of the WHO." The US indicated that the IGWG should not consider several specific issues present in the current draft action plan, including topics such as legal flexibilities in the TRIPS, bilateral trade agreements, compulsory licensing, and provisions encouraging generic entry upon patent expiry. It said that they were more appropriate to the scope and mandate of the WTO and the World Intellectual Property Organization (WIPO).

Australia said that it "cannot accept any binding proposal that bilateral agreements not contain 'TRIPS-plus' provisions," which entail IP obligations beyond those required by the TRIPS Agreement. Further, it endorsed a proposal for cooperation with WIPO, the WTO, and other international bodies "taking into account their mandates."

Other controversial issues included alternative financing mechanisms for promoting pharmaceutical innovation. One such proposal seeks a global treaty that would have governments fund medical R&D and then make the findings public, allowing drugs thus produced to be manufactured and sold cheaply since there would be no research costs to offset. Another mechanism envisions the collective management of intellectual property rights through patent pools. A third model would be based on 'prize funds', and would give innovators monetary awards tied to improvements in healthcare outcomes.

Bangladesh proposed that the IGWG consider the prize fund model, noting that its separation of incentives for innovation from drug prices would ensure low prices for medical inventions. The country also backed calls for giving the proposed R&D treaty formal consideration. In contrast, the US submission stated that it does not support any new funding mechanisms. Japan recommended use of existing mechanisms to promote R&D efficiently.

A submission from Iran suggested that innovative new health related products should be shared between developed and developing countries, in order to counteract the "brain drain" caused by developing country scientists who emigrate and contribute to the development of innovation in industrialised countries. A paper from the US, on the other hand, held that developing countries should "strengthen their own

human resources,” and address the migration of health professionals in a manner that respects the freedom of individuals to emigrate and build a better life for themselves and their families.

One underlying theme in the submissions was the need for more information and best practices about innovation promotion. The EU wants more background information on the elements of the action plan, and raised questions about impediments at the national and international level to investment in R&D, as well as options for improving policy coherence. Thailand called for the compilation of “good practice and lessons on the implementation of TRIPS flexibilities,” noting that experience sharing would be very useful for cross-fertilization among developing countries. The US suggested that the WHO collaborate with WIPO to compile and disseminate best practices to improve health-related innovation.

Ellen 't Hoen of Médecins Sans Frontières told Bridges that the IGWG process had thus far focused on procedures, and lacked discussion on substance. Now, member states were debating concrete proposals.

Spring Gombe and Thiru Balasubramaniam of Knowledge Ecology International praised countries including Bangladesh, Bolivia, Iran, Norway, India, Thailand, and East Timor for showing “great leadership in recognising the need for examining new methods of stimulating research and development, pledging their support for the prize system as a method for rewarding R&D in lieu of high drug prices.” They also expressed hope that the African countries, which had played a leading role at the inception of the IGWG process, would make new submissions in light of the issue’s importance to them.

The Secretariat will incorporate countries’ comments on the current draft text into a revised version by July. The IGWG is scheduled to meet for its final session in November 2007. In principle, the final plan of action should be ready for adoption at the May 2008 session of the World Health Assembly, the WHO’s top decision-making body. Bangladesh and Bolivia have expressed concern that there is simply not enough time for the IGWG to complete its work by then, and called for a one-year extension to 2009 (see BRIDGES Weekly, 7 March 2007, <http://www.ictsd.org/weekly/07-03-07/story4.htm>).

Documents relating to the IGWG, including the country submissions are available at: <http://www.who.int/phi/en/>

ICTSD reporting.

IN BRIEF

INEFFICIENCY AND INEFFECTIVENESS PLAGUE US FOOD AID, INVESTIGATORS FIND

A wide range of inefficient practices in the US food aid system have dramatically reduced the amount, quality, and timeliness of food delivered, according to a new report from the Government Accountability Office (GAO), the investigative arm of Congress.

Rising business and transportation costs have contributed to a 52 percent decline in the average volume of food delivered over the last few years, say the investigators. These costs represent 65 percent of total emergency food aid, leaving only the remainder to buy food.

The report found that the effectiveness and efficiency of US food aid was hindered by funding and planning processes that increase delivery costs and lengthen time frames, as well as ocean transportation and contracting practices that are expensive and oblige shippers to factor in the costs of risks such as port delays. For instance, three-quarters of all government-generated cargo – including food aid – must be transported on US-flagged ships.

Other factors identified included requirements that cause food aid contracts to be awarded to more expensive service providers, and inadequate coordination over delivery problems between US agencies, recipient governments, and NGOs.

The agency prepared the report in response to a request from the Senate agriculture committee, as part of the hearings on the future US Farm Bill.

While the US Department of Agriculture (USDA) and the US Agency for International Development (USAID) have taken steps to improve aid timeliness, the GAO noted that the long term cost effectiveness of these reforms remains unclear.

Investigators were particularly critical of food aid ‘monetisation’— where food is sold to generate cash for development projects. This was “an inherently inefficient use of resources,” they found. “Monetisation requires food to be procured, shipped, and eventually sold -- incurring costs at each step in the process.”

In the ongoing Doha Round agriculture negotiations, US trading partners have strongly criticised monetisation. More broadly, the EU has argued that US

in-kind food aid is often effectively a disguised export subsidy.

The Bush administration's proposals for future farm spending call for 25 percent of the food aid budget to be in cash in order to facilitate local purchase.

To make US food aid delivery more efficient, the GAO recommended improved logistical planning, transportation, contracting, and monitoring, among other actions.

The report is online at:
<http://www.gao.gov/new.items/d07560.pdf>.

ICTSD reporting.

EUROPEAN PATENT OFFICE IMAGINES INTELLECTUAL PROPERTY CIRCA 2025

The European Patent Office (EPO) has published a report surveying the intellectual property landscape as it might look in 2025.

The study, entitled "Scenarios for the Future," considers the effects of four different 'drivers' for change: business, geopolitics, society, and technology. It was launched at the European Patent Forum, held from 18-19 April in Munich.

Some of the issues that shape the scenarios include patent harmonisation, the growing influence of developing countries and regions, the democratisation of the knowledge economy, and global efforts to address climate change.

At the core of the report is the increased complexity and importance of knowledge creation, requiring choices about "how best to adapt to the fundamental changes in the way in which knowledge is being produced and used." It does not attempt to arrive at particular conclusions or make policy recommendations, but rather it seeks to raise questions about the kind of factors that will determine future policy choices. Crucially, it draws attention to the question of the legitimacy of the IP system as it evolves to meet global trends and challenges.

Indeed, a source who attended the launch told Bridges that business delegates raised the issues of patent quality and the wider credibility of IP as being of prime concern to their future use of the patent system. They also discussed new, collaborative approaches to innovation that are causing SMEs and even larger businesses to rethink their IP strategy, such as IBM's interest in open research models. Another questioned

examined was the need to ensure that IP still serves its purpose in supporting innovation, since the rate of technological change is racing ahead of the patent process so much that "business has moved on but IP has not caught up yet," the source said.

German Chancellor Angela Merkel gave a keynote address at the launch, in which she said promoting innovation and patent protection were essential to the EU economy. She also renewed calls for a European Community patent. Currently, the EPO grants patents for up to 37 European countries, but litigation is carried out by national patent offices. This raises costs, not least for translation. A Community patent would standardise European patenting criteria, but talks have stalled over the official languages chosen to reduce translation costs.

The EPO's report has been two years in the making, comprising of over 100 interviews.

More information about the Scenarios project is available at <http://www.epo.org/focus/patent-system/scenarios-for-the-future.html>

ICTSD reporting.

WTO IN BRIEF

AG DELEGATES AWAIT CHAIR'S 'HARD TALK' PAPER

WTO agriculture negotiators are awaiting a 'hard talk' paper from the chair of the contentious farm trade talks, due to be circulated on 26 or 27 April. The paper is expected to present delegations with a series of tough questions or 'puzzles' aimed at assessing where they stand on the "central questions of the negotiations."

However, one negotiator admitted that "everyone's in the dark" about precisely what the paper would look like, noting that Chair Ambassador Crawford Falconer (New Zealand) had given few hints about its structure or format.

Trade diplomats nonetheless emphasized that the paper would mark an important shift in the negotiations, focused less on the secretive meetings between the 'G-4' group of major players (the US, EU, Brazil and India) and more on the multilateral process in Geneva. Stepped-up exchanges between these countries are now expected to contribute directly to the multilateral

talks. "We are entering the decisive phase now," one delegate said.

Falconer intends eventually to revise his draft modalities paper from June 2006 into a text that could become the basis for future negotiations and an agreement. The draft from last year effectively compiled virtually every negotiating proposal, indicating hundreds of areas where negotiators would still have to reach agreement. The 'hard talk' questions paper is not expected to resemble the modalities document, but will instead help the chair assess delegations' positions on the figures and formulae for tariff and subsidy cuts and exceptions to them.

At time of writing, delegates were not expecting to receive a copy of the paper at a 25 April informal meeting of the negotiating committee. However, Falconer has indicated that he would circulate the paper within a day or two of this gathering, which would mean delegates would be able to discuss it at the following session, planned for 4 May. Different country coalitions have already scheduled meetings to talk about their response, said sources.

WTO Members must reach consensus before the summer break to avoid risking a permanent suspension of the talks, argued one negotiator. "If we reach [agreement] now, that's it; if not, that's it too".

ICTSD reporting.

WTO DISPUTE PANEL TO INVESTIGATE INDIAN WINE, SPIRITS TARIFFS IN SPAT WITH EU

A WTO dispute panel was created on 24 April to investigate the EU's complaint against Indian duties and taxes on foreign wines and spirits. New Delhi blocked the EU's first request at an 11 April meeting of the Dispute Settlement Body (DSB), but was prevented by WTO rules from doing so a second time.

The crux of the dispute is a series of additional charges that the EU claims that New Delhi applies to imported wines and spirits, pushing total taxes as high as 264 to 550 percent – well in excess of the country's bound tariff ceilings of 150 percent (see BRIDGES Weekly, 7 March 2007 <http://www.ictsd.org/weekly/07-03-07/wtoinbrief.htm>).

In response to protests from EU wine and spirits producers eager to tap into India's large and rapidly growing market, Brussels has raised the issue repeatedly with New Delhi in recent years, finally lodging a WTO complaint in November 2006. India's

delegation told the DSB meeting that it was "disappointed" with the EU's decision to seek the creation of a dispute panel since the two sides had held "constructive, fruitful consultations" in search of a settlement, reports the Associated Press.

EU Trade Commissioner Peter Mandelson noted last month that Brussels was "not closing the door on an amicable solution," but said that "the ball is now in India's court."

Washington too filed a similar WTO complaint against the Indian duties and taxes on 6 March. While it has not yet asked for a panel to formally investigate its claims, it has not ruled out doing so, and is urging New Delhi to withdraw the offending measures.

EU's (WT/DS352/4) and US's (WT/DS360/1) requests are available at www.wto.org

ICTSD reporting; 'India stalls EU's WTO probe attempt on Indian liquor' DOMAIN B.COM, 12 April 2007; "United States Files WTO Case Against India Challenging Excessive Duties on U.S. Wine and Spirits" US TRADE R Press Release, 6 March, 2007 "WTO Panel to Probe India's Import Duties," ASSOCIATED PRESS, 24 April 2007; "WTO to investigate Indian wine, spirit duties," REUTERS, 24 April 2007.

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.

Coming Up: 26 April - 2 May

26 April, International. WORLD INTELLECTUAL PROPERTY DAY. The World Intellectual Property Organization (WIPO) will celebrate the link between intellectual property (IP) and creativity; this year's theme is 'Encouraging Creativity'. The IP system is what sustains and nourishes the world's creative community. The day will be celebrated through various seminars and ceremonies organized by national IP authorities to promote understanding and respect for intellectual property. internet: http://www.wipo.int/about-ip/en/world_ip/2007/

26-27 April, Washington, D.C. NEW PERSPECTIVES ON FINANCIAL GLOBALIZATION. This conference, organised by the International Monetary Fund's

Research Department and Cornell University, will be a forum for presenting and discussing recent theoretical and empirical research on the macroeconomic implications of financial globalization. For more information, contact Christy Gray (cgray@imf.org), tel: + 1 202 623 4308. internet: <http://www.imf.org/external/np/seminars/eng/2007/finglo/042607.htm>

30 April-11 May, New York, US. UN COMMISSION ON SUSTAINABLE DEVELOPMENT. The fifteenth session of the UN Commission on Sustainable Development (CSD-15) will focus on the areas of energy for sustainable development, industrial development, air pollution/atmosphere, and climate change. For further information contact the Division for Sustainable Development, Department of Economic and Social Affairs; tel: +1 212 963 8102; fax: +1 212 963 4260; e-mail: dsd@un.org; internet: <http://www.un.org/esa/sustdev/csd/policy.htm>.

2-3 May, Minneapolis, US. TOWARD A GLOBAL FOOD AND AGRICULTURAL POLICY FOR AN OPEN INTERNATIONAL ECONOMY. The worldwide tendency to consider food and agricultural policies from a national or domestic perspective has created barriers to the efficient use of the world's agricultural resources and reduced the contributions that agriculture can make to global economic welfare. This symposium to honour University of Minnesota Regents Professor Emeritus G. Edward Schuh will bring together scholars and policy experts to discuss how to move toward a global food and agricultural policy for an open international economy. For more information, including presenters and paper topics, please visit http://www.hhh.umn.edu/schuh_symposium/index.html.

2-4 May, Cologne, Germany. CARBON EXPO 2007. Carbon Expo 2007 is an international platform for companies operating on the global CO2 market, organised jointly by the World Bank, the International Emissions Trading Association and Koelnmesse GmbH. A trade fair and conference, of interest to business and private sector organisations, will be held concurrently featuring leading experts in the field presenting the latest developments in the area of emissions trading. Eight plenary session and 22 workshops will be divided into three parallel streams: projects, trading, and global policy. internet: <http://www.carbonexpo.com>.

WTO Events

An updated list of forthcoming WTO meetings is posted at: http://www.wto.org/english/news_e/events_e/events_e.htm. Please bear in mind that dates and times of WTO meetings are often changed, and that the WTO does

not always announce the important informal meetings of the different bodies. Unless otherwise indicated, all WTO meetings are held at the WTO, Centre William Rappard, rue de Lausanne 154, 1211 Geneva, Switzerland, and are open to WTO Members and accredited observers only.

26 April: COMMITTEE ON TRADE AND DEVELOPMENT- SPECIAL SESSION

26 April: COMMITTEE ON SUBSIDIES AND COUNTERVAILING MEASURES - SPECIAL MEETING

26 April: COMMITTEE ON SUBSIDIES AND COUNTERVAILING MEASURES- REGULAR COMMITTEE

27 April: COUNCIL FOR TRADE IN SERVICES- SPECIAL SESSION

30 April, 2 May: TRADE POLICY REVIEW BODY- MACAO, CHINA

30 April - 1 May: NEGOTIATING GROUP ON TRADE FACILITATION

1 May: INTEGRATED FRAMEWORK STEERING COMMITTEE

2 May: COMMITTEE ON TRADE AND ENVIRONMENT

Other Upcoming Events

12 May, International. WORLD FAIR TRADE DAY. Fair trade and the campaign for justice in trade will be celebrated internationally today through seminars, concerts, fashion shows, and more organized by members of IFAT, the global network of fair trade organizations. The theme of this year's events is 'Kids Need Fair Trade.' internet: <http://www.wftday.org/english/index.htm>

14-15 May, Paris, France. INNOVATION, GROWTH, AND EQUITY. This multi-stakeholder summit will bring together business, labour, civil society, and government leaders to discuss the hottest issues on the international agenda in conjunction with the annual Organisation for Economic Co-operation and Development (OECD) Ministerial Summit. Areas to be explored include trade policy, economy, energy, and innovation. A special spotlight will be given to Spain at the summit as the chair of this year's OECD ministerial summit. internet: http://www.oecd.org/site/0,2865,en_21571361_375783_80_1_1_1_1,00.html

RESOURCES

PRIVATISING BASIC UTILITIES IN SUB-SAHARAN AFRICA: THE MDG IMPACT. By Kate Bayliss and Terry McKinley. UN Development Programme International Poverty Centre, January 2007. This policy research brief focuses on the errors of privatisation in utilities and their impact on development in Africa. The authors argue that privatisation has undermined progress towards the Millennium Development Goals (MDGs), particularly in the provision of adequate access to water, electricity, and sewage facilities. It provides recommendations to overcome the decline of aid and private financing of public investment, while prioritising poverty reduction and achievement of the MDGs. The brief can be downloaded at <http://www.undp-povertycentre.org/pub/IPCPolicyResearchBrief003.pdf>.

ECONOMIC DEVELOPMENT IN AFRICA: DOUBLING AID: MAKING THE 'BIG PUSH' WORK. UN Conference on Trade and Development (UNCTAD), 2006. UNCTAD's 2006 report on development in Africa examines how the commitment by the international community to double aid to Africa might place the continent on a sustainable development path. The central message of the report is that if this commitment is to translate into big reductions in poverty and lasting gains in economic welfare, new thinking is required to tackle the unbalanced state of the international aid system. The report identifies flaws in the existing system, such as high transaction costs, politicisation, and lack of transparency. Find the report online at <http://www.unctad.org>.

ETHICAL SOURCING IN THE GLOBAL FOOD SYSTEM. Edited by Stephanie Barrientos and Catherine Dolan. Earthscan, 2006. Ethical sourcing, both through fair trade and ethical trade, is increasingly entering the mainstream of food retailing. Large supermarkets have come under pressure to improve the returns to small producers and conditions of employment within their supply chains. But how effective is ethical sourcing? Can it genuinely address the problems facing workers and producers in the global food system? This book brings together a range of academics and practitioners working on issues of ethical sourcing in the global food system. It critically explores the opportunities and challenges in the ethical sourcing of food by combining analysis and case studies that examine a range of approaches. It explores whether ethical sourcing is a cosmetic northern initiative, or can genuinely help to improve the conditions of small producers and workers in the current global food system. Order the book online at <http://www.earthscan.co.uk>.

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

BRIDGES Weekly Trade News Digest® is published by the International Centre for Trade and Sustainable Development (ICTSD), <http://www.ictsd.org/>.

Contributors to this issue of *BRIDGES Weekly Trade News Digest*® are Trineesh Biswas, Melanie Butler, Jonathan Hepburn, Knirre Sogaard, Nico Tyabji, and Gina Vea. Editor: Trineesh Biswas. Assistant Editor: Caitlin Zaino. Director: Ricardo Meléndez-Ortiz, rmelendez@ictsd.ch. ICTSD is an independent, not-for-profit organisation based at: 7, ch. de Ballexert, 1219 Geneva, Switzerland, tel: (41-22) 917-8492; fax: 917-8093. Excerpts from *BRIDGES Weekly Trade News Digest*® may be used in other publications with appropriate citation. Comments and suggestions are welcomed and should be directed to the Editor or the Director.

BRIDGES Weekly Trade News Digest is made possible through the generous support of the Government of the United Kingdom (DFID) and ICTSD's core donors including the Governments of Finland, Denmark, the Netherlands and Sweden; Christian Aid (UK) and NOVIB (NL). *BRIDGES Weekly* also benefits from support for the BRIDGES series of publications from donors including the Rockefeller Foundation and the Swiss Agency for Development and Cooperation. ISSN 1563-0