



INTERNATIONAL CENTRE FOR
TRADE AND SUSTAINABLE
DEVELOPMENT

Bridges

Weekly Trade News Digest

10 October 2007

Volume 11 Number 34

LEAD STORIES

CLASH OVER NAMA FURTHER DIMS HOPES FOR DOHA DEAL 1
WIPO GENERAL ASSEMBLY ENDS IN DISARRAY, AMIDST DIVISIONS OVER DIRECTOR-GENERAL 3
AFTER LONG DELAY, US NOTIFIES 2002-2005 AG SUBSIDIES TO WTO 5

OTHER STORIES

CANADIAN WTO NOTIFICATION CLEARS PATH FOR RWANDA TO IMPORT GENERIC HIV/AIDS DRUG 7
BRAZIL'S CALL FOR BIOFUEL LIBERALISATION CAUSES STIR IN ENV'T'L GOODS TALKS 8
EXPANDING GLOBAL TRADE FUELS POLLUTION CONCERNS 10

IN BRIEF

COSTA RICANS NARROWLY APPROVE CAFTA-DR IN REFERENDUM 11
ISRAEL AND EGYPT AMEND THREE-WAY TRADE DEAL TO BOOST EXPORTS TO US 12

WTO IN BRIEF

MEMBERS SUBMIT REVISED PROPOSALS ON TRADE FACILITATION 12

EVENTS & RESOURCES

EVENTS 13
RESOURCES 15

LEAD STORIES

CLASH OVER NAMA FURTHER DIMS HOPES FOR DOHA DEAL

Prospects for a deal in the troubled Doha Round of trade talks grew dimmer still this week, after an acrimonious debate on industrial tariff cuts between a large group of developing countries and the US left some trade diplomats wondering if an agreement was even possible.

Developing countries accounting for over half of the WTO's Membership, including Argentina, Brazil, India, and South Africa, formally argued that they should not be required to cut their bound manufacturing tariff rates more deeply than industrialised nations, in a paper submitted to a 9 October meeting of the WTO General Council. Calling agriculture the "unfinished agenda of the Uruguay Round," the group stressed that the depth of farm reforms should be the benchmark for future industrial tariff reduction.

The US, which is seeking greater access to developing country goods markets in return for farm subsidy cuts, slammed the proposal. US Ambassador Peter Allgeier said it was a "formula for failure" to negotiate as if manufactured goods and services "are simply residuals to be calculated after the dust has settled on agriculture."

"This could be the beginning of the end of the round," Sean Spicer, a spokesperson for the US trade representative's office, told the Associated Press. "This is a gigantic step backward. Are they trying to find a successful outcome or are they trying to light a fuse to blow up this round?"

Same disagreement, more acrimony

The disagreement was hardly new: the NAMA-11 has long argued that the Doha mandate for "less than full reciprocity in reduction commitments" by developing countries means that they should cut their bound industrial tariff rates by less than the percentage for industrialised countries. And the EU and the US have countered that such tariff cuts would not be deep enough to 'bite' into developing countries' applied

BRIDGES Weekly Trade News Digest is [also available online](http://www.ictsd.org/subscribe) 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

duties – which are much lower than their bound ceiling rates – to create new trade flows. They say that the “less than full reciprocity” mandate would be fulfilled by letting developing countries emerge from the Doha Round with a higher tariff ceiling.

What was unusual was the bitter tone of the debate, particularly given that it came after weeks of incremental – but nonetheless positive – progress in the agriculture negotiations. Governments have generally tended to save the finger-pointing until after failed attempts to reach breakthrough compromises.

In fact, just before the rancorous exchange, WTO Director-General Pascal Lamy had praised delegations for demonstrating “engagement and readiness to look for compromises” in the agriculture negotiations.

The US and the EU criticised the African, Caribbean, and Pacific (ACP) group, the African Group, the group of Small and Vulnerable Economies (SVEs), and the NAMA-11 – the joint sponsors of the new paper – for failing to accept the parameters for a non-agricultural market access (NAMA) deal set out by the chair of the negotiating committee in July. They said that countries should follow their lead and accept that paper as well as a companion draft text on agriculture as a basis for negotiations.

The NAMA-11 group, which includes Argentina, Brazil, Egypt, India, and South Africa, has expressed dissatisfaction with Canadian Ambassador Don Stephenson's NAMA text from the outset, arguing that the tariff cuts it provides for are too demanding of developing countries, too easy on industrialised nations, and out of all proportion to the farm subsidy reform provided for in the draft agriculture text (see BRIDGES Weekly, 1 August 2007, <http://www.ictsd.org/weekly/07-08-01/story2.htm>).

Stephenson's text suggested that Members might reach an agreement that would cap developed country tariffs at 8-9 percent and developing country tariffs between 19-23 percent, with duties reduced correspondingly across the board.

The new paper did not explicitly reject the NAMA chair's text. However, its core demand -- lower average bound tariff cuts for poor countries -- does not sit easily with the text's provisions. The stiffest reductions slated for the EU and the US would cut dutiable bound tariff rates by an average of roughly 40 percent; Brazil and India's substantially higher bound tariffs would respectively be slashed by over 50 and 60 percent at the very least (average applied rates would be reduced by 7 to 11 percent; see BRIDGES Weekly, 26 September 2007, <http://www.ictsd.org/weekly/07-09-26/story1.htm>).

In order to approach comparable percentage cuts to bound rates, the EU and the US would have to cap their manufacturing tariffs at 5 percent or less. This would have relatively modest effects on the low duties of 2 to 4 percent that they currently levy on most manufactures – the difference would probably be dwarfed by currency fluctuation. However, it would entail very sharp – and thus unpopular – cuts to the ‘tariff peaks’ on the handful of industrial goods on which these countries still maintain a high level of protection. Several of the protected industries are politically influential, and manufacture the same products, such as textiles and t-shirts, that developing countries export efficiently.

‘Flexibilities’ for developing countries to shield some tariff lines from the full force of tariff reduction are another central issue in the talks. Stephenson's text would allow them to subject 10 percent of tariff lines to only half of the reduction demanded by the formula (albeit limited to a tenth of total manufacturing imports), or to exclude 5 percent of tariff from cuts altogether (but limited to only 5 percent of imports).

The new paper argued that different developing countries would need varying degrees of such flexibility to address “social, economic, and labour concerns” or “to preserve the common external tariff in customs unions.” Many of the sponsors of the document are not among the 30-odd relatively larger developing economies required to apply the tariff reduction formula.

More than one trade negotiator expressed surprise about the “maximalist” demands put forward by the NAMA-11, the ACP group, the African Group, and the SVEs at this juncture in the talks. One, speaking on condition of anonymity, said “If they are really going to stick to that paper – and whether they are is an open question – there is probably no room for an agreement on NAMA.”

The official surmised that the sponsors were trying to send Stephenson a signal as he prepares a revised version of his draft deal to present to Members alongside a new agriculture text, possibly in November.

Nevertheless, the delegate expressed deep concern about a sort of circular paralysis in the negotiations: NAMA paralysed by the absence of progress on agriculture, and the US refusing to make clearer subsidy concessions, citing the lack of movement on NAMA.

US Ambassador Allgeier criticised the demands made by the four developing country groups. “It is time for delegations to affirm that they will negotiate on the basis of the chairs’ texts in both agriculture and NAMA, including the market access ranges and flexibilities contained in those drafts,” he said. EU spokesperson

Peter Power also called on countries to “undertake the necessary negotiations,” on the existing draft texts.

Brazil: US, EU not really committed to texts

Roberto Azevedo, a top Brazilian negotiator, argued that Brussels and Washington were not nearly as committed to the terms of the agriculture text as they seemed to be suggesting.

“The US, the EU, the other developed countries are picking and choosing the provisions of the agriculture text they can live with. On the other hand, they are asking the developing countries to take the [NAMA] text as a ‘take it or leave it’ business which is frankly unfair, unreasonable, and irrational,” he told journalists in Geneva the day after the General Council meeting, reports Reuters. “What they are essentially trying to do is put the blame on the shoulders of others if the round doesn’t go forward.”

The US suggested last month that it could accept the \$13 to 16.4 billion cap on trade-distorting subsidies set out in the agriculture negotiations chair’s text. However, it remains unclear where in this range it could go. Furthermore, ‘overall trade-distorting support’ has many product-specific and other components, and Washington has not explained how it might distribute spending cuts.

Azevedo, a senior official at the Brazilian foreign ministry, said that “with the level of uncertainty, with the level of ambiguity that we have in agriculture today” about how rich countries would cut tariffs and subsidies on individual products such as cotton, corn, and soy, “it is impossible for us to tell if we can live with what is in the [NAMA] text.”

“We are ready to negotiate on all fronts, in all areas, all the time, right up to the end,” he insisted.

Sources report that NAMA Chair Stephenson will meet with small groups of delegations in the upcoming weeks in an attempt to figure out how to proceed in light of the deep divisions.

Meanwhile, India, Brazil, and South Africa – all members of the NAMA-11 – are set to meet for a summit in Johannesburg and Pretoria next week.

ICSTD reporting; “U.S. slams Brazil, India, South Africa for refusing to open up goods markets,” ASSOCIATED PRESS, 9 October 2007; “Brazil decries ‘unfair’ US stance in trade talks,” REUTERS, 10 October 2007; “US says Doha round trade talks at risk,” REUTERS, 10 October 2007.

WIPO GENERAL ASSEMBLY ENDS IN DISARRAY, AMIDST DIVISIONS OVER DIRECTOR-GENERAL

The World Intellectual Property Organization’s annual General Assembly ended in disarray on 4 October, with member governments unable to agree on a new budget or future revenue streams for the institution, amidst divisions on whether Director-General Kamil Idris should resign.

Idris is accused of falsifying his age in WIPO records in ways that could have sped his rapid rise through the organisation’s ranks and positioned him to receive financial gains.

Industrialised countries, especially the US and Switzerland, called for Idris to resign, arguing that he was no longer fit to continue at WIPO’s helm. They wanted his fate sealed during the ten-day long assembly. In contrast, the African group argued that standard WIPO procedures, which could potentially take as long as one year, would suffice to address the issue and provide a fair hearing of the case.

The discord on how to deal with Idris spilled over into discussions on proposed cuts to the patent fees that fund the institution as well as on the budget for the next two years. Procedural machinations and unusually confrontational debate on the two issues culminated in votes – almost without precedent in WIPO’s consensus-based system. Both ended in stalemate, leaving government negotiators uniformly confused about how to move forward, though broadly united in the view that “it is a mess.”

WIPO will not shut down because member governments could not agree on a budget for 2008 and 2009. Under the institution’s rules, the current budget will simply continue. The lack of plans for future spending could potentially affect the implementation of a landmark series of reforms aimed at placing development concerns at the heart of WIPO’s work. The General Assembly had ratified the ‘development agenda’ only days before (see BRIDGES Weekly, 3 October 2007, <http://www.ictsd.org/weekly/07-10-03/story1.htm>). Close to half of the proposed reforms, however, will not entail major new costs, and might be able to proceed.

The chaos could threaten the organisation itself. Pierre Ruetschi, editor-in-chief of the Tribune de Genève, a Swiss newspaper, wrote earlier this week that an “inefficient and discredited” WIPO was losing its place as a “central platform” for negotiating patent, trademark, and copyright rules – the UN agency’s principal *raison d’être*. The US was now looking for other fora in which

to address intellectual property issues, he said, emphasising that “if Washington goes it alone, WIPO’s days are numbered.” The resulting “digital Wild West” would ill serve many countries both rich and poor, he suggested.

The general confusion risks obscuring the substantive achievements made by members during the General Assembly. Aside from the approval of the development agenda and the establishment of a new WIPO Committee on Development and Intellectual Property, governments agreed to prolong the mandate of an existing committee on traditional knowledge and genetic resources. They also agreed to continue discussions on patent law and contentious talks on broadcasters’ rights. Members enhanced the international patent filing system, for instance by bringing Brazilian and Indian patent authorities into the group that evaluates applications under the international Patent Cooperation Treaty (PCT), which facilitates the patent process in some 138 countries. The Assembly approved a 90 percent reduction in WIPO’s fees for least-developed country (LDC) applicants seeking to register industrial designs.

Divisions on Idris affect key votes

Nevertheless, the disagreement over Idris affected the General Assembly right through the end.

In a strongly worded speech on 1 October, Warren Tichenor, the US’ ambassador to the UN offices in Geneva, called on Idris to either refute the case against him or resign, reports Reuters. “To the director-general we say: clearly and convincingly answer the allegations against you in open forum in this General Assembly before member states, or heed those calling for new leadership at WIPO,” he said.

A confidential internal report by WIPO auditors in November 2006 confirmed that the director-general had changed his year of birth to 1954 after repeatedly using 1945 for several years, and suggested that he was in violation of staff rules. The former Sudanese diplomat has faced other allegations of misconduct in the past as well.

The audit became a proxy for a debate on Idris’ leadership: ‘Group B’ industrialised countries wanted the report discussed at the ongoing General Assembly. The African Group, with varying degrees of support from other developing countries, objected to this, pointing to the audit’s ostensible confidentiality. They argued for following standard WIPO process, such as discussion in the audit committee after the end of the assembly.

Ultimately, even a group of ‘friends of the chair’ drawn from all of WIPO’s regions was too split to come up with concrete suggestions on how to proceed, and General Assembly Chair Nigerian Ambassador Martin Ihoeghian Uhomobhi’s own suggestion for WIPO’s audit committee to review the report within 60 days failed to garner support. The US, Switzerland, and other Group B countries expressed opposition to closing debate on the issue. Spain and Switzerland pointed to Idris’ absence from the meetings, saying that his presence “would have been helpful in shedding some light on what will be the outcome.”

The disagreement cast a shadow over discussions on patent registration fees under the Patent Cooperation Treaty. These payments make up the lion’s share of WIPO’s revenues, and helped account for the organisation’s substantial fiscal surplus for 2006-07. Japan and the US proposed lowering the fees by 15 percent to bring revenues into line with expenditures. Brazil and other developing countries wanted a lower reduction, of 2 to 3 percent, in order to ensure sufficient funding for development-related activities. The EU proposed a compromise figure of 5 percent. However, members were unable to agree. Algeria, speaking on behalf of the African Group, called for a vote to effectively postpone the discussion on patent cooperation fees and move on to budget negotiations. Observers suggested that the motion became a de facto vote on support for Idris. It was defeated by two votes, with Group B industrialised countries voting overwhelmingly against it. Notably, several Latin American countries abstained, including Brazil, Ecuador, and Mexico. Even three African countries refrained from supporting Algeria’s motion – Liberia, Malawi, and Tanzania.

As for the budget, discussions continued into the wee hours that evening. For the first time in the organisation’s history, member states could not reach consensus on the budget, with the US and the African group bitterly divided. The budget plan for 2008 and 2009 had already been endorsed by WIPO’s programme and budget committee, but it too became hostage to the differences on Idris.

The Algerian ambassador called for a vote on the budget, saying that he was compelled to do so because of the need to secure funding for the development agenda. Only 108 of WIPO’s 184 members cast their votes on the motion, due to absences and a technicality which prevented over two dozen countries from voting because they had not paid their dues. Although 64 delegates voted in favour of the budget, this fell short of the two-thirds majority of 72 that it needed, leaving future spending plans for WIPO in limbo. Brazil and Ecuador, for instance, supported the budget despite having abstained from the earlier vote on patent fees.

Many government delegates are confused as to what will happen next, although they generally agree that WIPO will not be able to move forward on the budget and patent fee issues until the issue of Idris' fate is resolved.

Sources suggest that a group of countries were unsuccessful in attempts to work out a deal to refer the audit report on Idris to a special session of the General Assembly in February 2008. One possibility now is that the Group B developed countries that currently chair the Coordination Committee, WIPO's executive advisory body, might hold a special meeting – one could be convened with the consent of only a quarter of WIPO members. Some suggest that a meeting of the committee could become a forum for considering the future leadership of the organisation.

Although Secretariat officials have staunchly defended Idris against accusations of misconduct, there are signs that this support may be beginning to fray. Intellectual Property Watch this week published an anonymous letter in which several staff members excoriated the WIPO chief for his exceedingly low profile during the General Assembly.

"Where were you when the future, the image and the reputation of your organisation were being dragged through the mud a few floors from your office?" they wrote. "Where were you when our future, our image and our reputation were at stake? And what is more, when the future of the wealthiest of the UN institutions, the future of intellectual property and the future of creativity and innovation of developing countries were being questioned? Where were you to defend the organisation and us, your staff?"

The letter was signed 'Cincinnatus,' after the ancient Roman leader famed for voluntarily giving up dictatorial powers to return to his farm.

ICTSD reporting; "Le mensonge qui menace la Geneve internationale," TRIBUNE DE GENEVE, 8 October 2007; "Inside Views Open Letter from Staff to the Director General of WIPO," INTELLECTUAL PROPERTY WATCH, , 8 October 2007; "WIPO Assembly Ends In Deadlock Over Budget, Director General," INTELLECTUAL PROPERTY WATCH, 4 October 2007; "Une large fracture Nord-Sud a paralyse l'assemblée de l'OMPI," LE TEMPS, 4 October 2007; "US urges UN patent agency chief to consider quitting," REUTERS, 1 October 2007.

AFTER LONG DELAY, US NOTIFIES 2002-2005 AG SUBSIDIES TO WTO

The US on 4 October announced that it has notified the WTO of its domestic support payments to farmers for the years 2002 to 2005, with a senior official insisting that Washington had remained within the spending limits imposed by its obligations to the global trade body.

Following years of criticism for the notification delay, the US' payment claims are now likely to be closely scrutinised by trading partners.

Uncertainty about exactly how much Washington doles out in trade-distorting subsidies has been an irritant in the Doha Round negotiations on cutting farm support, as well as in WTO disputes launched by Brazil and Canada.

Joe Glauber, the US' lead agriculture negotiator, told reporters on 4 October, that US payments on overall trading-distorting support (OTDS) amounted to \$16.3 billion in 2002, \$10.2 billion in 2003, \$18.1 billion in 2004, and \$18.9 billion in 2005.

These figures are all considerably lower than Washington's current WTO spending entitlement of \$48 billion for such support. They are also well within the future spending cap of \$22.5 billion formally tabled by the US in the Doha Round, suggesting that this ceiling could be achieved with few changes to existing practice.

However, many WTO Members have called this US subsidy offer inadequate. The chair of the Doha Round agriculture negotiations, Ambassador Crawford Falconer (New Zealand), suggested in July that a potential consensus deal could require the US to cap OTDS between \$13 billion and \$16.4 billion. The US later indicated that it could accept these figures as a basis for negotiations – so long as the EU and major developing countries could accept the paper's terms for agricultural market access as well as the cuts to industrial tariffs set out in a companion text by the chair of the latter negotiations.

One of the sticking points in the talks has been the extent to which the US' cuts would affect its actual spending levels. Glauber argued that, because notified OTDS levels would have exceeded the upper limit of Falconer's suggested range in five out of the past eight years, they did represent the 'effective' cuts in overall support to which Members are committed.

Some members of the G-20 developing country bloc have insisted that the US should cap subsidies at a

level close to the \$11 billion which they estimate it to have spent last year, although the group's formal proposal is for a \$12 billion ceiling. Since Falconer circulated his draft negotiating text in July, the group has been calling for a figure in the 'low teens'.

Trade-distorting 'amber box' spending fluctuating wildly

Glauber also unveiled figures for the share of US subsidies notified as 'amber box' – a component of OTDS that includes the most heavily trade-distorting types of support, usually linked directly to prices or production levels. According to the US Department of Agriculture, this was notified as being \$9.6 billion in 2002, falling to \$6.9 billion in 2003, before rising again to \$11.6 billion in 2004 and \$12.9 billion in 2005.

The senior farm trade negotiator emphasised that US amber box spending remained below the \$19.1 billion ceiling in its WTO obligations. This has been disputed recently by Brazil and Canada, who have filed near-identical WTO challenges against US farm subsidy spending going back to 1999 (see BRIDGES Weekly, 18 July 2007, <http://www.ictsd.org/weekly/07-07-18/story2.htm>). Both charge that the US had only stayed within its amber box limits by improperly excluding payments under several different types of farm programmes from its calculations.

The US has claimed that fluctuating commodity prices prevent it from accepting a substantially reduced cap on subsidy spending, since it wants the freedom to boost farm payments should prices fall in the future. However, prices for commodities like maize and wheat have been consistently high for some years, and have nonetheless coincided with dramatic fluctuations in notified OTDS.

According to a paper released last month by the German Marshall Fund of the United States, actual US spending on trade-distorting farm subsidies would be unlikely to intersect even the lower \$13 billion OTDS cap in Falconer's text until 2013, barring a substantial fall in commodity prices. The authors, David Blandford and Tim Josling, based their projections for future spending on the farm bill currently in the US Congress. They said that the OTDS ceilings that Falconer set out for the EU and US could be met by both "without major additional changes in domestic agricultural policies." The authors nonetheless suggest that Falconer's proposed new subsidy ceilings "would exert pressure" on Brussels and Washington to continue reducing trade-distorting domestic support, and prevent backsliding in the future. Under the terms for extra-deep cuts to cotton subsidies, US cotton payments would face real reductions from the outset of Doha Round implementation.

Minimally trade-distorting 'green box' subsidies rise dramatically

As for 'green box' payments, which ostensibly cause no more than minimal trade distortion and are hence exempt from cuts under the Doha Round, US expenditures have been rising dramatically. While in 2000 and 2001 these were a little more than \$50 billion, they rose to \$58.3 billion in 2002, \$64.1 billion in 2003, \$67.4 billion in 2004, and \$71.8 billion in 2005.

A number of developing countries, including the G-20, have called for tightening the rules that determine what constitutes green box spending, arguing that some payments currently deemed 'green' can significantly distort production and trade. Ballooning green box subsidies by the US may give them little cause for comfort. However, Glauber argued that the growth reflects increases in domestic anti-hunger programmes for food stamps and child nutrition, which are generally not controversial.

Brazil may seize on the fact that the US has notified its 'direct payments' under the green box category, even though these were ruled ineligible for the green box during the two countries' WTO dispute over US cotton subsidies. The Appellate Body decided that direct payments to US cotton farmers could not be categorised as 'decoupled' from production decisions, as the green box demands, since producers would have been ineligible to receive the payments if they planted fruit or vegetables instead (see BRIDGES Weekly, 9 March 2005, <http://www.ictsd.org/weekly/05-03-09/story1.htm>).

Timing of the announcement

Carin Smaller, the Geneva-based director of the Trade Information Project at the Institute for Agriculture and Trade Policy (IATP), said that the US' decision to notify its subsidy spending now came as no surprise.

"The US is playing a little public relations game," she said. "There are mounting cases against US subsidies and unless Washington coughs up the figures there will be negative inferences at the WTO about the legality of US farm spending." She pointed out that the actual amounts in the notification would have looked quite different if direct payments had not been classified in the green box, as per the cotton ruling.

Smaller added that the timing of the announcement also allowed the US to argue that Falconer's proposed cuts on OTDS would represent a real concession.

She also noted that subsidy payments for 2006 were omitted from the announcement. Although this could possibly be because official data is not yet available,

low OTDS figures for the year could undercut Washington's claims about facing real reductions in spending.

The US notification (G/AG/N/USA/60) is available at <http://docsonline.wto.org>.

ICTSD reporting.

OTHER STORIES

CANADIAN WTO NOTIFICATION CLEARS PATH FOR RWANDA TO IMPORT GENERIC HIV/AIDS DRUG

Rwanda is on the verge of becoming the first country to use WTO procedures designed to allow poor nations to import cut-price medicines that they are unable to manufacture, after Canada last week formally notified the global trade body that it had authorised the production of generic copies of a patented HIV/AIDS drug for export to the African state.

The notification (IP/N/10/CAN/1), submitted on 4 October, noted that Canadian patent authorities had issued a compulsory licence to Apotex, a Toronto-based generics manufacturer, to legally make 15.6 million tablets of 'Apo-TriAvir', a combination of three patented medicines, for export to Rwanda over the next two years (see BRIDGES Weekly, 26 September 2007, <http://www.ictsd.org/weekly/07-09-26/story2.htm>). It also provided an address for Apotex's new website describing the product, as required by the WTO.

In July, Rwanda had notified the WTO that it intended to import 260,000 packs of Apo-TriAvir from Canada (see BRIDGES Weekly, 25 July 2007, <http://www.ictsd.org/weekly/07-07-25/story2.htm>).

This set in motion a process set out in the so-called '30 August Decision', which established procedures for poor countries with limited pharmaceutical manufacturing capacity to import generics produced under compulsory licence elsewhere. Agreed to by WTO Members on that day in 2003, the decision established terms for waiving the requirement for generic drugs thus produced to be "predominantly" for a country's domestic market. Although WTO intellectual property rules allow governments to suspend drug patents without patent-holders' consent in circumstances such as public health crises, the domestic-use requirement had left only limited quantities of medicines eligible for export to countries unable to make them.

Health activists complained that the administrative requirements set out in the 30 August Decision waiver were so onerous that countries would have difficulty using it at all, let alone rapidly to address emergencies.

Nearly four years passed before Rwanda became the first country to try to use the procedure – and as a least-developed country, it did not have to prove that its domestic drug making capacity was insufficient to meet its needs.

Nevertheless, with Canada's notification and Apotex's creation of a website describing the generic tablets' composition, shape and distinguishing markings intended to prevent them from being confused with brand-name products – in addition to a pledge to provide the drug at cost – the 30 August Decision's requirements appear to have been fulfilled. Apo-TriAvir "can now be made and exported to Rwanda," said a press release issued by the WTO last week.

This does not mean that drug shipments are about to start. That is not likely until December or January, according to Elie Betito, Apotex's director for public affairs. "We're still in the final phases of developing the active ingredients" in cooperation with the Clinton Foundation, he said, with production set to commence "in the next month and a half."

Even then, Betito added, Apotex would still have to defeat potential competitors to win a Rwandan government tender for the purchase of the combination drug, expected in November or December.

Rwandan domestic law requires it to issue tenders whenever buying drugs, explained Anita Asiimwe, director of the Rwandan health ministry's Treatment and Research AIDS Centre. "Apotex can bid," she told Bridges, but it "is not guaranteed to win." Other bidders, she suggested, could conceivably come from India or other countries where the components of Apo-TriAvir are not eligible for patent protection, since they would not need compulsory licences to produce generic versions of the drug.

So why didn't Kigali simply import generics from India in the first place? Rwanda wanted to ensure that "a quality generic manufacturer was in a position to compete with other manufacturers" bidding for the tender, Asiimwe said. The Rwandan government would then award the tender based on price and quality as defined by the World Health Organization (WHO).

Apo-TriAvir made by Apotex has received 'pre-qualification' status from the WHO, indicating that it meets certain quality, safety, and efficacy standards. So has an identical triple-drug combination produced by

Hetero Drugs Limited, an Indian company, according to information on the WHO website.

Last month, Richard Elliott, executive director of the Canadian HIV/AIDS Legal Network, welcomed the compulsory licence for Apotex, but reiterated a call for simplifying Canada's three-year old legal regime for exporting affordable drugs under the 30 August Decision. If Canada is serious about wanting to facilitate the provision of medicines to developing countries, he said, it should transform the barely-used regime into a 'one-licence solution' that would authorise a company to produce the same drug for export to any country that submits notifications to the WTO.

Apotex's Betito made a similar argument, noting that if another country sought to import Apo-TriAvir, the company would have to repeat the entire process, right down to seeking voluntary licences from the brand-name manufacturers that hold the patents on the components of the drug.

ICTSD reporting.

BRAZIL'S CALL FOR BIOFUEL LIBERALISATION CAUSES STIR IN ENV'T'L GOODS TALKS

Brazil last week created a stir in the Doha Round negotiations on liberalising trade in environmental goods, by calling for specific products to be slated for expedited tariff cuts based on a request-offer process – with biofuels included.

The talks must "encourage a larger participation of developing countries in this [environmental goods] commerce and must promote their capacity to develop environmental goods industries, argues the proposal (JOB (07/146)). To this end, it advocates "improved market access for their exports of agricultural environmental goods" as a result of the negotiations. Brazil, which is one of the world's biggest producers of ethanol, said that "biofuels are essentially an environmental good," suggesting that trade barriers on them should be reduced.

Trade diplomats discussed the paper at a 2 October informal meeting of the the WTO Committee on Trade and Environment special (negotiating) session (CTE-SS).

The Doha mandate in 2001 instructed Members to negotiate "the reduction or, as appropriate, elimination of tariff and non-tariff barriers to environmental goods

and services." However, governments have remained divided on how to determine which products are eligible for accelerated liberalisation.

A group of primarily industrialised countries want Members to create a 'list' of environmental goods. India and Argentina counter that this may not adequately ensure that products are used for environmental purposes. They instead support tariff cuts for goods used towards a negotiated list of specific environmental activities, which might include air pollution control, water management, soil conservation, waste management, and renewable energy (see BRIDGES Trade BioRes, 22 June 2007, <http://www.ictsd.org/biores/07-06-22/story5.htm>).

The Brazilian submission said the environmental goods list currently under discussion consists primarily of "highly sophisticated industrial products... quite beyond the capacity of developing countries," echoing criticism by others in the developing world. It claimed this could be rectified with a greater focus on "agricultural environmental goods," which barely figure on the current list. Sources report that many Members, competitive farm exporters and reluctant importers alike, criticised the concept of designating agricultural products as environmental goods. They included the EU, Korea, Japan, Taiwan, Mexico, Australia and Argentina.

Biofuels as environmental good

Brazil's suggestion that biofuels were "essentially an environmental good," and thus deserving of expedited tariff cuts, met with a lukewarm response. Several developed country delegates were less than enthusiastic. Canada raised environmental concerns related to biofuel production, as did Cuba. The EU, Korea, and Australia expressed skepticism about the idea, and the US did not comment.

Deep tariff cuts on biofuels are unlikely to find favour in industrialised nations, most of which place high tariffs on ethanol. The US, for instance, places a tariff of over 14 cents per litre on ethanol, in order to protect its own politically influential corn-based ethanol industry. EU tariffs are roughly twice as high, at current exchange rates.

The environmental merits of biofuels are currently the subject of heated debate. Although Northern governments currently receive strong political support for subsidising biofuel production, the ethanol produced in those countries, generally produced from corn, wheat, and rye, is less efficient at curbing energy use and greenhouse gas emissions than sugarcane-based ethanol produced in tropical countries such as Brazil. Giving the two different tariff treatment would be

problematic, due to strictures against differentiating between products on the basis of 'process and production methods.'

Ronald Steenblik, head of research for the Global Subsidies Initiative, which has heavily criticised subsidies for biofuel production, allowed that the Brazil's blanket qualification of biofuels as environmental goods was "not very nuanced." Nevertheless, he said that "cane-based ethanol from existing cane plantations has good energy balance and greenhouse-gas mitigation properties." Given that "many countries have mandated the use of biofuels for environmental reasons, it is right and proper for Brazil to take them at their word, and ask them to level the playing field" between domestic and imported ethanol, he said. Steenblik did caution that the emissions-saving benefits of replacing fossil fuels with biofuels could potentially be compromised if large areas of savanna or forest land were to be brought under cultivation, either to directly produce biofuel feedstocks or to make up for displaced food, fibre or feed production.

Request-offer process mooted

Sources said that the Brazilian proposal broke new ground by suggesting an alternative method for identifying environmental goods. Although describing the 'integrated' approach backed by India and Argentina as "promising," it said that "if Members come to the conclusion" that tariff reduction commitments on specific products are necessary, they could consider a straightforward request and offer approach to do so.

Over the course of a number of "offer rounds," each country would ask its trading partners to slash tariffs on those agricultural and non-agricultural goods it felt would bring environmental benefits. Countries would then determine whether such liberalisation requests might compromise their own development of environmental or other industries, and indicate the environmental goods on which they were prepared to remove trade barriers.

Delegates report that most developed countries were supportive of the 'request-offer' notion, but some developing country representatives suggested that it would be cumbersome and time consuming. The US described it as "helpful," saying that it was not wedded to the concept of a common list for all Members, so long as the outcome of the negotiations was meaningful. Norway and others asked for more information how the 'request-offer' approach would function.

Organic foods mentioned in NTB section

Notably, the Brazilian submission raised the concept of making organic food products part of the environmental goods negotiations. Although it stopped short of specifically propose their designation as environmental goods, it did so indirectly by referring to them in a section calling on Members to address non-tariff barriers that impede trade in "products that are both environmentally sound and capable of promoting sustainable development"

Biofuels with the other class of products singled out for facing "important obstacles related to technical regulations and conformity evaluation procedures."

Brazil said that the CTE should request to the relevant committees of the Codex Alimentarius Commission, which sets global food standards on behalf of the UN, to develop standards for organic foods. Such international standards could then replace WTO Members' "extensive and sometimes conflicting array of standards and legislation," easing the path for exports and encouraging growth in the potentially large organic food sector. The paper suggested that this could remove commercial barriers, and thus "benefit trade, the environment and development." Such 'triple wins' are an explicit objective of the Doha Round.

Some delegates expressed concern about the implications of according special tariff treatment to organic products versus non-organic ones, since it would open the door to a discussion on whether to differentiate between products based on 'process and production methods' (PPMs). Australia and Korea expressed skepticism that organic foods merited classification as environmental goods. They also cited PPM-related concerns.

Many developing countries including Colombia, Cuba, Bolivia, Pakistan and Thailand were supportive of developing Codex-based standards for organic foods. One developing country delegate suggested that organics could not be dealt with in the CTE without simultaneously addressing non-tariff barriers.

One delegate told Bridges that it would be difficult to categorise organic and non-organic products differently for customs purposes.

The Brazilian paper suggested that the negotiations could affect developing countries' industrial transformation towards greener modes of production. "A key issue for sustainable development in developing countries is the establishment of industries that do not reproduce the patterns of energy consumption and natural resource depletion of the developed countries," it said, saying that this would require allowing developing countries to "generate solutions adapted to local necessities and conditions."

The proposal also called for technology transfer to poor countries to promote access to new environmental and clean technologies, suggesting that a mechanism could be created to evaluate technology transfer related to products liberalized as a result of the environmental goods negotiations.

More formal responses to the Brazilian submission are expected at the next session of the negotiating committee, scheduled for 1-2 November. In the meantime, Members say that they are reflecting on the paper. CTE-SS Chair Ambassador Mario Matus (Chile) has indicated that he will engage in consultations with small groups of countries to clarify issues related to the proposal.

Meanwhile, a large number of developing countries drew attention to the the relationship between the environmental goods talks and the broader negotiations on manufactured goods at a meeting of the General Council on 9 October. Addressing the WTO's top permanent decision-making body on their behalf, South Africa stressed that the CTE-SS alone should determine the fate of non-agricultural environmental goods.

The comment was likely in response to a May 2006 proposal from a group of economies, including the EU and the US, calling for tariffs on environmental goods to be eliminated via the sector-specific liberalisation component of the negotiations on manufacturing duties (see BRIDGES Weekly, 17 May 2006, <http://www.ictsd.org/weekly/06-05-17/story3.htm>).

ICTSD reporting.

EXPANDING GLOBAL TRADE FUELS POLLUTION CONCERNS

The need for action to stem the global warming impact of shipping and air-freighting goods around the world is increasingly coming to the fore.

The EU and the US recently clashed over the inclusion of aviation in carbon emissions trading at a meeting of the International Civil Aviation Organisation (ICAO), the UN's intergovernmental body for regulating civil air transport. Meanwhile, US environmental groups and the state of California are pushing for new regulations on greenhouse gas emissions from shipping, which would affect all vessels entering US territorial waters.

EU to include aviation in its emissions trading scheme

Brussels, which is a major champion of legally-binding measures to address climate change, has set up an emissions trading scheme as one of the main measures to reach its commitment reductions under the Kyoto Protocol. The scheme currently covers industry, with aviation set to be included potentially as early as 2010. The US opposes a scheme under which its airlines would have to pay up when landing in and departing from Europe.

The ICAO Assembly, which ended on 28 September, adopted a resolution calling for regional emissions trading schemes to be based on 'mutual consent' if and when applied to aircraft from non-members. In practice, this would require negotiating separate agreements with all third parties that have aircraft entering territory covered by the scheme. In an unprecedented move, the 42-member European group filed a written reservation allowing it to side-step this resolution, meaning the group is ready to go ahead with its emissions trading scheme – and that all aircraft entering its territory would have to participate. "Whilst Europe is committed to multilateral action to address the effects of aviation emissions, mutual agreement is not a pre-condition for the implementation of market-based measures," it said.

Referring to the differences over the reach of the European emissions trading scheme, C. Boyden Gray, Washington's ambassador to the EU, hinted that new charges on US airlines could lead to a WTO dispute, saying that "the Europeans are confident of their legal authority and people on the other side are equally confident of their position. It sounds like a lawsuit to me. I don't see how it's going to get resolved politically."

According to Grey, the EU should focus on stemming emissions from its own transportation system, "before sort of distracting everybody with airlines, which is a pretty small fraction, at the moment, of the transportation sector."

While the bulk of internationally traded goods are transported by water, roads and rail, aviation also plays an important role. Although the aviation sector contributes only around two percent of global carbon dioxide emissions, when indirect effects from other pollutants as well as cloud formation are considered, it accounts for up to nine percent of actual global warming. Aviation is also one of the fastest-growing transport sectors. Emissions have doubled since 1990 and are projected to further grow by 3.5 percent annually.

Environmental groups: Rules needed on shipping emissions

On 3 October, California Attorney-General Jerry Brown and a coalition of environmental groups simultaneously petitioned the US Environmental Protection Agency (EPA) to take action to regulate emissions from marine shipping causing climate change.

The environmental groups Earthjustice, the Center for Biological Diversity, Friends of the Earth, and Oceana said that "the sheer number of these ships, coupled with operating practices that use fuel inefficiently and poor government oversight, results in carbon dioxide emissions" equal to "the emissions of 130 million to 195 million cars."

The petitions came in the wake of a US Supreme Court ruling in April this year, which confirmed that the EPA has the jurisdiction to regulate in the area of climate change. The current petitions are the first to be filed after the Supreme Court decision, and would affect global shipping operations. Even though potential EPA rules would apply to US territorial waters only, they would apply to all vessels operating there, regardless of their country of origin or country of flag. Tough rules in the US may also lead the country to push for tightened rules at the international level through the International Maritime Organisation.

The petition filed by the four environmental groups asked the EPA to act by "(1) requiring marine shipping vessels to meet emissions standards by operating in a fuel-efficient manner, using cleaner fuels, and/or employing technical controls, so as to reduce emissions of carbon dioxide, nitrous oxide, and black carbon, and (2) controlling the manufacture and sale of fuels used in marine shipping vessels by imposing fuel standards to reduce emission products that contribute to global warming."

According to the petition, marine vessels produce close to three percent of the world's greenhouse gases. The worldwide fleet of 90,000 ships transports 90 percent of the world's goods, and only six countries emit greater amounts of greenhouse gases. Shipping has grown by three percent annually on average over the last three decades, and shipping emissions are projected to grow by more than 70 percent by 2020, as global trade continues to expand.

The petition for regulatory action on greenhouse gas emissions from ships came shortly after a meeting of 16 major economies organised by US president Bush in Washington focused on voluntary measures to address global climate change.

The EPA will have to provide a response to the petition within six months.

For more information, see BRIDGES Trade BioRes: "US Says European Aviation Emissions Trading Scheme to End Up as WTO Dispute," available at <http://www.ictsd.org/biores/07-10-05/story1.htm>,

and "Environmental Groups Push for Rules on Emissions from Shipping," available at <http://www.ictsd.org/biores/07-10-05/story2.htm>.

To view the petition by the environmental groups, see http://www.oceana.org/fileadmin/oceana/uploads/Climat_e_Change/Marine_GHG_Petition_FINAL.pdf.

ICTSD reporting; "US envoy: EU risks new trans-Atlantic trade fight by including airlines in emissions program," AP, 25 September 2007; "EU Clashes With US Over Airline Emissions Trade," REUTERS, 24 September 2007; "EU emissions trading plan set for takeoff despite transatlantic rift," EUROPEAN FEDERATION FOR TRANSPORT AND ENVIRONMENT RELEASE, 28 September 2007; "Aviation Industry Rejects Europe's Climate Emissions Trading System," ENS, 2 October 2007. "EPA Asked to Regulate Ship Emissions," AP, 3 October 2007; "Environmental Advocates Urge The EPA To Reduce Global Warming Pollution From Ships," OCEANA RELEASE, 3 October 2007; "E.P.A. Is Petitioned to Limit Ship Emissions," NEW YORK TIMES, 3 October 2007; "Shipping emissions are vastly underestimated," THE TIMES, 4 October 2007.

IN BRIEF

COSTA RICANS NARROWLY APPROVE CAFTA-DR IN REFERENDUM

Costa Ricans this week voted narrowly in favour of a free trade agreement with the US and five Central American nations, Costa Rica became the last of the six to ratify the accord, and the only one to do so by referendum.

President Oscar Arias, the country's most prominent supporter of the Dominican Republic-Central American Free Trade Agreement (CAFTA-DR), hailed the vote as a victory for domestic industries, which may otherwise have risked losing preferential access to the US market.

The referendum passed narrowly, garnering 51.58 percent of the votes. Opponents were quick to call for a manual recount, with 97 percent of polling stations reporting, all signs pointed to an approval of the treaty.

Costa Rica is projected to benefit from greater access to the US market, particularly in apparel manufacturing.

Critics claim that CAFTA-DR would likely flood the Costa Rican market with subsidised US farm imports and potentially endanger the welfare state Costa Rica has enjoyed for the past six decades.

The accord will end Costa Rica's state monopoly on telecommunications and insurance. Although sceptics complained that the status quo was working well, others argued that opening the door for competition would give Costa Ricans lower prices and better services.

Leading up to the referendum, Washington made it very clear that a rejection would lead to no revisions of the agreement. US Trade Representative Susan Schwab went so far as to say that if the treaty was voted down, there was no guarantee that the US would renew current unilateral trade preferences for Costa Rica under the Caribbean Basin Initiative.

A 2005 World Bank study suggests that CAFTA-DR could boost growth and help nearly 500,000 people in the region out of poverty by 2010.

In addition to the US, Costa Rica's CAFTA-DR partners are the Dominican Republic, El Salvador, Guatemala, Honduras, and Nicaragua.

ICTSD reporting; "US Eyes Next Step after Costa Rica Backs Trade Pact," REUTERS, 8 October 2007; "Costa Rica to Join Free Trade Agreement," ASSOCIATED PRESS, 9 October 2007; "Victory for Costa Rica," WASHINGTON POST, 9 October 2007.

ISRAEL AND EGYPT AMEND THREE-WAY TRADE DEAL TO BOOST EXPORTS TO US

Egypt and Israel on 9 October agreed to reduce the minimum percentage of Israeli components necessary for certain Egyptian products to gain duty-free access to the US, under a three-way trade agreement.

The decision amends a 2004 deal under which Washington promised to allow goods produced in selected 'qualified industrial zones' (QIZs) in Egypt unrestricted access to US markets under the US-Israel free trade agreement, as long as they contained a certain percentage of Israeli components (See BRIDGES Weekly, <http://www.ictsd.com/weekly/04-12-15/story5.htm>, December 15). The threshold for eligibility has now been lowered from 11.7 to 10.5 percent.

Egypt has also asked for 8 more QIZs to be created, mostly in the southern parts of the country. Israel has indicated support for this request, and both countries have signed a letter requesting the US to approve the new territories.

Eli Yishai, the Israeli industry, trade and labour minister, and Rashid Mohammed Rashid, his Egyptian counterpart signed the amendment in Cairo.

The agreement, along with similar initiatives in Jordan, is part of a US-led initiative to promote peace through trade and development in the region. Egyptian clothing and textiles exports to the US have increased dramatically over the years. Press reports indicate that approximately 203 companies currently benefit from the QIZs, compared to only 54 in 2005, with exports since then worth \$1.275 billion. Israeli exports to Egypt have amounted to \$78 million worth of goods to date in 2007, \$8m more than last year.

The Egyptian minister said that the protocol helped attract foreign investors to Egypt, and boosted the performance of companies and industries. He also added that this would not be the last reduction.

The amendment and the original three-way agreement have been controversial. Not only are many Egyptians reluctant to fully normalise relations with Israel, the agreement's requirement for Israeli content might be deemed discriminatory.

Israel, Egypt sign amended economic agreement-summary," EARTHTIMES.ORG, 10 October 2007; "Egypt, Israel to amend trade agreement," INTERNATIONAL HERALD TRIBUNE, 8 October 2007; "Egypt, Israel to ratify trade agreements," JERUSALEM POST, 9 October 2007; "Egypt and Israel sign amended trade agreement," THE JERUSALEM POST, 9 October 2007; "Egypt, Israel sign deal easing access to US market," REUTERS, 9 October 2007; "Israel and Egypt to boost Exports to US," MIDDLE EAST TIMES, 9 October.

WTO IN BRIEF

MEMBERS SUBMIT REVISED PROPOSALS ON TRADE FACILITATION

The financial and environmental costs of measures taken to cut red tape and ease the movement of goods featured prominently during WTO talks on trade facilitation last week.

In the negotiating committee, Members continue to refine earlier proposals as they work towards constructing the building blocks of a potential future accord. One revised submission by India (TN/TF/W/123/Rev.1) would place a limit on the number of times Members would be obliged to exchange information and documents about particular cross-border transactions, in response to concerns that the costs of doing so could become onerous. It also introduced a specification that information thus exchanged would be confidential.

Japan, Mongolia and Switzerland submitted also softened the demands of the commitments proposed in two revised papers. In one, on publication and availability of trade-related information (TN/TF/W/114/Rev.1), possibilities for multiple enquiry points (without a single primary one) were expanded, along with more choice about the means of publication. The second (TN/TF/W/115/Rev.1, co-sponsored with Hong Kong and Korea) created loopholes for "urgent circumstances and other limited exceptions" in potential obligations for Members to publish trade-related laws and legislations prior to their entry into force.

During the 1-4 October session, sources report that Chair Ambassador Eduardo Ernesto Sperisen-Yurt (Guatemala) held informal consultations on key issues including special and differential treatment, technical assistance and capacity building, and transit issues. Among the issues discussed was a Turkish-Georgian proposal (TN/TF/W/146) calling for the removal of quotas on the number of trucks that could cross a border for transit purposes. The sponsors noted that these quotas, usually determined on the basis of bilateral arrangements, were burdensome to traders and pushed up freight costs. India, the EU and Brazil, among others, said that the issue was more appropriate for the transportation sector of the services negotiations. The EU said quotas could be legitimate due to environmental or other needs to restrict capacity.

The next formal session of the negotiating committee is scheduled for early November. Sperisen-Yurt is reportedly expected to hold informal consultations with delegations on how to accelerate the process.

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.

Coming Up: 11-17 October

11-12 October, Washington, DC. CONFERENCE ON INVESTOR-STATE DISPUTE SETTLEMENT – EMERGING ISSUES AND CHALLENGES FOR LATIN AMERICAN COUNTRIES AND INVESTORS. This conference is organized by the UN Conference on Trade and Development (UNCTAD), the Inter-American Development Bank (IADB) and the Columbia Program on International Investment (CPII), with the collaboration of the SETIC/Academia de Centroamérica and the Organization of American States (OAS). The conference will address trends and developments in investor-state dispute settlement internationally and within Latin America, the impact of investor-state dispute settlement on domestic reform processes, the challenges associated with dispute settlement for Latin American capital exporters, in particular small and medium-sized firms and the dispute settlement alternatives in the region. Internet: <http://www.unctad.org/Templates/Meeting.asp?intlItemID=2068&lang=1&m=14516&year=2007&month=10>

11-12 October, London, United Kingdom. SOLUTIONS FOR SUSTAINABILITY. This conference, organized by the German-British Forum along with the International Energy Agency, will investigate the world's need for appropriate economic, industrial and environmental policies to secure stable energy supplies, sustain growth and meet the challenge of climate change. As the complexities of global warming assume greater priority, the international community world faces the task of devising policies to ward off ecological threats yet maintain economic dynamism. The conference will examine the issues overshadowing the world energy scene from a mix of political, industrial and technological standpoints. Internet: <http://www.gbf.com/gbf/overview.asp?ConfNo=1022>

15-16 October, Geneva, Switzerland. WORKSHOP ON TRANSPARENCY. The WTO Secretariat is organising a special workshop on the transparency provisions of the Agreement on the Application of Sanitary and Phytosanitary Measures (SPS Agreement). The purpose of the workshop is to enhance the implementation of transparency obligations and to

identify best practices for drawing benefits from a transparent system. Internet: http://www.wto.org/english/tratop_e/sps_e/wkshop_oct07_e.htm

15-16 October, Paris, France. OECD GLOBAL FORUM ON TRADE. The objective of this Global Forum is to trigger a fruitful dialogue between the Organisation for Economic Cooperation and Development (OECD) and non-OECD economies on the issue of trade, innovation and growth – or how trade and open markets affect the innovation process and how trade policy can be used to help provide the right framework conditions for innovation. Internet: http://www.oecd.org/site/0,3407,en_21571361_388638_17_1_1_1_1,00.html.

15-16 October, Stratford-upon-Avon, UK: SUSTAINABILITY IN FOOD AND AGRICULTURE: THE ROLE OF THE PRIVATE SECTOR AND GOVERNMENT. This event is organized by the International Food & Agricultural Trade Policy Council (IPC). Recognizing that agriculture and food security face a range of pressing challenges from increasing population growth to global warming, IPC will bring together international food and agricultural trade experts, environmental experts, farm leaders, government officials, and agribusiness and food retail executives to discuss how the private sector and governments can best address these sustainability challenges and will also discuss the role of trade in the sustainability debate. Internet: http://www.agritrade.org/events/sustainability_agriculture.html

WTO Events

An updated list of forthcoming WTO meetings is posted at: http://www.wto.org/meets_public/meets_e.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.

11 October: COMMITTEE ON TRADE AND DEVELOPMENT – AID FOR TRADE

15 October: COMMITTEE ON MARKET ACCESS

15-16 October: SANITARY AND PHYTOSANITARY WORKSHOP

17 October: TRADE POLICY REVIEW BODY - PERU

Other Upcoming Events

18 October, Geneva, Switzerland. BRUNDTLAND REPORT + 20, ECOLOMICS INTERNATIONAL + 5: QUO VADIS SUSTAINABLE DEVELOPMENT?. The Roundtable is organized by the Trade and Environment Research Group (T&ERG) of the University of Geneva's Faculty of Law and EcoLomics International. This roundtable will take stock of the impact achieved by the widely disseminated Brundtland Report "Our Common Future" in the twenty years since its publication. At the same time we wish to use this opportunity to discuss the more focused concept of EcoLomics, which designates the ecology-economics interface, and we aim at enriching the debate on the potential and the hurdles of the sustainable development concept in today's legal, political, environmental and socio-economic context. Internet:

http://www.ecolomics-international.org/affil_program_brundtland_plus_20_ecolomics_plus_five_law_faculty_geneva.pdf

22-23 October, Rio de Janeiro, Brazil. GLOBAL FORUM ON GOVERNANCE: MODERNISING GOVERNMENT: STRATEGIES & TOOLS FOR CHANGE. Organized by the Organisation for Economic Cooperation and Development (OECD), the Global Forum on Governance provides an opportunity for participating countries to share their reform experiences in government modernisation and policies aimed at increasing public sector efficiencies. It aims to build dialogue and provide the international policy community with insight into key policy efforts undertaken in public sector modernisation. There will be several focus areas, including regulatory reform and administrative simplification, public service delivery and performance, multi-level governance and decentralisation, open government and e-government. Internet: http://www.oecd.org/document/52/0,3343,en_21571361_38835508_38835572_1_1_1_1,00.html

26-28 October, Waterloo, Ontario, Canada. CONFERENCE ON INTERNATIONAL GOVERNANCE INNOVATION. The Centre for International Governance Innovation is hosting a conference, dubbed "The Moment of Truth," that will explore issues related to energy and the role of international governance institutions in addressing environmental sustainability. Internet: <http://www.cigi07.org/>

23 October, Geneva, Switzerland. SYMPOSIUM ON TRADE RULES, REGULATIONS AND STANDARDS: DIFFERENT LEVELS OF RULEMAKING AND THEIR IMPACT. Organized by the UN Economic Commission for Europe, this symposium will discuss the different levels of rulemaking governing the production and exchange of products and services. "Levels of

rulemaking" refers to both the substance of rulemaking, as in the differences between standards, rules and regulations, and the national, regional and international coverage. The symposium will address how the interaction between these levels can encourage or hinder economic growth and development and a careful coordination, which can be of critical importance. Registration is compulsory. To register, participants must complete the attached registration form and return it to poppy.willard@unece.org no later than 15 October 2007. Internet:

http://www.unece.org/trade/ct/ct_2007/symposium-programme.pdf

RESOURCES

AN EXAMINATION OF U.S. AND EU GOVERNMENT SUPPORT TO BIOFUELS: EARLY LESSONS. International Food & Agricultural Trade Policy Council, 2007. The U.S. and the EU are presently considering significant increases in their biofuels mandates in transportation fuel. However, without commercially viable second-generation biofuels, ambitious mandates coupled with high tariffs risk a disproportionate focus on U.S. and EU first-generation biofuels, regardless of their ability to address environmental and energy concerns. The absence of technical and sustainability standards as well as the lack of clarity about international trade obligations may increase this tendency. The brief suggests that the U.S. and the EU should adopt policies that serve to promote biomass uses that are the most energy efficient and that show the greatest promise for reducing greenhouse gas emissions, regardless of the feedstock's national origin. The brief is available at: http://www.agritrade.org/Publications/EU_US_Biofuels.html.

WORLD INVESTMENT REPORT 2007. By UN Conference on Trade and Development, 16 October 2007. Transnational corporations in extractive industries will be the topic of the 2007 World Investment Report. The role of transnational corporations (TNCs) in extractive industries is attracting renewed attention, partly as a result of rising commodity prices and increased demand from emerging economies. This year, the World Investment Report will examine TNCs activities in extractive industries and their development implications, and will explore policy options aimed at ensuring tangible and long-term gains for growth and development in developing countries. Internet: <http://www.unctad.org/Templates/Meeting.asp?intItemID=2068&lang=1&m=13600&year=2007&month=10>

BIORES TRADE & ENVIRONMENT REVIEW. By the International Centre for Trade and Sustainable Development, October 2007. This is the launch issue of a new publication focused on the relationship between trade and environment. Meant to accompany the biweekly electronic publication BRIDGES Trade BioRes, the BioRes Review delves more deeply into the issues, providing background and technical knowledge on trade and environment issues, for both knowledgeable and new readers. This issue features articles on energy, trade policy, and climate change, as well as sustainable land management, biotechnology, and animal diversity concerns. Internet: <http://www.ictsd.org/cyberlaunch/biores-web.pdf>

SOUTH BULLETIN: REFLECTIONS AND FORESIGHTS. By South Centre, October 2007. This is the inaugural issue of this publication. It has a new look and a new format that puts greater emphasis on sharing knowledge that matters for the South. This is an outcome of ideas shared by several colleagues, including officials from South Centre member countries in Geneva, New York, Brussels and in national capitals who would like the Bulletin to be interactive. The new Bulletin will enable cross-sharing of experiences and fulfill specific knowledge needs on current and emerging issues in which developing countries are stakeholders. Internet: <http://www.southcentre.org/southbulletin/1-1-oct-07.pdf>.

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, Fleur Claessens, Ari Giovenco, Jonathan Hepburn, Emily Kloosterman, Malena Sell, and Mahesh Sugathan.. Editor: Trineesh Biswas. Director: Ricardo Meléndez-Ortiz, rmelendez@ictsd.ch. ICTSD is an independent, not-for-profit organisation based at: 7, ch. de Balexert, 1219 Geneva, Switzerland, tel: (41-22) 917-8492; fax: 917-8093. Excerpts from *BRIDGES Weekly Trade News Digest*® may be used in other publications with appropriate citation. Comments and suggestions are welcomed and should be directed to the Editor or the Director.

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

