

LEAD STORIES

G-7 FAILS TO FIND A CONSENSUS ON SSM 1

OTHER NEWS

PERU, COLOMBIA PUSH FOR BILATERAL TRADE
DEALS WITH EU 3

IN BRIEF

FRANCIS GURRY TO LEAD WIPO 4

FIRST GENERIC DRUGS EN ROUTE TO AFRICA
UNDER 5-YEAR-OLD WTO DEAL 5

US TO JOIN TRANS-PACIFIC TRADE AGREEMENT 6

UNCTAD: FDI FLOWS HIT NEW HIGH IN 2007 6

COSTA RICAN COURT STALLS CAFTA-DR
IMPLEMENTATION 7

WTO IN BRIEF

EU REVIVES CASE AGAINST INDIAN WINE AND
SPIRITS TARIFFS 8

CHINA LAUNCHES WTO DISPUTE AGAINST US
IMPORT TARIFFS 8

TPR: BARBADOS 'A GOOD MODEL FOR
DEVELOPING COUNTRIES' 9

EVENTS & RESOURCES

EVENTS 9

RESOURCES 12

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LEAD STORIES

G-7 FAILS TO FIND A CONSENSUS ON SSM

Capital-based officials from seven major trading powers met last week in a last-ditch attempt to hammer out their differences on an agricultural safeguard mechanism for developing countries, a controversial

trade tool that triggered the collapse of world trade talks in Geneva at the end of July.

Some delegates considered last week's informal meeting the final opportunity for the so-called G-7, which includes Australia, Brazil, China, the EU, India, Japan and the US, to demonstrate its value as a negotiating group outside of the multilateral process. The G-7 aimed to reach a consensus on outstanding issues in the talks, which they then planned to present to the broader WTO Membership.

But such a level of agreement was not achieved. Indeed, the talks ended abruptly over the weekend when India reportedly refused to sign off on a compromise deal on the Special Safeguard Mechanism (SSM) that all of the other G-7 members had indicated they could accept.

A delegate called the conclusion of the talks a "zero result" and questioned the value of focusing so closely on the SSM. Another delegate contrasted the dismal outcome of the G-7 meetings with the optimistic atmosphere that prevailed in the lead-up to the informal consultations.

Some trade officials from the G-33, a group of food-importing developing countries, lamented the absence of Indonesia and other developing country group coordinators from the invitation-only talks.

The G-7's failure to find consensus means that it is now highly unlikely that WTO Director-General Pascal Lamy will summon trade ministers back to Geneva this autumn, a move that he had indicated he was ready to take if the G-7 consultations proved fruitful. Sources indicated that a meeting of the seven ministers tentatively planned to be held in London on 2-3 October is not expected to be convened even though high level contacts were being made "to overcome the setback."

Asked if the G-7 had reached the end of its life, a delegate replied, "I hope so."

But even beyond the SSM, many issues that could make or break a potential deal have not been discussed in detail so far. These issues include cotton

subsidies, tariff rate quota creation, and tariff simplification.

While Lamy has not responded publicly to the end of the G-7 talks over the weekend, the Director-General recently underscored his belief in the need for a new agreement on world trade. Speaking at the opening of the annual WTO public forum on 24 September, Lamy stressed the importance of keeping the world trade regime strong, especially in the midst of grim economic times.

"What is needed in times of crises is to enable consumers to purchase more for less. The temptation to shut our borders does exactly the opposite," Lamy said. "There is no doubt therefore that the current hurricane that has hit financial markets must not dissuade the international community from pursuing greater economic integration and openness. But in order to be both sustainable and fair, this integration has to be based on rules. And the rule-book needs to be updated regularly."

Proposals on the safeguard mechanism

A modified EU proposal from July 2008 framed the exchanges on the SSM at the G-7 talks, sources said. The proposal included additional provisions for a cross-checking mechanism, a year-long "holiday" provision, and a proposal to calculate time periods in calendar years, as opposed to twelve-month rolling intervals. Sources close to the talks said that the US insisted on the cross-checking component, which would ensure that, before a volume-based surge could trigger the mechanism, the additional imports would have to have an identifiable impact on prices. The so-called "holiday" provision would make the SSM applicable at varying periods, meaning that the remedies could not be applied continuously, without interruption.

The EU proposal used a 'tiered' approach, meaning that countries would be allowed to impose greater duties in the event of larger import surges. The numbers on the table at the mini-ministerial in July were 115 or 120 percent as a base for the lower tier, while the higher tier would have covered larger surges of at least 135 or 140 percent. An exception would have been made for developing countries facing a steep decline in prices, between 7.5 and 15 percent. In such cases those countries would be allowed to impose the applicable duties from the higher tier.

Exporters were keen to include a provision to ensure that "natural" trade growth would not trigger an imposition of protective tariffs under the SSM. Such a measure would allow imports to grow at a given pace, possibly determined by a moving average over a set

time period. However, surges in imports beyond the "natural" growth rate would trigger the SSM remedies. But some developing country officials pointed out that the Special Agricultural Safeguard that was agreed in the Uruguay Round had no such provision, implying that including a measure to account for "natural" growth would make the mechanism less useful.

Moving towards a multilateral process

The failure to revive the Doha Round talks is expected to have broad process-oriented consequences for WTO Members.

One trade official argued that WTO Director-General Pascal Lamy "should take some action" and try to "set deadlines and find the technical compromises." Explaining that if the countries that "pay the D-G's salary do not want an agreement, it will not come." The source nonetheless added that to have an agreement the Director-General will have to "focus on delivery and accountability."

Ambassador Crawford Falconer of New Zealand, the chair of WTO farm talks, is convening a meeting of 25 ambassadors from a cross-section of countries to determine "where we are and how we should best structure our future work." Some negotiating groups, such as the G-20, a group of developing-country agricultural exporters, are also expecting Falconer to attend their internal meetings.

Beginning next week, the chair of the farm talks is expected to start a series of 'walk in the woods' discussions that will focus on each Member's particular concerns about both the process and the content of the negotiations.

But whether the WTO is ready for process-oriented discussions is an open question. Responding to calls from some quarters for the WTO to reassess the way it conducts its business, Lamy said in an address at WTO headquarters on 24 September that countries must find consensus on the matters that are already on the table before they begin to think about expanding the issues under consideration at the WTO, or about changing decision-making at the institution.

"It is not the time to launch parallel negotiations on how to negotiate...that may be an idea, but it's an idea for later," he said.

ICTSD reporting.

OTHER NEWS

**PERU, COLOMBIA PUSH FOR BILATERAL
TRADE DEALS WITH EU**

Both Peru and Colombia want to work quickly to conclude bilateral trade deals with the EU, as negotiations toward a regional-level pact have largely stalled.

The two countries have been working since 2006 to negotiate a bi-regional trade agreement between the EU and the four-country Community of Andean Nations (CAN), but resistance from Bolivia and Ecuador has ground that process to a halt.

Frustrated with the lack of progress, the presidents of Peru and Colombia recently sent separate but identical letters to European Commission President José Manuel Barroso urging him to accelerate bilateral trade negotiations with the two countries.

Brussels should aim "to advance simultaneously with the negotiation of bilateral trade agreements between each of the Andean countries and the European Union," Colombian President Alvaro Uribe and Peruvian President Alan Garcia reportedly said in their letters, dated 9 September. They also expressed their desire to conclude the negotiations "as quickly as possible, preferably during the first half of 2009," Reuters reported.

The presidents further stressed that regional negotiations between the EU and the Andean Community had failed due to differing visions within the bloc. For that reason, they proposed that Brussels should instead pursue bilateral trade agreements, which they described as "a proven success," alluding to two-way trade deals each country has already negotiated with the US.

But the go-it-alone stance of the Colombian and Peruvian leaders runs counter to the views of fellow CAN member Bolivia. Instead of proceeding on an individual basis, Bolivian President Evo Morales has called for the Andean countries to resolve their "internal differences" and to pursue "bloc-to-bloc" negotiations with the EU. Such an approach would be in keeping with a CAN-EU decision taken in 2006 to negotiate an Association Agreement - that would include a trade deal - at the regional level.

"Bolivia regrets that, once again, these countries have unilaterally prioritised the [free trade agreement] negotiations, thus damaging the integration process"

within the Andean region, Bolivia's Minister of Foreign Affairs, David Choquehuanca, said in response to the news of the two letters.

But Peru's Minister of Foreign Trade and Tourism, Mercedes Araoz, held that the separation of negotiations would ultimately serve all countries' interests, as it would allow each to proceed at its own pace in the talks.

In response to the letters, Brussels said it was willing to negotiate with whatever countries were able and willing.

"The EU is keen to pursue FTA negotiations with the Andean countries," Peter Power, a spokesman for EU Trade Commissioner Peter Mandelson, said on Monday, Reuters reported.

"However if any Andean country is not, at this stage, willing to agree the level of integration required of free trade agreements under World Trade Organisation rules, we would be prepared to continue talks with those countries which are," Power said.

Andean Community struggling with ideological divisions on trade

Based in Lima, CAN is a regional trade bloc that seeks to encourage greater cooperation and integration among the group's four member states, Bolivia, Colombia, Ecuador and Peru. Chile pulled out of the bloc in 1976; Venezuela followed suit two decades later.

But the group has recently been forced to grapple with significant internal political divisions. While Colombia and Peru are eager to forge ahead in various trade agreements - both have already initialed free trade deals with the US - the leftist governments of Ecuador and Bolivia have expressed greater wariness.

A dispute surrounding the recently negotiated US-Peru FTA has brought the bloc's internal divisions into sharp focus in recent months. In order for Peru to meet an implementation deadline of January 2009, it must modify CAN's decision number 486, a set of common Andean norms on intellectual property, so that it can write its own intellectual property legislation. Peru, with the backing of Colombia and Ecuador, won the bloc's approval to make the necessary modifications in a CAN vote held in August.

But Bolivia dissented. Following the vote, Bolivian President Evo Morales called on the Secretary-General of the regional bloc, Freddy Ehlers of Ecuador, to step down, claiming that by allowing the vote he had violated

the laws of the regional body. Bolivia also vowed to ask the Andean Court of Justice to declare the vote invalid, Pablo Guzman, a Bolivian foreign affairs official, said in August, Bolpress reported.

According to Guzman, the modifications that Peru wants to make to Decision 486 would ultimately allow multinational drug companies to patent biological resources and even the traditional knowledge of indigenous peoples.

Moreover, Bolivia says that Peru, like Colombia, violated the rules of the Andean Community by offering bilateral concessions to the US, then trying to impose those rules on other Andean countries.

For its part, Peru claims that Bolivia is trying to force its own particular development model on other Andean countries, thus violating those nations' sovereign power to choose development models for themselves.

More ideological disputes within the Andean Community could be on the horizon, as García has hinted that he has ambitious plans to further deepen Peru's integration into global markets. The leader of South America's fastest-growing economy recently told Brazilian President Luiz Inácio Lula da Silva that he intended to sign "a lot of FTAs" outside of CAN. García said that the regional trade bloc should not be seen as an end in itself, but rather as an instrument to be aligned with "new trends." One such option reportedly being discussed is a potential bilateral deal between Brazil and Peru. According to Peruvian authorities, a high-level mission from Brazil will visit Peru in the coming weeks to evaluate the possibility of reducing Brazilian tariffs on Peruvian products.

Colombian President Uribe is equally ambitious. "We have signed an agreement with Chile, with Peru, to go much more deeper than the framework of the Andean community," he said in address at the Brookings Institution in Washington, DC on Friday. "With three Central American countries now we have co-negotiations with Canada. We are in negotiations with the European Union. We are negotiating agreements for bilateral protection of investments with China and with India, and we are hopeful that we can at any moment have the approval in the United States Congress of our free-trade agreement."

Harmonising the differing trade views of its members will be a challenge for the bloc, but one that it seems that the President of Ecuador and Chairman of the Andean Council of Presidents, Rafael Correa, aims to address. Correa announced earlier this month that he will convene a summit of CAN leaders in Guayaquil, Ecuador in early October to make adjustments

necessary "given the changing situations created by the twenty-first century."

ICTSD reporting. "EXCLUSIVE-Colombia, Peru presidents urge quick EU trade deals," REUTERS, 22 September 2008; "Colombia y Perú deciden negociar TLC con la UE al margen de la CAN," AGENCIA BOLIVIANA DE INFORMACION, 12 September 2008; "Bolivian president urges Peruvian counterpart to respect Andean Community rules," XINHUA, 4 June 2008; "Blow to the intellectual property rules of the Andean Community," BOLPRESS, 14 August 2008.

IN BRIEF

FRANCIS GURRY TO LEAD WIPO

Francis Gurry, an Australian national and WIPO official, was appointed on Monday to serve as Director-General of the World Intellectual Property Organisation (WIPO).

Gurry replaces Kamil Idris, a Sudanese national who has headed WIPO since November 1997 and whose last years in office were plagued by controversy and accusations of mismanagement and fraud. Gurry will commence a six-year term in office on October 1.

All WIPO member states appeared keen in their statements to turn the page and begin a new phase in the work of the organisation.

The selection of Gurry for the top post holds "great promise for WIPO and all who are dedicated to its success and hope that the divisions of the past can be left behind," US Ambassador Warren W. Tichenor said. Member states, and in particular developing countries, paid a symbolic tribute to the outgoing Idris, while also praising the qualities of his successor.

Upon his appointment, Gurry delivered an ambitious acceptance speech outlining the challenges and priorities facing the world of intellectual property and the role of WIPO in addressing them.

In this regard, the new Director-General highlighted the exponential growth in demand for patent services around the world that has left patent offices choking and struggling to perform effectively. He pointed to the need to re-examine the 20th-century model of returning value to creators, performers and their business associates in view of the fundamental changes brought about by the convergence of expression in digital technology and the distributional power of the internet. He also called for a reflection on WIPO's role in dealing

with counterfeit goods and if that role should be confined to awareness-raising and training or if it should encompass a more robust engagement.

Gurry described the Development Agenda as a "wonderful opportunity" for WIPO to be part of the solution in responding to the challenge of how intellectual property can contribute to the reduction of the knowledge gap and to greater participation of the developing and least developed countries in the benefits of innovation and the knowledge economy. He emphasised his belief that it was essential that the political consensus it represented be translated into concrete and effective projects such as the construction of a global knowledge infrastructure comprising public, freely available databases of technological and scientific information.

Concerning traditional knowledge at WIPO, Gurry underlined that it was time to move to "concrete outcomes" that will see WIPO embrace a broader base of constituents and a more universal mission.

Gurry also called for more active engagement by the organisation in the search for solutions to the challenges identified in the Millennium Development Goals, as well as climate change, desertification, epidemics, access to health care, food security and the preservation of biodiversity. In this connection, he proposed the establishment of a division in the Secretariat that will have this engagement as its mission, focusing on the specific contribution that intellectual property and WIPO can make within the framework of collective action to address these global challenges.

Finally, he pledged to undertake a thorough process of strategic realignment of the Secretariat in the coming years that will cover the corporate culture of the Secretariat, the efficiency of its business processes and the alignment of its programs, structure and resources to the organisation's strategic goals. Overall, Gurry's speech appeared to be a fervent plea for the relevance of multilateralism and the centrality of WIPO's role in addressing the challenges facing intellectual property.

The WIPO General Assembly is meeting at the organisation's headquarters in Geneva from 22 to 30 September.

ICTSD reporting. "Australia's Gurry appointed new UN patent chief," ASSOCIATED PRESS, 22 September 2008; "Idris Bids WIPO Farewell; Newly Appointed DG Gurry Outlines Initiatives," IP WATCH, 22 September 2008.

FIRST GENERIC DRUGS EN ROUTE TO AFRICA UNDER 5-YEAR-OLD WTO DEAL

Canadian drug maker Apotex announced on Tuesday that it would begin shipping generic versions of a patented HIV/AIDS drug to Rwanda, five years after a WTO decision made it possible for the cheaper copies to be produced for export to people in poor countries.

Seven million tablets of Apo-TriAvir, a triple-combination HIV/AIDS drug, will be shipped from Toronto to Rwanda on 24 September, Apotex said. A second set of 7 million tablets - enough medicine to treat 21,000 people for one year - is to be delivered in September 2009.

The shipment is the first batch of drugs to be delivered under the '30 August 2003' decision at the WTO, in which Members agreed to waive provisions under the WTO's Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) so that countries could legally export generic drugs produced without the patent-holders' consent to developing countries that are unable to produce pharmaceuticals themselves. The 30 August Decision was the result of a 2001 declaration on TRIPS and public health that promised an "expeditious" solution to the problem.

In September 2003, Canada became the first Member of the WTO to declare its intention to put the decision into action. To date, Apotex is the only company to have sought approval through the Canadian Access to Medicines Regime (CAMR), a domestic programme that aims to facilitate the implementation of the WTO decision.

While the Canadian programme has received some praise for strengthening poor governments' hand while negotiating drug purchase prices, critics say that the approval process is so complicated that it has discouraged drug makers from taking part.

"While we are extremely pleased to be able to make this important and historic contribution, there is a reason no other company has tried to provide medicines under this regime," Jack Kay, the chief of Apotex, said on Tuesday. "It is too complex and has to be repeated for every request that comes in from a country. For Canada to truly be able to provide help, the regime must be changed," he said.

Even Apotex will not be going through the process again unless the regulations are amended, the company said.

"It's a huge process, with huge costs involved," said Elie Betito, director of public affairs for Apotex, Canwest News reported. "We will not be doing this again."

But public health groups have said that the 30 August Decision itself is overly complicated in that it requires too much complex notification, and that the Canadian programme simply adds to the already-onerous requirements of the WTO provision, with devastating results.

"The delivery of these medicines is way past due," said Richard Elliott, the Executive Director of the Canadian HIV/AIDS Legal Network. "It's taken more than four years to get to this point. People are dying because they can't pay high prices for patented, brand-name drugs - they can't afford such delays."

ICTSD reporting. "Canadian to ship AIDS drugs to Rwanda for first, perhaps last time," CANWEST NEWS SERVICE, 22 September 2008.

US TO JOIN TRANS-PACIFIC TRADE AGREEMENT

The US is set to join a free trade agreement with Brunei, Chile, New Zealand and Singapore, US Trade Representative Susan Schwab announced on Monday.

"This high-standard regional agreement will enhance the competitiveness of the countries that are part of it and help promote and facilitate trade and investment among them, increasing their economic growth and development," Schwab said in a statement.

The 'Comprehensive Trans-Pacific Strategic Economic Partnership' agreement, which was completed in 2005 as the first trade deal involving Pacific Rim countries, immediately abolished 90 percent of tariffs on goods traded amongst the parties, and will eliminate duties on all traded products within 12 years.

While the Bush administration has been negotiating with the four countries regarding financial services and investment for several months, the first round of negotiations for US accession to the trade pact will take place early next year in Singapore.

New Zealand Trade Minister Phil Goff stated that the US is the "most powerful and the largest economy in the world and gives the partnership critical mass and momentum to move forward," reported Agence France Presse.

Moreover, a number of other Asia-Pacific countries - notably Australia, Peru and Vietnam - have expressed interest in joining the trade pact.

"While the United States is the first additional country to seek to join the four original members of the Trans-Pacific Strategic Economic Partnership, we are confident that other countries in the region will ultimately embrace the benefits of participation," Schwab said in an official statement released on Monday.

The US decision will provide new momentum to the long-term objective of the 21-member Asia-Pacific Economic Cooperation (APEC) group to forge a free trade area in the Pacific Rim by 2020. The accord, which will likely be left to the next US president to complete, has the potential to form the core of a future broader agreement among Pacific nations.

However, the announcement to launch further talks comes at a time when Congress is showing reluctance to approve free trade deals with Colombia, Panama and South Korea.

The US already has bilateral trade agreements with Chile and Singapore, but not Brunei or New Zealand. New Zealand approached the US regarding a free trade deal in 2003, when Washington was in trade talks with Australia, New Zealand's primary economic partner. But the US-New Zealand deal never went through, as the two nations were at odds over the war in Iraq and New Zealand's refusal to let nuclear-powered ships into its ports.

The trans-Pacific region accounts for nearly 60 percent of world GDP and almost half of all global trade.

ICTSD reporting; "Australia, Peru, Vietnam want to join trans-Pacific free trade deal," AGENCE FRANCE PRESSE, 23 September, 2008; "US to negotiate joining Pacific 4 trade pact - Schwab," REUTERS, 22 September, 2008; "US, NZ to talk on trade deal," REUTERS, 19 September, 2008.

UNCTAD: FDI FLOWS HIT NEW HIGH IN 2007

Flows of foreign direct investment hit a new high last year, the United Nations Conference on Trade and Development (UNCTAD) said in its annual World Investment Report, which was released on 24 September. The report also noted that infrastructure investment in developing countries has experienced rapid growth since 1990.

Following four years of consecutive growth, inflows of foreign direct investment (FDI) reached a new peak of US\$ 1,833 billion in 2007, surpassing the previous record set in 2000, UNCTAD found. All three major economic groupings -- developed countries, developing countries and the transition economies of South-East Europe and the Commonwealth of Independent States - experienced FDI growth, which was driven by strong corporate performance worldwide, the report said. But UNCTAD warned that the ongoing global financial crisis may cause those numbers to drop for 2008.

Another trend identified was that sovereign wealth funds, or state-owned investment funds, are growing in prominence as direct investors. Although SWFs invest a relatively little in the form of FDI - only 0.2 percent of their total assets were devoted to FDI last year - the funds are increasingly seeking out investments abroad. In fact, nearly 80 percent of the US\$ 39 billion of overseas investments made by SWFs over the past two decades has come in the past three years.

The report also noted that FDI from transnational corporations (TNCs) in the infrastructure sector expanded rapidly between 1990 and 2006, particularly in developing and transition economies. The report found that some prominent TNCs in the infrastructure sector are headquartered in developing countries, and are leading the way in infrastructure investment in the developing world.

However, the need for quality infrastructure in developing countries - a prerequisite for economic and social development - far exceeds the total amount invested by domestic and foreign stakeholders, UNCTAD concluded.

And despite the growing investment flows from TNCs, foreign capital is often absent in developing countries, particularly the world's 49 least developed countries, the report found.

To access the report, please refer to <http://www.unctad.org/Templates/Page.asp?intItemID=1397&lang=1>.

ICTSD reporting.

COSTA RICAN COURT STALLS CAFTA-DR IMPLEMENTATION

A ruling of the Costa Rican Supreme Court has thrown into question whether the country's government will be able to pass legislative reforms required to implement a

regional free trade agreement in time to meet a 1 October deadline.

The 4-3 Constitutional Court ruling stated that the Legislative Assembly should not have passed legislative changes affecting the country's intellectual property regime - the subject of the last bill - without consulting indigenous groups "in accordance with Convention 169 of the International Labour Organisation." The court ruled that Costa Rican lawmakers must now fix their error and, in accordance with the 1989 UN Convention, pass the bill again.

Following the verdict, the government issued a statement expressing concerns that Costa Rica might not be able to fulfil the commitments required to enter the Central American/Dominican Republic Free Trade Agreement with the US (CAFTA-DR).

The government is "greatly concerned about the impact of this ruling, in particular because of the issue of deadlines that Costa Rica has committed to," said the statement, according to newswire EFE.

Costa Rica's Minister of Foreign Trade, Marco Vinicio Ruiz, warned that the ruling undermined the credibility of Costa Rica in the eyes of the other members of the regional trade deal. The export sector argued that the implementation delay risked blocking the creation of 15,000 new jobs.

CAFTA-DR, which was ratified by Costa Rican voters in October 2007, was originally intended to be implemented by the end of February of this year. But that deadline was pushed to 1 October when it became clear that the government would require more time to complete the legislative and regulatory processes needed to enact the agreement. All of the other CAFTA-DR signatories - the Dominican Republic, El Salvador, Guatemala, Honduras, Nicaragua and the US - have already implemented the treaty.

Costa Rican authorities have already begun the process of applying for the implementation deadline to be pushed back even further.

Under the comprehensive trade deal, the US has eliminated tariffs on 80 percent of US exports of consumer and industrial products to CAFTA-DR members, with the remainder of the duties to be phased out over 10 years. The agreement also provides reciprocal access for US products and services.

ICTSD reporting, "Costa Rica: Cómo se consulta a los pueblos indígenas," TRIBUNA DEMOCRÁTICA, 17 September, 2008; "Costa Rica: Fallo de Sala IV sobre

Cafta llegó a Asamblea," EL FINANCIERO, 16 September, 2008; "Costa Rica seeks more time - again - on CAFTA," TICO TIMES, 16 September, 2008; "Costa Rica court strikes down CAFTA bill for overlooking indigenous," TICO TIMES, 12 September, 2008; "Costa Rica top court blocks US trade pact approval," ASSOCIATED PRESS, 12 September, 2008; Gobierno y los 38, frenados por Sala IV en último proyecto TLC," NUESTRO PAIS, 11 September, 2008.

WTO IN BRIEF

EU REVIVES CASE AGAINST INDIAN WINE AND SPIRITS TARIFFS

The EU has re-opened a WTO challenge to India's import duties on wine and spirits, putting an end to a 14-month suspension of the dispute.

Brussels lifted its complaint in July 2007 after New Delhi promised to cut its drinks tariffs, which the EU claimed unfairly discriminated against its exports (see BRIDGES Weekly, 25 July 2007, <http://ictsd.net/i/news/bridgesweekly/7616/>).

But on Monday, more than a year after the promise for changes was made, the EU claimed that state-level taxes in Indian states such as Goa, Maharashtra and Tamil Nadu continue to discriminate against European wines and spirits.

"Despite recent amendments to legislation, there are no clear indications that the restrictive retail and wholesale practices in Tamil Nadu have ceased," the EU said in a statement released on Monday. It also alleged that in the states of Goa and Maharashtra "internal taxes are applied only to imported wines and spirits, or at a much higher rate for imports than domestic goods."

"This is a breach of the WTO's national treatment principle, which requires that WTO Members treat imports and domestic goods the same," the EU said.

India's large and growing population represents a huge potential market for goods such as French wine and Scottish whisky, but so far European alcohol exports to the country have yet to take off.

EU exports of wine and spirits to India amounted to 68 million euros in 2007, which represented roughly half of one percent of the 13 billion euros' worth of alcohol that the 27-country bloc exported worldwide that year, according to statistics released by the EU.

On Monday, Brussels requested consultations with India on the matter - a step that formally initiates a WTO dispute between the two parties. If those consultations fail to produce a resolution within 60 days, the EU may request that the dispute be presented before a panel of WTO arbiters.

ICTSD reporting.

CHINA LAUNCHES WTO DISPUTE AGAINST US IMPORT TARIFFS

China has filed a complaint at the WTO against duties that the US has placed on imports of certain Chinese steel pipes, tyres and laminated woven sacks.

"Considering that bilateral consultations between China and the US failed to solve concerns of China, China requested consultations with the US under the WTO dispute settlement mechanism regarding those measures," the Chinese mission to the WTO said in a statement released on Friday.

Washington imposed the import tariffs arguing that China was selling those products in the US market at less than their normal value, a practice known as 'dumping' in WTO parlance. The WTO allows Members to try to counter the effects of dumping by imposing tariffs or other punitive measures against the offending country, but China argues that, in this case, the US has gone too far.

"After the anti-dumping and countervailing investigations by the US against the above mentioned products were initiated, China was highly concerned and has repeatedly articulated its position at various occasions, opposing the unfair practices of the US in those investigations," the Chinese statement said.

China believes the import duties are "inconsistent with the obligations of the United States" under world trade laws, the country said in its official complaint.

The request for consultations with the US marks only the second time that China has independently launched a dispute at the WTO, although Beijing has been the target of a number of challenges in recent years.

In accordance with WTO dispute settlement process, the two parties will now have 60 days to resolve the matter through consultations. If no solution is found by the end of that period, then China can ask a panel of WTO judges to consider the case.

ICTSD reporting.

TPR: BARBADOS 'A GOOD MODEL FOR DEVELOPING COUNTRIES'

Barbados stands out among developing countries in terms of its per capita income and human development indicators, but actions to reduce applied tariffs and encourage domestic competition could further strengthen the country's economy, according to a review of the country's economic policies conducted by the WTO.

The Trade Policy Review (TPR) noted that Barbados is deeply integrated into the world economy, as the country's total trade in goods and services represents 133 percent of its gross domestic product. But the Barbados' applied most-favoured nation (MFN) tariff is 16.2 percent, a relatively high rate that the report warned could create a bias against exports. However, Barbados' non-tariff barriers are low, and the country has implemented a number of fiscal and other incentive programmes in an effort to encourage the development of exports.

The WTO Trade Policy Review Body met on 17 and 19 September so that delegates could discuss the report.

"Barbados' experience stands out as a good model for developing countries, especially those facing similar challenges due to their small size," the chair of the Barbados TPR committee said.

Delegates at the meeting commended Barbados for enacting new laws on competition policy, which was regarded as a key step in improving the functioning of the country's domestic markets. Members also congratulated the country for liberalising its telecommunications sector and for implementing new intellectual property legislation.

But a number of delegates called on Barbados to further cut its applied tariffs, and to remove some remaining restrictions on foreign investment.

Barbados' Foreign Trade Minister Christopher Sinckler said that his country would consider the proposed reforms, but that development concerns had to come first. The minister stressed that he was eager to "participate in a WTO that appreciates these real challenges and that creates the appropriate flexibilities to allow Barbados and other Small Vulnerable Economies to respond in a deliberate way to protect the most vulnerable sectors and groups."

Last week's events marked the second TPR for Barbados, which has been a WTO Member since the global trade forum was established in 1995.

ICTSD reporting; "Barbados Foreign Trade Minister says, 'National Development must be first'," SOUTH FLORIDA CARIBBEAN NEWS, 21 September 2008.

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.

Upcoming Events: 24-29 September

24 September, London, UK. THE EU AND THE EUROPEAN SECURITY STRATEGY - FORGING A GLOBAL FUTURE. The European Security Strategy (ESS) has become an important reference framework for the EU since its inception in 2003. Hosted by Chatham House, Professor Biscop and Dr. Andersson - based on the publication of their recent collaborative volume - will examine how the ESS has shaped EU policy, how it relates to existing policies and whether the objectives of the ESS are sufficient to safeguard EU interests. For further information, please refer to <http://www.chathamhouse.org.uk/events/view/-/id/919/>.

24-25 September, Geneva, Switzerland. WTO PUBLIC FORUM 2008: "TRADING INTO THE FUTURE," 24-25 SEPTEMBER 2008 This year's Forum - "Trading into the Future" - will provide a platform for reflection on the multilateral trading system's six decades. In particular, input will be sought on the challenges and opportunities facing the WTO in each of its main functions, as well as on the challenges and opportunities facing the main actors and stakeholders of the system. This dialogue can contribute towards identifying practical and effective ways forward for the multilateral trading system. For further information, please refer to: http://www.wto.org/english/forums_e/public_forum08_e/public_forum08_e.htm.

24-26 September, Skiathos, Greece. THE SUSTAINABLE CITY 2008. This Conference aims to address the many inter-related aspects of the urban environment from transport and mobility to social exclusion and crime prevention. It is hoped that the meeting will build on the contributions made in previous conferences, which successfully managed to provide an international view of the problems facing modern cities and their solutions. Urban areas produce a series of environmental problems arising from the consumption of natural resources and the consequent generation of waste and pollution. These problems contribute to the development of social and economic imbalances. All these problems, that continue to grow in our society, require the development of new solutions. The Sustainable City 2008 follows four very successful meetings held in Rio (2000); Spain (2002), Siena (2004) and Tallinn (2006). The Conferences attracted a large number of contributions from participants from different

backgrounds and countries. The variety of backgrounds and experiences is one of the main reasons behind the success of the series. For further information, please contact: Rachel Swinburn; tel: 44 (0) 238 029 3223; email: rswinburn@wessex.ac.uk; and refer to the website, <http://www.wessex.ac.uk/conferences/2008/city08/index.html>.

25 September, London, UK. OLD AND NEW WORLD ECONOMIC GROWTH RATES DIVERGE - BUT IS THIS DECOUPLING? Hosted by Chatham House, this event will investigate the recent trends in the global economy. Many of these trends have certainly confounded the pessimists, especially those who argued from the onset of the US slowdown in late 2005 that this weakening would deliver a rapid blow to Asian trade prospects and world growth. The developing world has enjoyed at least five years of buoyant growth, putting emerging markets into the global driving seat: China already contributes more to global GDP growth than the US, and the emerging market world is contributing more than the major developed countries combined. This trend is likely to develop in the coming decade even if the emergers slow down over the next year. But does this prove the case for 'decoupling' or not? This is not such a simple question as it may seem. For further information, please refer to <http://www.chathamhouse.org.uk/events/view/-/id/916/>.

25 September, Washington DC, US. MULTINATIONAL COMPANIES AND THE IMPACT ON WAGES AND WORKING CONDITIONS IN DEVELOPING COUNTRIES. Part of the Organisation for Economic Cooperation and Development (OECD) Breakfast Series, this presentation will be made by Stefano Scarpetta, head of the OECD Employment Policy and Analysis Division. For further information, please refer to http://www.oecdwash.org/NEWS/EVENTS/event_registration.htm.

25 September, New York, US. HIGH-LEVEL EVENT ON THE MILLENNIUM DEVELOPMENT GOALS (SEPTEMBER SUMMIT). The UN Secretary-General and the President of the UN General Assembly are organising the September High-Level Event on the Millennium Development Goals (MDGs). The September Summit will seek to be the central political development event of the year, setting the tone for the Doha Financing for Development Conference in late 2008. It will seek to mobilise world leaders including heads of state, major business leaders, civil society and religious leaders, the heads of foundations, and other stakeholders to agree on the practical steps that are needed to achieve the MDGs. The central objective of the Summit is to gather announcements of commitments for concrete initiatives from all participants that will translate their promise to support the MDGs into action on the ground. For further information, please contact: tel: +1 (212) 963 3125; e-mail: ngls@un.org; Internet: <http://www.un.org/millenniumgoals/2008highlevel>.

25 September, Washington, US. MULTINATIONAL COMPANIES AND THE IMPACT ON WAGES AND WORKING CONDITIONS IN DEVELOPING COUNTRIES. This event, part of the Organisation for Economic Cooperation and Development (OECD) Breakfast Series, will examine the effects of foreign direct investment (FDI) on wages and working conditions for workers of foreign affiliates of

multinational corporations and those of their independent supplier firms. Foreign direct investment (FDI) by multinational corporations in developing and emerging economies has increased dramatically over the past two decades. FDI now represents 26 percent of world GDP, 32 percent of which is inward investment to developing countries. While generally perceived beneficial for local development, it has also raised concerns about unfair competition and the protection of workers' rights in host countries. The evidence suggests that multinational corporations tend to provide better pay and working conditions than their domestic counterparts, especially when they operate in developing and emerging economies. The effects on wages and working conditions also spread to the foreign suppliers of multinational corporations, but the effects are smaller. For further information, please refer to <http://www.oecdwash.org/NEWS/EVENTS/EVENTS2008/sep25-2008.htm>.

26-27 September, Helsinki, Finland. SUSTAINABLE INNOVATIONS AT THE BASE OF THE PYRAMID. Around the turn of the millennium it had become strikingly evident that development aid, charity or 'global business-as-usual' would not deliver solutions to poverty as had been expected. Today, there is little dispute that poverty is the most pressing global problem calling for innovative solutions. One of the recent strategies is the so-called Base-of-the-Pyramid (BoP) approach, which relies on entrepreneurial activity to alleviate poverty. The Base-of-the-Pyramid opportunity and strategy has unleashed an extensive and generally enthusiastic response from academics, businesses, non-governmental organisations and governments, but the knowledge domain around this concept is still in the early stages of development. Innovations, in several disciplines - technological, social and business - are needed to facilitate this process. The conference will address these (often interrelated) innovations in the context of social and ecological sustainability. For further information, please refer to: www.hse.fi/bop.

29 September, Moscow, Russia. MEASURING AND FOSTERING THE PROGRESS OF SOCIETIES. The focus for this conference is 'A new approach for Russia and Neighbouring countries,' and is organised by the Organisation for Economic Cooperation and Development's (OECD) Statistics Directorate and the Russian Federal State Statistics Service. Key topics include: why measuring progress for policy making is important; what is progress; what aspects of progress are the most important for CIS and European countries and how are they measured. For further information, please refer to http://www.oecd.org/document/48/0,3343,en_40033426_40037349_40231216_1_1_1_1,00.html.

29 September, Geneva, Switzerland. SHORT TRAINING COURSE ON KEY ISSUES ON THE INTERNATIONAL ECONOMIC AGENDA: AID FOR TRADE AND DEVELOPMENT. This seminar is part of a series of short courses on key international economic issues for delegates and staff from permanent missions in Geneva. The aim is to give permanent missions an opportunity to follow a shorter, more focused version of the regional three-week course on key issues on the international economic agenda. The course will examine issues relating to the nature of the demand for and the supply of Aid for Trade. The first part of the course

will take up key principles of Aid for Trade and issues relating to the demand for Aid for Trade and areas of needs in developing countries. The second part will then discuss the issues relating to the supply of Aid for Trade, and the role of UNCTAD and the United Nations in this regard. For further information, please refer to <http://www.unctad.org/Templates/meeting.asp?intlItemID=2068&lang=1&m=16153>.

29-30 September, Mumbai, India. CARBON MARKETS INDIA 2008. The theme of this second annual Conference is to provide a platform for representatives from Indian industry to learn about Clean Development Mechanism (CDM) business opportunities and do business with buyers of Certified Emissions Reductions (CER's) and to help accelerate carbon market development in India. India is one of the success stories of the CDM, with 32.8 percent of all registered CDM project activities and 14.7 percent of CERs from registered projects. India's dependence on fossil fuels creates high carbon intensity, providing industry with an excellent opportunity to generate large volumes of carbon credits from energy efficiency and clean energy projects. For further information, please refer to: Daniel Claassen; tel: +44 (0) 20 7193 3034; email: daniel.claassen@greenpowerconferences.com; and refer to the website: http://www.greenpowerconferences.com/carbonmarkets/carbonmarkets_india_2008.html.

29 September - 1 October, Dartmouth, Canada. THE ROLE OF MARINE MAMMALS IN THE ECOSYSTEM IN THE 21ST CENTURY. This symposium, organised by the Northwest Atlantic Fisheries Organisation, will present new findings on the syntheses of information over ecosystem components, on biological and physical aspects of the environment and on new research approaches to understanding the role of marine animals. For more information contact: Barb Marshall; tel: +1-902-468-8598; e-mail: bmarshall@nafo.int; Internet: <http://www.nafo.int/symposium.html>.

29 September - 1 October, Stavanger, Norway. AQUAVISION 2008-SIXTH WORLD BUSINESS CONFERENCE ON AQUACULTURE. AquaVision 2008 is organised around the theme 'Know the Fundamentals - Create Your Future.' More specifically, the topics of the Aqua Vision 2008 conference will be on the current food situation and the future opportunities in aquaculture. This event aims to bring together executives and professionals, politicians and regulators, investors and customers - including retailers and processors. For further information, please refer to <http://www.aquavision.org>.

29 September - 1 October, Bonn, Germany. EXECUTIVE BOARD OF THE CLEAN DEVELOPMENT MECHANISM, FORTY SECOND MEETING. This meeting will examine, among other topics, accreditation of operational entities, issues relating to the Clean Development Mechanism's (CDM) afforestation and reforestation project activities and issues relating to small-scale CDM activities. For further information, please refer to: <http://cdm.unfccc.int/EB/042/index.html>.

30 September, London, UK. RUSSIA'S FUTURE TRAJECTORY. James Sherr and Chatham House will

investigate the next stage of Russia's development, which is likely to have important consequences for Western interests. Yet it is entirely possible that Russian preoccupations will not be the same as our own. What do we have to learn from our Russian counterparts, and what influence might we have? For further information, please refer to <http://www.chathamhouse.org.uk/events/view/-/id/878/>.

30 September - 1 October, Geneva, Switzerland. SUSTAINABLE CITIES AND COMMUNITIES - CREATING GREENER LIVING FOR A SUSTAINABLE FUTURE. The inaugural Sustainable Cities and Communities conference is jointly organised by the WWF and Green Power Conferences. This Conference will focus on the practical challenges and opportunities cities and communities will face in order to tackle rising greenhouse gas emissions, energy consumption and congestion. For further information, please contact: Simon Neill; tel: +44 207 099 0600; email: simon.neill@greenpowerconferences.com; and refer to the website: <http://www.greenpowerconferences.com>.

WTO Events

An updated list of forthcoming WTO meetings is posted at: http://www.wto.org/english/news_e/meets.pdf. Please bear in mind that dates and times of WTO meetings are often changed, and that the WTO does not always announce the important informal meetings of the different bodies. Unless otherwise indicated, all WTO meetings are held at the WTO, Centre William Rappard, rue de Lausanne 154, 1211 Geneva, Switzerland, and are open to WTO Members and accredited observers only.

24+25 September: WTO PUBLIC FORUM. For more information, see http://www.wto.org/english/forums_e/public_forum08_e/public_forum08_e.htm.

30 September: EID AL-FITR (WTO non-working day)

Other Upcoming Events

1 - 2 October, Mexico City, Mexico. GLOBAL ENVIRONMENT FACILITY- SUB-REGIONAL WORKSHOP FOR LATIN AMERICA. The Sub-Regional Workshops are an annual opportunity for Global Environment Facility (GEF) Focal Points to meet with their counterparts from other countries in the region and GEF Partners to discuss and review policies and procedures and for peer to peer exchange of lessons and experiences from development and implementation of GEF projects and their integration within national policy frameworks. For more information contact: tel: +1-202-473-0508; fax: +1-202-522-3240/3245; e-mail: secretariat@thegef.org; Internet: <http://gefweb.org/interior.aspx?id=21630>.

13-16 October, Accra, Ghana. INTERNATIONAL CONFERENCE ON TRADITIONAL FOREST-RELATED KNOWLEDGE AND SUSTAINABLE FOREST MANAGEMENT IN AFRICA. This conference will highlight the importance of traditional forest-related knowledge towards achieving the Millennium Development Goals and sustainable

forest management. It is organised by the Forestry Commission, the Council for Scientific and Industrial Research and the University of Ghana in association with the International Union of Forest Research Organisations. For more information contact: Alfred Oteng-Yeboah; e-mail: otengyeboah@yahoo.co.uk; Internet: <http://www.iufro.org/download/file/2595/95/ghana08-tftfk-1st-announcemt-call-upd.doc>.

14 - 17 October. Rome, Italy. FAO COMMITTEE ON WORLD FOOD SECURITY. The UN Food and Agriculture Organisation (FAO) will host the 34th session of the Committee on World Food Security from 14-17 October 2008, at FAO headquarters in Rome, Italy. This Committee will assess the current global food situation and implications for the future. Special events will also be organised to consider the impact of high food prices on nutrition and the theme of high prices, food security issues and policy responses. For more information contact: Kostas Stamoulis; e-mail: FAO-CFS@fao.org; Internet: http://www.fao.org/UNFAO/Bodies/cfs/cfs34/index_en.htm.

3-4 November 2008, Paris, France, OECD POLICY DIALOGUE ON AID FOR TRADE. The OECD with the support of the European Commission and the German Marshall Fund of the United States is organising a Policy Dialogue on Aid for Trade on 3-4 November 2008 in the OECD Conference Centre. The main objectives of this two-day event is to discuss between policy makers, practitioners and academics how the developing community can help developing countries to build trade capacity and address supply-side constraints, in order to realise the full benefits from their integration in the world economy. Participation to this event is by invitation only. For more information, contact: e-mail: aft.dialogue@oecd.org; fax: +33 1 44 30 61 59; Internet: <http://www.oecd.org/trade/aftdialogue2008>.

RESOURCES

WORLD INVESTMENT REPORT: TRANSNATIONAL CORPORATIONS AND THE INFRASTRUCTURE CHALLENGE. UNCTAD, 24 September 2008. The World Investment Report has been published annually since 1991. The World Investment Report 2008 is the 18th report in a series published by UNCTAD; and its theme is "Transnational Corporations and the Infrastructure Challenge." The report analyses the latest trends in foreign direct investment (FDI) and has a special focus on the role of transnational corporations (TNCs) in infrastructure industries. To access the report, please refer to <http://www.unctad.org>.

SUSTAINING LIFE. Edited by Eric Chivian and Aaron Bernstein, April 2008. Edited and written by Harvard Medical School physicians Eric Chivian and Aaron Bernstein, along with more than 100 leading scientists who contributed to writing and reviewing the book, Sustaining Life presents a comprehensive - and sobering - view of how human medicines, biomedical research, the emergence and spread of infectious diseases, and the production of food, both on land and in the oceans, depend on biodiversity. The book's ten chapters cover everything from what biodiversity is and how human activity threatens it to how we as individuals can

help conserve the world's richly varied biota. Seven groups of organisms, some of the most endangered on Earth, provide detailed case studies to illustrate the contributions they have already made to human medicine, and those they are expected to make if we do not drive them to extinction. Drawing on the latest research, but written in language a general reader can easily follow, Sustaining Life argues that we can no longer see ourselves as separate from the natural world, nor assume that we will not be harmed by its alteration. Our health, as the authors so vividly show, depends on the health of other species and on the vitality of natural ecosystems. For further information, please refer to <http://www.oup.com/us/catalog/general/subject/LifeSciences/Ecology/?view=usa&ci=9780195175097>.

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