

ICTSD BRIDGES DAILY UPDATE is a daily news service covering trade and sustainable development on the occasion of the Fourth World Trade Organisation Ministerial Conference in Doha, Qatar. The publication focuses on news, activities and negotiations around the Ministerial from 9 to 13 November as they relate to sustainable development issue-areas.

MINISTERIAL TALKS GET DOWN TO BUSINESS

The Negotiating Process

On Saturday 10 November 2001, heads of delegation (HODs) met all day to scope out five of the six issue areas identified as needing intensive consultation before a consensus can be found on the Ministerial Declaration, the Ministerial Decision on Implementation-related Issues and Concerns, and the Declaration on Intellectual Property Rights and Public Health/Access to Medicines. WTO Members outlined their initial views on the draft texts, but showed no major shifts from positions taken earlier in the preparatory process.

'Friends of the Chair' were selected to conduct consultations on the following subjects:

- Agriculture: George Yeo, Minister for Trade and Industry, Singapore
- Implementation: Pascal Couchepin, Minister of Economic Affairs, Switzerland
- Environment: Heraldo Munoz Valenzuela, Under Secretary of Foreign Affairs, Chile
- Rule-making: Alec Erwin, Minister of Trade and Industry, South Africa
- New Issues: Pierre Pettigrew, Minister of International Trade, Canada
- TRIPs: Luis Ernesto Derbez Bautista, Secretary of Finance, Mexico

At Saturday's all-day meeting, heads of delegation discussed the first five of these subjects; due to time constraints, initial debate on TRIPs and health will take place early Sunday morning. After that, the Friends of the Chair will report to the HODs on their consultations with Members (see details opposite).

It is not yet clear how long the Friends of the Chair process will go on, and how great a role these consultations will play in shaping the Doha outcome. Conference Chairman Yusef Hussain Kamal, Qatar's Minister of Finance, Economy and Trade, did, however, assure delegates that the heads-of-delegation meetings would remain the core of the negotiating process in spite of the numerous bilateral and plurilateral consultations that are and will be taking place. Non-papers of alternative texts have already begun to circulate, and sources indicate that new drafting texts for some of the sessions are likely to emerge by the end of the day on Sunday.

Some observers say the talks are proceeding smoothly and Members are already engaging in some give-and-take. 'It's a very business-like atmosphere, and there seems to be momentum building towards the signing of a final text,' said one delegate from a developed country.

However, Members from the Like Minded Group and some other developing countries still resist both tariff negotiations and talks on new issues, and major industrialised countries continue to have serious difficulties in the area of implementation. In addition, the crucial issue of TRIPs and health has yet to be tackled.

Developments on Saturday

Agriculture

At the HoDs meeting, countries reiterated well-known positions. The Cairns Group said the Ministerial Declaration should call for the elimination of export subsidies and the full integration of agriculture into WTO rules governing the trade in goods. Cairns countries also thought that draft language on non-trade concerns was too ambiguous. The EU said that draft language on export subsidy reduction already went too far. Developing countries called for a change in the text to address tariff peaks and escalation in agricultural trade, as well as the creation of a 'development box' on agricultural support measure (see below). The US reportedly opposed this, though this may have been due to strategic rather than substantive reasons.

Independently of the Friends of the Chair process, Switzerland held an informal meeting on non-trade concerns with a diverse group of industrialised and developing countries called 'friends of multifunctionality'. According to unofficial reports, these countries were all in favour of creating a 'development box' under the Agreement on Agriculture that would shield developing countries' subsidies and other support measures targeted at ensuring food security and rural development goals. There were some indications that Cairns Group members Indonesia and the four Mercosur countries, as well as China and Russia, were also backing the development box, but this could not be verified.

Implementation

According to WTO spokesman Keith Rockwell, some developing countries at the HODs meeting indicated that the draft Implementation Decision could be acceptable provided the overall context was right. In contrast, the US and Canada said they had political difficulties in accepting the textiles concessions outlined in the Decision. Subsidies remain another contentious point. Some differences also emerged between developing countries with regard to extending transition periods under the TRIPs and TRIMs Agreements for some, but not all, developing countries.

At press time, no news was available on the Friends of the Chair consultations on implementation.

Environment

In what one attendee termed 'workmanlike' sessions, Members' discussions on environment seemed to indicate that a paragraph on this point was likely to emerge. Despite pre-Doha positions indicating that many developing country Members did not want any text in this area, developing countries were not in direct opposition to text on environment. Sources indicated it would be possible to get at least a conditional negotiating mandate for 2003, similar to current draft Declaration language, though 'negotiations' *per se* may not be

included. Language used would likely be 'all options'. Though the EU continued to push for inclusion of the precautionary principle, this is unlikely to emerge; ecolabelling remains up in the air. Notably, the US suggested granting the WTO Committee on Trade and Environment (CTE) greater procedural freedom with respect to multilateral environmental agreements.

Put in the context of both sluggish developments in the CTE and the last Ministerial in Seattle, discussions at this level, according to sources, are unlike anything yet seen in the WTO on environment.

Rule-making

While the US remains under pressure from domestic constituencies not to weaken its trade remedy laws or to put anti-dumping up for renegotiation or clarification, developing countries continue to call for stricter disciplining of anti-dumping actions. Japan and Korea said anti-dumping was an indispensable component of future negotiations. Developing countries called for stronger language on strengthening special and differential treatment rules. The US and Iceland welcomed the opportunity to address fisheries subsidies in the new round, while the EU and others said that no sector should be singled out for special attention in the subsidies discussions.

New Issues

South Asian and African countries bluntly announced that negotiations on the Singapore issues (investment, competition policy, government procurement and trade facilitation) were unacceptable to them, while Latin American countries expressed more nuanced reservations. The EU, Chile, Costa Rica, Japan and Korea called for more ambitious language on investment and other Singapore issues.

Canada's International Trade Minister Pierre Pettigrew admitted that his consultations had revealed no flexibility on the part of those opposed to investment negotiations in particular. Others commented that this issue has become one on which developing country Members -- particularly LDCs -- are taking a solid and united stand.

TRIPs and Public Health

Due to lack of time, the heads of delegation did not discuss TRIPs and access to medicines on Saturday. However, Peru has submitted new language on the controversial paragraph 4: 'We reaffirm the right of WTO Members to pursue public health objectives, including affordable medicines, while interpreting and implementing the TRIPs Agreement.' South Africa is reportedly willing to show greater flexibility on this issue as well.

NGO MEETINGS

At an ICTSD briefing co-sponsored by UNCTAD, the Quakers United Nations Office and the Swiss Coalition of Development Organisations, panelists discussed the relationship between intellectual property rights (IPRs) and development. Brian Ager, President of the European Pharmaceutical Manufacturers Association argued that investments in product research and development would drop without stringent enforcement of intellectual property rights, whereas Rubens Ricuperro, UNCTAD's Secretary General, noted that there has never been sufficient research on the nature of linkages between IPR regimes and development to understand the effects of TRIPs implementation. Questions from audience members and country delegates focused on the possibility of obtaining waivers for public health purposes; panelist Carlos Correa of the University of Buenos Aires replied that Article 13 of the TRIPs Agreement provides some flexibility for countries seeking exceptions for essential

medicines, and that current negotiations might produce further options for governments.

Participants at a workshop on the pros and cons of negotiating a major agreement on investment in the WTO agreed that the present anarchy -- with over 2000 bilateral investment agreements and investment provisions in TRIMs, GATS and elsewhere -- is causing serious problems for developing countries, who could benefit from a clear, multilateral framework of rules governing investment. The question was, rather, whether the WTO was the right place to negotiate such a framework.

There was concern over regrouping two such essential parts of the global economic framework as trade and investment within one organisation, especially with the WTO, which many think faces a 'democratic deficit' that puts developing countries at a disadvantage. Clear problems arise with applying such basic WTO principles as national treatment to productive investment, and with the dispute settlement mechanism's limitations regarding state-to-state disputes. While others agreed, they felt that the costs were outweighed by advantages that would derive from a broad negotiating agenda within the WTO. Including investment would increase the scope for trade-offs, to the advantage of all members. Further, it would draw the sort of public attention and pressure onto WTO that might, finally, bring about the critical mass needed to make headway on transparency issues and other matters of concern in the functioning of the WTO.

While the workshop was not intended to seek consensus, there was a clear feeling that the issues surrounding investment require a great deal of debate. The workshop was sponsored by the International Institute for Sustainable Development (IISD) and the Royal Institute for International Affairs (RIIA). Those interested in joining the debate should contact the organisers.

The WTO has held two workshops in the NGO Centre; one on Friday on sustainable development and environment, and another on Saturday on the future of the WTO's development dimension, which focused on trade, debt, finance and technology transfer. The former brought together Roelof Plijter from the European Commission, Mohan Kumar from the Indian government, Gonzalo Fanive from Oxfam International, Vicente Paolo Yu from FoE International and Mikel Insausti from WWF. Saturday's workshop, moderated by Ablassé Ouedrago, Deputy Director General of the WTO, attracted not only a large number of NGO representatives but also numerous government delegates, many from developing countries. The UK's Minister for International Development Clare Short, Mauritius' Minister of Industry and International Trade Jaya Cuttaree, Mexico's former President Ernesto Zedillo and Victoria Tauli-Corpuz formed the panel and led an active interchange with the floor. The next WTO workshop on 'TRIPs: Access to Medicines' with Ellen t'Hoen from *Medécins sans Frontières* and Dr Harvey Bale from the International Federation of Pharmaceutical Manufacturers' Association will take place on Sunday between 10 and 12 in Room 1 at the NGO Centre.

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