

Codex sets new standards on lead, cadmium, aflatoxins

Food experts on Friday set new international standards on maximum allowed levels of contaminants including lead and cadmium, as well as aflatoxins, so as to improve food safety, officials said.

The standards, issued by the Codex Alimentarius Commission, are voluntary for countries, but apply to food consignments that move in international trade, they added." The new standards adopted this week will thus go a long way to protecting human health, as they set out new, maximum limits for lead in fish, cadmium in rice, marine bivalve molluscs and cephalopods, and aflatoxins in Brazil nuts," a statement said. Officials from 110 countries took part in the annual week-long talks. Codex is a joint food standards body run by two United Nations agencies -- the World Health Organization (WHO) and the Food and Agriculture Organization (FAO) -- to protect consumers' health and ensure practices in food trade.

On aflatoxins, blamed for severe stomach cramps or liver cancer, the experts did not set a numerical value to limit the amount in Brazil nuts, but issued guidelines on critical points in the production process, officials said. Some countries have raised concerns in the World Trade Organization (WTO) about strict European Union (EU) standards on residual levels for aflatoxins in Brazil nuts, but there has not been any formal dispute cases brought before the trade watchdog.

The food experts did set specific levels to limit amounts of cadmium, which can provoke kidney damage after long periods of exposure, as well as lead, which can cause anemia and hepatic and neurological disorders, according to the Codex statement. A maximum of 0.4 milligrams of cadmium per kilo should be found in polished rice, Kazuaki Miyagishima, Codex secretary, told a news briefing. Cadmium should not exceed two milligrams per kilo of marine bivalve molluscs, excluding oysters and scallops, and the same amount in cephalopods such as squids and octopus, he said.

The maximum level of lead in fish was set at 0.3 milligrams per kilo, Miyagishima said. The experts also agreed to set up a task force to assess food safety risks associated with antimicrobial resistance in food of animal origin, not expected to meet until mid-2007

Source: Reuters Geneva 7) July, 2006

Zambia Lacks Manpower to Negotiate At World Trade Talks,

ZAMBIA lacks capable manpower to negotiate effectively at world trade talks, Programme Urban Self Help (PUSH) board chairperson Maxwell Sichula has said.

Commenting on the lack of trade negotiators in the country yesterday, Sichula said there is need to invest in human resources that would effectively articulate what Zambia requires from international trade markets. "There are serious issues involved at that level which no ordinary economist can handle and articulate well," Sichula said. "There is need to have capable manpower who should put across the country's interests first in an effective manner."

Sichula, who is also executive secretary of the Zambia Chamber of Small and Medium Business Associations (ZCSMBA), urged government to seriously consider investing in human resource. "At those talks, you find several sub-sector meetings taking place at the same time and if your delegation is small, which is usually the case in this country, we tend to miss out on several issues through non-representation and in some instances Zambia is represented by just two people," he said. "But when you look at countries such as Ghana or Kenya, they are well represented by technical people who articulate issues more effectively."

However, Sichula praised economist Maybin Nsupila and Ministry of Commerce director of foreign trade Dorothy Tembo, as some of the Zambians who are able to represent the country effectively. "At discussions involving world trade, there are various sectors and each sector has experts to critically analyse issues at hand and we should maintain the few people we have, even keeping them at World Bank salary levels."

Source: The Post Lusaka 5 July, 2006

Slash farm tariffs for gains in other areas: WTO to Japan

The chief of the World Trade Organisation has urged Japan to show more flexibility in slashing tariffs for agricultural products so it can secure gains from the liberalisation of industrial and service trade.

WTO Director General Pascal Lamy, slated to visit Japan on Wednesday and Thursday, said in an interview with the Japanese media yesterday that the world's second-largest economy is "an important player" and has "offensive interest" in the current Doha round of talks, which have fallen into a crisis.

Asked what message he will convey to Prime Minister Junichiro Koizumi during his Japan visit, Lamy said, "message is we need Japan." "Given the crisis situation we are in, things are not sort of business as usual," he said.

Lamy said that "existing flexibility in average level is not enough and we need a bit more." The WTO chief added that he will try to convince the premier that Japan "has a big stake" in the WTO negotiations. Lamy pointed out that WTO members have agreed that "trade-distorting tariffs are too high" and that Japan will have to "slash its tariff down, with some flexibility for some products."

Even for politically sensitive products, including rice for Japan, their tariffs must be slashed and market access must be provided by an increase in the tariff quota, the Director General said. The WTO process has been in a critical situation since six key players - US, EU, Brazil, India, Japan and Australia - failed to break a stalemate during the intensive talks last week in Geneva.

Source; Reuters, Geneva 6 July 2006

Zambia: Dodia Calls for Caution Over EPA

PRIVATE Sector Development Association (PSDA) chairperson Yusuf Dodia has said there is need to think of the long term implication of the Economic Partnership Agreement (EPA) to Zambia's interests. Commenting on the recently released report on the economic impact of the EPA in Zambia, Dodia said there is need to clearly think of the long term impact of the programme."It means that if we want to support our own industry, then we have to break the agreement," Dodia said. "That is where the danger is." He said as a country, there was need to ensure that whatever agreement entered into does not impact negatively on the nation's interests. "We have to be very careful not to create a situation we can regret in future," Dodia said.

The report indicates that Zambia is likely to face limited direct trade related adjustment costs due to the country's limited imports from the European Union (EU).The report states that sensitive agriculture products would be excluded from trade liberalisation. The report notes that a previous quantitative study estimates the revenue loss at US\$15 million in a complete liberalisation scenario with the EU."Taking into account positive product exclusion lists, the loss would be reduced to between US\$2.7 and US\$9.4 million," the report states. "Trade diversion would appear to dominate trade creation with the risk of some welfare loss although the absolute value of such loses would be limited relative to total Zambia's trade."

The report states that agriculture products would not be affected if agriculture-based products are excluded from trade liberalisation. "Main potential change is related to EU liberalisation of sugar quotas which may increase Zambia's exports of sugar," stated the report.

Source; The Post, Lusaka Zambia, 4 July 2006.

Brazil, EU Square Off in WTO Tire Dispute

Brazil accused the European Union on Wednesday of trying to dump millions of used tires in the South American country, increasing the risk of tropical diseases and widespread environmental havoc.

In a rare ministerial appearance before the WTO's dispute settlement body, Brazil's environment chief, Marina Silva, said her government was determined to block retreaded tires from entering the country, because it would effectively force Brazil to store European waste, without the possibility of recycling the material.

Brussels counters that the proposed ban is an unjustified trade barrier, noting that Brazil still allows the tires to be imported from fellow South American countries. A series of court injunctions have held up the federal government's ban and about 9 million used tires from Europe were exported to Brazil last year. "Brazil cannot become a dumping ground for used, exported tires from developed countries," Silva told reporters as the two trading powers opened their World Trade Organization dispute. She said used tires arrive from Europe very late in their life span, meaning they cannot be recycled after use and quickly become waste. Afterward, authorities are left with the dilemma of burning the tires and releasing large quantities of toxins into the air and ground, or storing them until they decompose, which could take hundreds of years.

Silva, who grew up in the Amazon region, cited evidence from the World Health Organization that disposed tires help spread tropical diseases, by holding stagnant water that helps mosquitoes breed. She warned of "plagues" of malaria, dengue fever and yellow fever if the EU were allowed to "dump" its tires on the Brazilian market. "We do not have the necessary infrastructure to ensure the final disposal of these tires," she said. "The measures challenged by the EC are a key element in Brazil's comprehensive program to protect public health and the environment from risks caused by waste tires."

In 2001, a year before the ban was adopted, EU exports of retreaded tires totaled more than 7,800 metric tons, or more than 95 percent of the retreaded tires Brazil imported. In 2004 EU exports fell to 373 tons, or just over 16 percent of the total. "There appears that a double-standard is being exercised here," Peter Power, spokesman for EU Trade Commissioner Peter Mandelson, told The Associated Press by telephone. "Brazilian tire manufacturers produce retreads themselves and Brazil does not restrict their import from other Mercosur countries," Power said. "A retread is not waste. It is a recycled product."

Brazil has over 1,000 companies engaged in the retreading industry, but Silva said there were enough tires already in the country to sustain them. Brazilian firms retread about 11 million tires each year.

Brazilian officials concede that a small amount of retreaded tires are still being imported from Uruguay, but say these are only being allowed because of a successful complaint by its neighbor before a Mercosur arbitration board. Silva cited the threat of having to absorb 80 million EU tires, but did not say how she arrived at the figure.

Source; Associate Press, Geneva 6 July 2006

China and EU can 'strike bargain

Europe and China could strike a "grand bargain" by agreeing to accommodate each other's commercial interests, EU Commissioner Peter Mandelson has said. Speaking ahead of an EU-China trade conference in Brussels, Mr Mandelson said China must abide by world trade rules and be more open in its dealings.

In return, Europe must accept the "challenge" posed by China's economic strength and adapt to better compete. Relations between the economic powers have been soured by trade disputes. Brussels has accused China of "dumping" cheap leather shoes on the European market and has imposed temporary tariffs on imports. It is currently examining other cases of possible trade distortion involving items such as plastic bags, with a view to similar action.

As a member of the World Trade Organization and a key player in the global economy, China must respect trade rules, Mr Mandelson said. This required it to give fair treatment to European firms doing business there and honouring intellectual property laws. Failure to act by Beijing in this area would only fuel calls for greater protectionism in Europe, Mr Mandelson warned. "China sometimes talks as if it is at the edge of the WTO system looking in," he said. "But China now is the system." "Too often Europe's businesses meet a Chinese wall rather than an open door." The EU is China's largest trading partner, while China is the EU's second largest trading partner after the United States.

However, the relationship has become increasingly unequal with the EU's trade deficit with China growing to more than 100bn euros (£70bn). In return for China accepting the responsibilities that come with being a global economic power, Mr Mandelson suggested that Europeans needed to turn down the rhetoric over cheap imports and unfair competition. He said many European firms now used China as a low-cost manufacturing base to export to the rest of Asia, while complaining about the threat to jobs in their own markets from Chinese goods. "Europe must accept the Chinese challenge to adapt and compete. "What do we mean when we say that cheap Chinese exports are threatening European livelihoods?"

Source: Reuters Geneva, 10 July 2006

Pakistan upgrading copyright laws

Pakistan has started upgrading its copyright laws with the help of World Intellectual Property Organisation (WIPO) following pressure from trading partners particularly the United States to improve its negative copyright image.

Official sources told Dawn here on Thursday that WIPO had also proposed major changes to the Pakistan's Geographical Indications of Goods (Registration and Protection) Ordinance, 2004 and some other existing legislation. The organisation was seeking strict measures to ensure IPR laws at grass-roots level and hard punishment for the violators including a complete ban on illegal businesses.

WIPO experts have started studying the existing legislations regarding copyrights and have also forwarded their recommendations to the Intellectual Property Organisation (IPO)-Pakistan. Being a signatory to the Trade Related Intellectual Property Rights (TRIPs) agreement under the WTO, Pakistan required upgradation of its intellectual property infrastructure in synchronisation with global trends. Despite some recent measures by the government, the sources said the intellectual property regime was still being internationally perceived to be constantly deteriorating. "This discourages foreign direct investment and serves as a disincentive to local research, innovation, creativity and development of intellectual property and knowledge assets in the country".

WIPO was also cooperating with a high-powered Policy Board established by the government to oversee, guide and control the IPO-Pakistan to enable it to achieve its organisational objectives. Officials said that the country was facing extreme pressure from the developed countries, especially the United States, to amend its existing legislations. The US was at the top of the list of the countries facing huge losses due to intellectual rights violations. The United States has recently announced that it had closed a review of an industry-initiated petition seeking termination of Pakistan's eligibility for the Generalised System of Preferences (GSP) programme based on concerns over intellectual property rights. The GSP programme provides duty-free treatment to certain exports to the United States.

The US has ended the petition review due to the significant progress Pakistan has recently made in the protection and enforcement of intellectual property rights, especially with regard to stopping production of pirated optical media products (CDs, DVDs). The country has empowered the Federal Investigation Agency (FIA) and Pakistan Customs with additional powers to raid and seize pirated goods.

Source: Reuters, Islamabad Pakistan, 6 July 2006

WTO to review regional accords

World Trade Organisation (WTO) members have agreed to review regional trade accords, which account for more than half of global commerce worth \$10,3-trillion a year, to check they do not hinder the flow of goods.

It marks the first time that the WTO's 149 members have agreed to monitor some of the estimated 300 agreements now in force to ensure they do not conflict with its own international rules. "This decision (reached last month) will help break the logjam" on regional agreements at the WTO, said the organisation's director-general, Pascal Lamy. "This is an important step towards ensuring that regional trade agreements become building blocks, not stumbling blocks to world trade," he said.

Economist Jagdish Bhagwati at Columbia University in New York, and a member of an eight-person WTO advisory panel, said the danger was that as the wider WTO negotiations faltered, governments would step up the pace of bilateral agreements. That created what Bhagwati called the "spaghetti bowl" effect, as doing business across borders became more, not less, complex.

Smaller states such as Switzerland, Iceland, Norway and Liechtenstein, which have a free-trade area of their own, say their export-dependent economies rely on such bilateral deals because the pace of progress at the WTO is too slow. A WTO meeting aimed at fixing formulas to cut duties on farm and industrial goods, as well as agricultural subsidies, ended earlier this month in deadlock, as governments refused to make any new concessions that may foreshadow a collapse of the talks on the issue this year, a solution to which the World Bank says would pump at least \$96bn into the global economy. "Hopefully," Lamy said, the deal to monitor the accords "is a good omen for progress in other areas of the talks, where agreement is urgently needed."

Source; 12 July 2006

WTO talks inconclusive, Nath headed home

WTO talks appear to be headed for a collapse and Indian Commerce Minister Kamal Nath is leaving the meeting, which has hit a roadblock after tough stand by developing countries on contentious agricultural issues.

"There is no need to pretend that this has not been a failure... I am willing to negotiate commerce but subsistence, livelihood and security I will not be willing to negotiate," Commerce Minister Kamal Nath said blaming the rich nations for the deadlock.

The trade ministers of 60 WTO member countries were meeting in Geneva to work out what is called modalities for negotiations on the contentious issue of agriculture and industrial tariffs so as to move forward in the Doha round of trade negotiations scheduled to be completed by December.

WTO Director General Pascal Lamy said the trade ministers were refusing to show any flexibility and engage in negotiations to cut farm subsidies and tariffs on industrial goods.

As the talks appeared headed for a deadlock around 100 developing countries including India formed a united front to defend the development thrust of the global trade talks.

Despite no headway so far, they were still optimistic that an agreement could be reached by the end of July. This meant there could be yet another Mini-Ministerial in a couple of weeks of the ongoing talks ending without an agreement.

"While I am disappointed I am still optimistic," Nath said summing up the progress of the talks on the second day.

Source; Press Trust of India, Reuters, Geneva, 12 July 2006

Congress pressed on trade deals

The Bush administration is pressing Congress to pass at least three trade deals this year, although limited time, November elections and stiff Democratic opposition mean that only one final vote is nearly certain. House lawmakers are expected to vote on a free-trade agreement with Oman as soon as next week, and separate hearings begin today on free trade with Peru and allowing Vietnam into the World Trade Organization. "We're going to get as much as we can get done in July. What we don't get done in July we're going to try and get done in September. What we don't get done in September we're going to get done in a lame duck [session]," said a U.S. trade official, who asked not to be named.

The Senate approved the U.S.-Oman Free Trade Agreement last month in a 60-34 vote, but opposition may be stiffer in the House. Ways and Means Committee Democrats last month unanimously opposed the deal, saying it leaves the door open to labor abuses.

Oman would join Bahrain, Morocco, Jordan and Israel as the administration works to build a Middle East Free Trade Area, a post-September 11 initiative to more closely tie the region to the global economy and U.S. policies.

The Bush administration is emphasizing national security goals as it lobbies Congress to approve the Oman accord. Democrats overwhelmingly supported the Bahrain, Morocco and Jordan pacts but say the administration has not responded to their concerns with Oman. "I would have expected this to be a straightforward agreement, but [the U.S. Trade Representative's Office] has been so uncooperative," said a House Democratic aide. "We are now undecided." Democrats also are under pressure from organized labor to rebuff the White House on trade.

Republicans hold a 29-seat advantage in the House and can push through the Oman deal. The rest of the Bush administration's trade agenda may be on shakier ground on Capitol Hill. The White House needs Congress to approve a completed free-trade agreement with Peru and to grant Vietnam permanent normal trade relations before the country can join the WTO. Vietnam appears to have support from both parties; but as the Nov. 7 election nears, lawmakers likely will become more reluctant to vote on trade deals, which can strike a nerve with some domestic manufacturers and blue-collar workers. "There is a strong sense that we don't talk about [trade] as much in September and October, especially with elections looming," said John Murphy, vice president for international affairs at the U.S. Chamber of Commerce.

The House will be in recess from July 31 until Sept. 5, while the Senate is out from Aug. 7 until Sept. 5.

Source; The Washington Times, 12 July, 2006

EU expects U.S. moves at G8 to help WTO talks

The European Union expects the United States to make moves at next weekend's G8 summit that could help unblock the World Trade Organisation's Doha round, the head of the European Commission said on Tuesday. "We hope that signal can come from this meeting ... We expect (the) Americans to make some positive moves," Jose Manuel Barroso said before the meeting of the Group of Eight industrial nations in St Petersburg, Russia, which starts on Saturday.

The EU and other WTO members have called on the United States to go further with its proposed cuts to subsidies it pays farmers. Washington has said it could be flexible on the issue but others need to make the next moves. "We believe everybody in the end has to move if you want success," Barroso told a news conference. "The Americans have their crucial position and we hope that this move (by) them in the area of domestic (farm) support could be very important."

He also reiterated Brussels' position that the G20 group of big developing countries must also come up with cuts to tariffs for imports of industrial goods that Europe and the United States are seeking.

The Doha round was launched in 2001 to boost the global economy and alleviate poverty. But now it risks running out of time if it cannot be agreed this year, given the mid-2007 expiry of U.S. presidential fast-track powers to sign trade deals.

Source: Reuters, Brussels 11 July 2006

Brazil's move could be challenged in the WTO

The Brazilian government's recent move to grant an additional \$454 million to Brazilian soybean farmers to offset sagging prices could make the country a target within the World Trade Organization.

With this sum, the total allocated for aid to Brazilian farmers reached roughly \$1 billion for the 2005-06 season. Some countries could be preparing complaints in the WTO against Brazil's move. At least, this is the concern among Brazilian officials.

The aid package, specifically aimed to help farmers in the central west region of the country – the top soybean producing region of the country – guarantees a minimum price for the commodity growers. All farmers who sell soybeans at a price below production cost are entitled to receive the aid: a surplus payment by the government equivalent to between 40 cents and \$1.60 per bushel." This could be understood as a direct subsidy to production," said Brazilian Agricultural Foreign Relations secretary Célio Porto. "There could be some questionings in the future, it is true," he said.

Brazil could lose favor in the WTO if it is charged with practicing exactly what Brazil says its adversaries, specifically the European Union (EU) and the United States, practice. The country's political strength could fade on all fronts within the organization.

While there could be embarrassing questions from the WTO, Brazilian officials are quick to say that the move was completely by the book, and that the country is entitled to have acted as it has. Currently, there is a 10 percent of Gross Value of Production (GVP) limit for subsidies for members of the WTO. Brazil says the ceiling for direct government aid has not been reached. One problem is that Brazilian GVP has dropped significantly from last year, thus increasing the percentage.

Brazil is already preparing for a possible struggle within the WTO, this time in a different role – being accused of over-subsidizing its production. As a defense, Brazilian officials point to a study from the Organization for Economic Cooperation and Development (OECD) stating that Brazil's use of subsidies reached only 3 percent of its GVP between 2002 and 2004, way below the allowed maximum. According to the OECD study, developed countries have spent sums that, on average, reach 30 percent of their GVP. In EU, there were subsidy rates as high as 37 percent of GVP during the same time frame. In the United States, the rates were about 17 percent, the study says.

Brazilian officials think they can dodge the bullets fired from its commercial competitors in the WTO. "This should not undermine at all the negotiations for subsidy reductions within the WTO," said one official of the Agricultural Foreign Relations Department.

Although Brazilian officials think they are prepared to fight off international problems related to the new aid package, it is a different situation inside the country. Farmers, suffering from high debt and low prices, did not welcome the plan. They claim the time for aid has long passed and that this package does not get to the heart of the problem – farm debt." It doesn't address the real problem, our endemic debt burden," said Homero Pereira, president of a growers association in Mato Grosso, the biggest soybean producing state in the country.

Farmers have already begun protesting against the lack of help they get from the Agricultural Ministry. What farmers really want is a renegotiation of about \$3.5 billion in unsolved debts that go back to 1995."Without this renegotiation, no package that could help us," said another farmers' association president. "The renegotiation has already been announced with the last aid package. If there were another one coming, it would be to a specific region, not for all farmers," Agricultural Minister Roberto Rodrigues said.

Source: Reuters Brazil 11 July 2006

WTO nations must stretch for Doha pact-US

The United States accused Brazil, China and India on Friday of hiding behind poor nations in world trade talks and said richer developing countries had to open their markets if a crisis in the negotiations was to be overcome.

U.S. trade chief Susan Schwab said she did not think it was too late to get a deal, adding trade would be a focus at a meeting of G8 leaders -- heads of state from the world's seven industrial states plus Russia -- later this month. Brazil and India's leaders are also expected to attend.

"There is a session where the G8 leaders will probably be talking about trade, and there is an outreach session where we will have some other leaders including (Brazilian) President (Luiz Inacio) Lula, (Indian) Prime Minister (Manmohan) Singh and others," she added.

A meeting last weekend of trade ministers from so-called G6 leading trade powers in Geneva broke up in disarray when they were unable to resolve any differences over farm and industrial goods, which, along with services, make up the three "pillars" of the negotiations. "Maybe we all needed to get to the edge of the precipice and ... see that yes in fact this could fail," said Schwab, adding that World Trade Organization, or WTO, members now needed to avoid "defeatist thinking." "Some advanced developing countries, arguably emerging powerhouses, would like to hide behind the least developed and the poorest among us who clearly should be given a pass in these negotiations," she said. "The Brazils, the Chinas, the India of this world can and should expect to participate in this negotiation, including opening their markets to benefit other developing countries," she added.

The Doha development round began nearly five years ago with the aim of boosting global growth and lifting millions out of poverty. Poorer nations have long insisted that richer countries must open their agriculture markets before they will open their industrial and services markets. "There are some advanced developing countries like India questioning the benefits of opening markets for development," Schwab said, adding: "70 percent of the duties paid by developing countries are paid to other developing countries."

She said the United States had clearly signaled its willingness to "modify" proposed cuts to the billions of dollars it spends annually on domestic farm subsidies and had no intention of giving up on the talks. There are no current plans for a gathering of the G6 or full WTO membership, but "those could be pulled together fairly quickly and all of us would not be surprised if we end up in Geneva at the end of July," she said. WTO chief Pascal Lamy must now act as broker in the increasingly desperate bid to reach a free trade deal by the end of the year.

But diplomats and observers of the negotiations say the St. Petersburg G8 summit on July 15-17 may decide the outcome of the WTO talks. A clear signal of readiness to make the needed concessions must come from the heads of government of the major trade powers, they say. President George W. Bush acknowledged at a news conference in Chicago on Friday that trade would be a key topic at the summit.

"The commitment (of the Doha Round of the WTO) is that a world that trades freely is a world in which people are going to be able to find work here at home, and it means we have better capacity to be able to help lift nations out of poverty," he said.

Source; Reuters Washington 12 July 2006

