



Trade News Bulletin

Issue No.39

Wednesday 8 November 2006

Table of Contents	Pages
WTO push a 'win-win' for nation	2
China defends trade, market policies	3
WTO formally approves Vietnam membership	4
U.S. gearing up to urge FTA by APEC members	5
EU trade chief to urge China over economy barriers	6
Mandelson heads to China to explain no-nonsense policy	7-8
British finance minister, business leaders call trade talks	9
Regionalism in the Age of Asia	10-12
US closes GSP review against Pakistan:	13-14
Kamal Nath to inaugurate EU-India conference	15
Regional Political Will Needed to Break WTO Deadlock	16
WTO outlook still cloudy after Pascal Lamy US visit	17
WTO chief stresses 'cohesion' to unions over globalisation	18-19
Summit shows China's Africa clout	20
'The European development fund and EPAs'	21-22
No progress on WTO talks likely over next three years:	23
China to double its aid to Africa	24
US should make generous offer to WTO partners:	25
Chancellor Brown for restarting Doha round	26
G33 Slams "Flawed" World Bank Paper On Special Products	27-28
China warns against U.S. action at WTO over piracy	29

Building the capacity of ACP Countries in Trade Policy Formulation, Negotiations and implementation ("Hub and Spokes")
Project

WTO push a 'win-win' for nation

China's efforts to meet its World Trade Organization (WTO) commitments will be a win-win for the nation's economy and for the rest of the world, said high-level Chinese and US officials at a forum yesterday. "Good start, good performance and more to do is what I could say about China's entry into WTO and the way ahead," said Robert Poole, vice-president of China operations at the US-China Business Council. "Those nations that reform economies and open themselves to competition benefit citizens greatly."

By December 11, China is expected to have fully opened its market in accordance with its WTO commitment, including the financial sector despite fears it may put Chinese players at a disadvantage. "I welcome more foreign companies from the financial sector to come to China; I expect them to develop and grow as rapidly as possible, which may motivate Chinese companies to grow stronger as well," said Long Yongtu, secretary-general of the Boao Forum and China WTO negotiator. "Chinese companies should not be so reliant on government support and protection they are much more powerful and competitive than they thought they were." According to Long, China has gained much more than it has lost in the last five years. Chinese companies have been forced to go overseas, becoming more and more powerful. "Fulfilling the commitment we've made to the WTO is not a compromise, but great progress, bringing benefits to Chinese companies and Chinese people," said Long.

Poole believes protectionism is unnecessary, and that free trade is good for everyone. "Of the top 20 banks in China there are only seven foreign banks, and they have at most three branches in China they don't pose any threat to their Chinese counterparts," he said. "But their entry into China could bring capital, good products, techniques and management skills, and job opportunities."

Source: Reuters, Beijing 8 November 2006

China defends trade, market policies

Chinese Commerce Minister Bo Xilai has defended China's trade and market access policies, making clear that as a developing nation, it cannot make "drastic changes". "People who call for China to open up its markets further to the outside world must recall it's basically a developing country," Bo said after meeting with visiting EU Trade Commissioner Peter Mandelson on Tuesday.

Bo was responding to his EU counterpart's call for China to further open its market to foreign competition and remove "unfair barriers" to European companies. Mandelson said China "needs to open its markets further and commit to trading fairly both in terms of the conditions of domestic production and the access it provides to its own market." Bo said China is still a developing country which has 100 to 200 million people living on the equivalent of one US dollars per day, and is not able to undertake drastic changes. He also criticised the EU for its decision to go along with the United States and Canada in asking the World Trade Organisation (WTO) to set up a panel to examine China's tariffs on auto parts.

He defended the country's tariff regime on imports of auto parts, which regards imports of 60 per cent or more of a vehicle as a complete unit, saying the regulations were "fully in conformity" with WTO rules.

But Mandelson indicated Brussels would press ahead with its complaint. The two agreed to meet next month ahead of the deadline for setting terms of reference for negotiations over a new treaty to guide bilateral trade and investment. The treaty aims to replace the current one that has remained unchanged for over 20 years. As for Mandelson's complaint about counterfeiting, Bo said China has made big strides in protecting intellectual property rights (IPR).

Reports said the United States is set to refer China to the WTO for weak protection of IPR. But Mandelson said he has no intention of straining relations by suing China at the global trade body for falling behind on its obligations. The EU trade chief is scheduled to meet Chinese officials from the intellectual property rights enforcement office on Wednesday. Mandelson will then travel to Chengdu, Southwest China's Sichuan Province, for a forum which aims to boost co-operation between small-and medium-sized enterprises from both sides; and seek Chinese investment in Europe. Europe is China's largest trading partner while China is Europe's largest source of imports.

Source: IST PTI , Brussels, 8 November 2006

WTO formally approves Vietnam membership

The World Trade Organization (WTO) formally approved Vietnam's accession on Tuesday, clearing the way for the communist Asian state to become its 150th member. Vietnam will officially join 30 days after its National Assembly ratifies the accession accords. The executive General Council approved the deal struck late last month by the WTO's working party on Vietnam's accession, a formality as the working party is open to all WTO states with an interest in the negotiation. Vietnam, a country of 82 million people with a fast-growing economy, has been trying to join the WTO for 12 years. The entry deal includes a detailed list of the tariffs and quotas Vietnam will apply to foreign imports, the ceilings it will apply on subsidies to its farm sector and timetables for reducing them.

WTO membership will afford the country's textile, rice and coffee exporters protection from arbitrary moves by other countries to block Vietnamese imports regarded as threatening to domestic producers. It also specifies services such as banking, insurance and telecommunications that Vietnam will open tout side providers and spells out limits to the restrictions it can impose on foreign ownership of firms inside the country.

Vietnam will step further into trade diplomacy on November 17-18 when it hosts a Hanoi summit of the Asia-Pacific Economic Cooperation (APEC), a body which includes the United States, China, Russia and Japan.

Source: Reuters, Geneva, 7 November 2006

U.S. gearing up to urge FTA by APEC members

Washington is feeling out the possibility of forming a free trade agreement (FTA) covering all 21 members of APEC, sources said. U.S. officials have already been in touch with their counterparts in Tokyo about such a move, which would forestall Tokyo's efforts to form an East Asian economic bloc that excludes the United States. Washington aims to start official deliberations about an FTA at the Asia-Pacific Economic Cooperation summit to be held Nov. 18-19 in Hanoi, the sources said.

Until now, Tokyo put priority on negotiating an FTA with its surging East Asian trading partners. Japan has avoided negotiating an FTA with the United States because it would likely put Japanese farmers at a disadvantage. An FTA between the world's two economic giants might also throw WTO negotiations off course.

But now that Washington has made it clear it wants to open the Asian market using the APEC framework, Tokyo must decide whether to start negotiating with Washington like other Asian nations. The sources said Washington contacted the Foreign Ministry and the Ministry of Economy, Trade and Industry at the working level in October, saying the United States wants to seek a multinational FTA in the region over the mid- to long-term. An APEC-wide FTA would be the largest multinational framework for the United States. However, Tokyo in spring announced a plan to form an East Asia Economic Partnership Agreement (EPA) that would incorporate 16 countries, including the members of ASEAN, Japan, China, South Korea, India, Australia and New Zealand.

Former economy and trade minister Toshihiro Nikai made a formal proposal to his counterparts at an unofficial meeting of trade ministers from the 16 nations in August.

Some sources said the U.S. State Department was not happy that the East Asia EPA would draw a line down the middle of the Pacific Ocean to exclude the United States.

Some Japanese officials are also wary about Washington's latest plans; given that opposition from within the United States put a stop to previous plans for multinational frameworks within Asia.

Two such failed efforts were former Malaysian Prime Minister Mahathir Mohamad's proposal to create an East Asian Economic Caucus and Japan's plan to set up an Asian Monetary Fund. This time around, however, the U.S. plan is more than just an attempt to thwart an East Asian EPA, some sources said.

In fact, Washington appears to be jittery about being excluded from an Asian trade agreement. ASEAN, for instance, is steadily reducing tariffs within the region, aiming for a unified economy by 2015. Beijing and Seoul have already formed FTAs with ASEAN, while Japan, Australia, New Zealand and India are negotiating to do the same.

If the 16-nation East Asian EPA materializes, the combined gross domestic product of the region would reach about \$9 trillion (1,062 trillion yen), creating a major economic bloc on par with the EU's \$13 trillion and the trade area under the North American Free Trade Agreement, of about \$14 trillion.

Washington hopes to win over the Asian market through bilateral FTAs with Thailand, Malaysia and South Korea, but is having a hard time hammering out deals. That is why Washington is now turning to APEC, sources said.

Source:IHT/Asahi: 6 November ,2006

EU trade chief to urge China over economy barriers

Europe's trade chief heads for China on Sunday to urge the export giant to remove barriers to foreign investment more quickly and take on more responsibilities as a fast-emerging economic powerhouse. European Trade Commissioner Peter Mandelson last month announced a plan for the EU and China's burgeoning trade and investment ties, promising to resist protectionism at home in return for China opening further its economy. He is due to discuss the plan with Chinese Commerce Minister Bo Xilai during a five-day visit next week. Mandelson will also hear complaints of European businesses facing an array of restrictions on foreign investors and struggling against widespread piracy, and he will raise the EU's hopes for China to act on other issues including climate change. "He will be applying the idea that China has new responsibilities and the power to set the agenda on global issues," an EU official said.

Last month's EU trade and investment strategy for China accompanied a broader report which reiterated calls on Beijing to act on human rights, such as abolishing the death penalty, and on environmental and labor issues. But with bilateral trade more than doubling since 2000 and the EU now saddled with a Chinese trade deficit of more than 100 billion euros (\$128 billion), Brussels is most urgently seeking changes to outdated bilateral trade and investment rules. The EU and China are due to launch talks in January for a wide-ranging new agreement. With such explosive growth, trade ties have inevitably been tested by disputes. China is likely to raise with Mandelson its opposition to EU anti-dumping duties imposed on Chinese leather shoes in October which Beijing says were aimed to protect ailing EU industries.

Separately, the EU, along with the United States and Canada, has taken China to the World Trade Organization's (WTO) courts for the first time in an auto sector row, potentially a taste of things to come. "China has reached a stage in its development when the rest of the world is entitled to ask for more from China," Mandelson said as he launched the China plan last month. China is nearing the end of a five-year transition period to adjust to the requirements of its WTO membership. Early next year Brussels will spell out what it sees as unfair barriers to trade and foreign investment, although it notes progress in some areas such as banking reform. Among issues Mandelson will raise in Beijing are restrictions announced in September on foreign media and financial information distributors, including Reuters. He is also likely to tell China it still has a long way to go before winning the EU's Market Economy Status, something that would help Beijing fight off future anti-dumping claims. The EU official said Mandelson will ask China to help revive the WTO's stalled Doha round of global trade talks, suggesting it should open its markets more to developing countries. Many developing countries fear the Doha round's planned import tariff cuts would expose industries to stiff competition from China, but offering them new market access in China could help offset those worries, the official said.

Source: Tehran Times, Reuters Brussels, 6 November 2006

Mandelson heads to China to explain no-nonsense policy on trade

European Union trade chief Peter Mandelson heads to China this week to explain in greater detail a no-nonsense approach to commerce laid out in a recent hard-hitting policy paper. The paper, which raised eyebrows with its promise to drag China to the World Trade Organization in future disputes, is likely to top the agenda when Mandelson meets his Chinese counterpart, Commerce Minister Bo Xilai. "The essential rationale for the trip as far as we're concerned is to present the Chinese with the China strategy review," said a Brussels-based EU official. "This is his chance to sit down and talk through with Bo Xilai the message in that communication. "No one questions the crucial nature of the relationship. China is the EU's second-largest trading partner, after the United States, while the EU is China's top trading partner. Over the past generation, bilateral trade has risen more than 60-fold, and as the stakes have risen, disagreements have been brought into starker relief.

The policy paper, issued last month by the EU's executive arm, the European Commission, reflects this development, telling China it will be hauled before WTO litigators if disputes are not resolved through talks. And it comes amid warnings from the commission that China faces a political backlash in Europe if it does not play by the rules of international commerce. "China has reached a stage in its development when the rest of the world is entitled to ask for more from China," Mandelson told journalists when the paper was released.

Laying out Europe's demands, the British commissioner said the EU wanted China "to fulfill its WTO obligations and continue to open its markets and liberalize trade in services and investment". China's response to the paper has so far been low-key, with foreign ministry spokesman Liu Jianchao saying merely that it was being studied carefully. "We hold that under the current international situation it serves the interests of both sides to constantly develop and enrich the China-EU strategic partnership," Liu told a briefing. Mei Xinyu, a Beijing-based economist with the Chinese Academy of International Trade and Economic Cooperation, said disputes were not necessarily an unhealthy sign. "Of course, there are disputes in bilateral trade talks, but the overall premise is that commerce is in the interest of both sides," she said. "In fact, talks and disputes help deepen the trade relationship. "In the latest flaring of tensions, the EU applied anti-dumping duties on Chinese shoes last month just after it sought, along with the United States and Canada, a WTO ruling against China in a car parts dispute. "We want to work cooperatively with the Chinese to address the kind of state intervention in the shoe investigation. But it's not something that we would negotiate, the duties are there," said the Brussels-based EU official. "(Disputes) are part of the political wallpaper of the relationship and Mandelson's strategy vis-à-vis China has always been to try to put those disputes, tensions or frictions into a much bigger context," he said.

Trade in a narrow sense is not the only agenda item for Mandelson, who last visited China in June. The commissioner will also visit the southwest Chinese city of Chengdu

for a meeting with small and medium-sized European enterprises, reflecting the way China presents a challenge to everyone in corporate Europe, size notwithstanding. And he is likely to once again raise China's flawed record on intellectual property rights, to the consternation of some Chinese observers. "In fact, the Chinese government has made great progress on IPR protection," said Li Gang, a researcher on European Studies at China's Ministry of Commerce. "When it comes to IPR, the EU seems to be following the US example of putting pressure on China not just for economic reasons but also for political reasons," he said.

Source: AFP, Beijing , 6 November 2006

British finance minister, business leaders call for resumption of trade talks

British finance minister Gordon Brown and several of the world's business leaders called for a global alliance to promote free trade and fight those who argue for increased protectionism.

Chancellor of the Exchequer Brown widely tipped to be the next British prime minister after Tony Blair steps down, warned of a "descent into protectionism", and urged countries around the world to return to the table for the resumption of the Doha Round of trade talks that were suspended in July. His comments were echoed by the heads of nine multi-national corporations and the International Chamber of Commerce, who jointly signed a letter to The Times, writing that "millions of jobs are at stake. "The Doha Round of multilateral trade talks began in the Qatari capital at the end of 2001, with the goal of reducing subsidies, tariffs and other barriers to commerce and raising living standards in developing countries.

But the talks have consistently been dogged by disputes between rich and poor nations, as well as among wealthy players such as the United States and the European Union, over the concessions required, and were suspended in July. Writing in The Times, Brown said that "the time has come for bold and concerted action to restart the drive for an ambitious trade deal ... I am urging progressive global business leaders and (the British) government to join forces with governments in a new push for a breakthrough." "Globalisation desperately needs champions, statesmen and business leaders speaking together, to challenge the current descent into protectionism," Brown wrote.

The letter, signed by, among others, the chief executives of mobile telephone giant Vodafone, energy company BP, banking groups Goldman Sachs and Citigroup, and pharmaceuticals company GlaxoSmithKline, says that political leadership is "essential" at this stage. "We urge those who hold responsibility to reconvene the negotiating process and to reach an agreement which will benefit the world as a whole for decades to come," it reads.

According to The Times, Brown's article and the business leader's letter were timed to coincide with mid-term Congressional elections in the United States on Tuesday -- they hope that President George W. Bush will no longer have to pander to protectionist lobbyists in Washington afterward. Bush's Congressionally-mandated fast-track authority to negotiate trade deals expires in July. Hoping to add impetus to moribund negotiations, Brown will visit Brussels on Tuesday to present his case to European Union finance ministers, according to the newspaper, while two of his deputies will soon make trips to Japan, Brazil and India to push them to re-join talks and make concessions.

Source: The Times Newspaper, London, 6 November 2006

Regionalism in the Age of Asia

The 21st century is an age where globalization and regionalism both coexist and compete with each other. Though the tide of globalization is strong, there is also a countervailing need for regionalism. Globalization can only succeed on the basis of healthy regionalism. In this respect, Asia's rise is highly significant. The region is emerging as the epicenter of the world, not only in terms of history and culture, but also in its economic growth potential and position in international politics. As the world shifts from an age where Asia was observed only from the perspective of Western society to an age where Asia meets the rest of the world from its own perspective, we are witnessing a future in which Asia will be further integrated and become truly globalized. The world is shifting from an age that was long centered on the West to a new age centered on Asia.

The task entrusted to us in this "Age of Asia" is to expand democracy and promote peace, to contribute to the welfare of humanity and global stability. In Asia, there are still countries where democracy and human rights are under threat and where the shadows of the Cold War linger, such as on the Korean Peninsula. There are still places where poverty threatens human dignity and human security. Without strengthening democracy and eradicating poverty, we cannot expect to have peace. These tasks cannot be resolved without dialogue and cooperation within and among regions. Efforts to establish an East Asian community, such as the East Asia Forum (EAF) and the East Asia Summit (EAS), are all responses to the challenges of this new age.

It is true, however, that despite its vast potential and real capabilities, Asia currently lacks the kind of solidarity that one sees manifested in the European Union and the North American Free Trade Agreement (NAFTA). It is also true that a huge gap exists between some Asian countries in terms of development and competitiveness. Therefore, Asia should, on the one hand, work for balanced benefits and development among its countries and, on the other hand, prepare for cooperation and competition with other leading regional communities.

At the ASEAN Plus Three Summit held in Vietnam in November 1998, I raised the need for an East Asian community and proposed the establishment of the East Asian Vision Group (EAVG) to pursue this goal. I believed that East Asia was unable to mount an effective collective response when the 1997 financial crisis simultaneously devastated several economies, because there was not yet an organization for regional economic cooperation _ despite the fact that the world was becoming more integrated with the emergence of the World Trade Organization (WTO).

In October 1999, the EAVG was launched in Seoul with the countries of the Association of Southeast Asian Nations (ASEAN), plus Korea, China and Japan, along with representatives from business and academe. The aim was to promote regional trade and

investment, and strengthen cooperation in industries and national resources. The EAVG met five times between its founding and May 2001, and issued a report on the basic direction and mid- to long-term vision of cooperation in six sectors: the economy; finance; politics and security; environment and energy; society, culture and education; and institutions. The EAVG suggested that the ASEAN Plus Three Summit be developed into the East Asia Summit and that the East Asia Forum be established. There have also been various efforts by the East Asian Study Group, which replaced the EAVG, to establish the East Asia Summit and the East Asian Free Trade Area as mid- to long-term goals.

Despite such considerable achievements, there are still many obstacles to overcome. In particular, the complicated and often tense relationships between Korea, China and Japan over historical issues have combined with domestic political interests to stir up nationalism, undermining the atmosphere of cooperation in the region. The international politics of the North Korean nuclear issue, rather than leading to the dissipation of Cold War sentiments, is strengthening those forces that aspire to revive the Cold War.

Enabling regionalism to take root in Asia and forming the East Asian community are, in fact, tasks that need much effort and time. The East Asian Economic Caucus (EAEC) proposed by former Prime Minister Mahathir of Malaysia met strong opposition from the United States, which suspected it of having political intentions. As a result, it failed to progress. Also, when I proposed the EAVG in 1998, Southeast Asian countries were apprehensive. They expressed misgivings, feeling that what I was advocating was aimed at expanding the influence of Northeast Asian countries in Southeast Asia. However, as the example of European Union has shown, Asia will eventually take the same course of integration. I am confident now that there is widespread understanding of this in Southeast Asia, and already much progress has been made towards achieving such a goal.

Resolution of the North Korean nuclear issue and peace on the Korean Peninsula are very important conditions for achieving an East Asian community and bringing peace in Asia. Despite reduced tensions and increased exchanges and cooperation on the Peninsula since the Inter-Korean Summit and the announcement of the South-North Joint Declaration on June 15, 2000, military antagonism still remains. To resolve the nuclear issue, North Korea must completely give up its nuclear weapons program and accept thorough inspections. In return, the United States should provide security assurances and lift economic sanctions from the North Korean economy. This can be realized through an improvement of U.S.-North Korean relations and a resumption of the Six-Party Talks and their real success. The issue of the Korean Peninsula goes beyond inter-Korean relations. It is an issue that concerns the whole of Asia and the whole world. Moreover, peace on the Peninsula is not just limited to the military level, but directly linked to economic prosperity, human rights and democracy.

Back in 1971, when I was the main opposition party's presidential candidate, I proposed that the four surrounding powers _ the U.S., Soviet Union, China and Japan _ should guarantee peace on the Korean Peninsula. My suggestion was to encourage the four

powers to deter any chance of war and guarantee security. It was a realistic goal that sought not only to end the state of war, but also to eliminate the undemocratic structure of South Korean society at the time, because Cold War logic and the inter-Korean confrontation justified the existence of an authoritarian dictatorship.

The members of the current Six-Party Talks are the same four powers that I proposed at that time, plus the two Koreas. I believe the Six-Party framework should not restrict itself to being just a temporary meeting to resolve the North Korean nuclear issue. I believe it should develop into a permanent multilateral organization for the promotion of peace and democracy on the Korean Peninsula and in East Asia. Such an idea was reflected in the ``Kwangju Declaration'' announced on June 17, 2006 after the ``2006 Kwangju Summit of Nobel Peace Laureates'' held in Kwangju on June 15-17. Significantly, the summit was held on the occasion of the sixth anniversary of the June 15 South-North Joint Declaration. The Nobel Peace Prize winning individuals and organizations that participated came to consensus on the issues of democracy, human rights, poverty reduction, and peace in Asia. Their agreement was reflected in the Declaration.

There is no reason to be pessimistic about the future of democracy and peace in Asia and the establishment of an East Asian community. Though many obstacles still exist, efforts from each country will brighten the future of Asia. This is a region rich in diversity and high standards of culture; it is a vast area where the experiences of self-achieved, successful democratization are spreading; and where the development of information technology and common economic benefits are helping to hasten the integration of Asia and bring lasting peace. East Asia can also be a shining example for the rest of the world as a place where various great religions and cultures _ Confucianism, Buddhism, Catholicism, Protestantism and Islam _ coexist and cooperate. In light of the clash of civilizations happening in other parts of the world, this remains a source of great hope for Asian integration.

Former President Kim Dae-Jung contributed this article to the inaugural issue of the ``Global Asia,'' an English journal on international politics launched by Prof, Moon Chung-in of Yonsei University, a former diplomatic advisor to President Roh Moo-hyun.

Source: Times Forum 6 November 2006

US closes GSP review against Pakistan: Enforcement of IP rights

The strict enforcement of Copyrights Law prevented GSP sanctions against Pakistan by the United States. Apart from other measures the FIA's raid on nine factories in Site area manufacturing pirated CDs contributed to the projection of Pakistan as a country committed to deal with piracy. Registrar Copyrights Shakil Ahmed Abbasi told Dawn on Saturday that the US Trade Representative (USTR) had initiated an inquiry of intellectual property rights violations in Pakistan last year. He said a negative appraisal by the organisation could have provided grounds for withdraw of the Generalised System of Preferences (GSP) facility. Quoting IPO Pakistan Review-2005, he said that the USTR in a statement acknowledged that Pakistan had taken concrete steps to curb the menace of piracy. The USTR observed that Pakistan had taken a number of steps to improve its intellectual property rights regime.

The government announced new regulations to fight IPR thefts and established the Intellectual Property Organisation (IPO) of Pakistan to coordinate enforcement actions. The IPO Review said that in recognition of these positive developments, the US had closed the review of the GSP petition concerning IPRs protection and enforcement in Pakistan. The Recording Industry Association of America (RIAA) also appreciated Pakistani actions and observed: "The US recording industry fully endorses the termination of this investigation. We congratulate Pakistan and its excellent efforts and we commend the USTR for terminating the investigation". The American Business Council of Pakistan (ABC) in its Perception Survey Results of 2005 said: "Our members hold a positive opinion about the business environment and remain optimistic about the investment opportunities in Pakistan". The survey further observed that in response to Pakistan's initiative to improve the IP management, the US government had promptly responded to remove Pakistan from the Priority Watch List and closed a four-year old GSP petition in favour of Pakistan. Mr Abbasi pointed out that Pakistan was the only country, which has declared infringement of copyrights a cognisable and non-bailable crime. The law entails three-year imprisonment and Rs100,000 fine. The main feature of the copyright law of the country is that the criminal courts hearing the cases have powers to direct the convicted person to pay 50 per cent of the fine to the complainant as compensation.

He said that although the copyright registration was not mandatory under the law but the certificate constitutes the main evidence in violation cases and that was why more and more people were registering their products. Elaborating on measures taken to enforce the copyright law he said that anti-pirated cells had been set up at all major airports where the Customs staff check books and CDs carried by passengers in personal baggage. Similarly on import side books, videos and cassettes etc., were liable for checking by the

Customs.

The copyright office has issued a total of 15,000 certificates so far, of which 12,000 were issued from 1992 till today after the amendments were made to the IPR Ordinance. With the establishment of IPO in 2005, publishers and video and film-makers turned up in large numbers for registration. Presently, about 2,500 applications are filed in a month compared to only 250 earlier. The trade and industry is also taking keen interest in registering logos and monograms to protect their products against imitation. Due to lack of automation and shortage of the processing staff a copyright certificate was earlier issued in two and a half years. But efforts are being made to computerise the process which would help to reduce the registry time to one year. The office issues copyrights registry for CDs, DVDs, software programmes, journals, novels and books etc.

Pakistan is a signatory to the Universal Copyrights Convention (1952), Bern Convention (1866) and the WTO. The copyright registration picked up in 1992 after the Intellectual Property Rights Ordinance was amended in line with the modern day requirements and the process got a further fillip with the creation of IPO in the country. Mr Abbasi maintained that the copyright office kept a close liaison with the law enforcing agencies like FIA and Customs to check infringement of intellectual property.

The copyrights stakeholders, publishers, manufacturers and audio video cassette recorders acknowledged that their products had been greatly secured against piracy and imitations after their registration with the Copyright Office and piracy in some cases, especially in audio cassettes had completely stopped. Tahir Sultan Majid, a lawyer of copyright cases, told Dawn that labels and designs of a large number of products belonging to Touch Me (cosmetics), Woodward (baby products), Dawlance (electronics) and Sitara Group (textiles) had been registered with the Copyright Office. Mohammad Rashid Gaba, senior marketing executive of Gaba Educational Books, said that he had registered over 400 school books with the Copyright department. The firm initiated action on the basis of copyright certificate against pirates of books.

Source: Reuters, Karachi 4 November 2006

Kamal Nath to inaugurate EU-India conference

India's Commerce and Industry Minister Kamal Nath will address the inaugural session of the high level two-day conference on EU-India Strategic Partnership in Brussels next week. EU Commissioner for Energy Andris Piebalgs and Sam Pitroda, chairman of India's National Knowledge Commission, will also address the inaugural session on Nov 8. Over 250 industrialists, business and community leaders from Asia, Europe, India, the US, representative of multinational corporations, parliamentarians and officials are expected to attend the mega event organized by the Europe India Chamber of Commerce in association with the Indian embassy in Brussels. Thursday's full-day session will be held in the European Parliament.

Sunil Prasad, secretary general of the Europe India Chamber of Commerce, told INEP agency that in addition to Global Energy Security and EU-India Energy Co-operation, the conference will discuss, economic and business climate including financing operations in India, and steps India should take to attract foreign investment. "This conference assumes high importance as this will be the first occasion after the collapse of the WTO negotiation in Geneva when the Indian trade minister will address an event in Europe. He is likely to use this occasion to impress upon the EU countries to liberalize their farm subsidies and tariffs and recognize developing countries' contention," said Prasad.

The conference will discuss the opportunities that lie on both sides of the continents - Europe and India - for promoting trade and investment, the institutional weakness in India's investment policies including tariff structure and need for India and the European Union to strengthen the existing partnership framework by making trade and investment as the cornerstone for EU-India relations.

Source: IST PTI, Brussels 4 November 2006

Regional Political Will Needed to Break WTO Deadlock

Minister of Foreign Affairs and Foreign Trade, Senator Anthony Hylton, has said that the lack of a conclusive World Trade Organization (WTO) agreement could have serious implications for Jamaica at the domestic and regional levels. Addressing the two-day inaugural conference of the Honorary Consuls of Jamaica at the Ritz Carlton Golf and Spa Resort in Montego Bay on Friday November 3, Minister Hylton said that all negotiations which were at a stalemate have been challenging and disappointing. "Developing countries like Jamaica are particularly concerned that developed countries are not demonstrating the political will necessary to break the impasse and to honour the commitment to fulfill the development dimension of the Doha Development Agenda. There is no question that the lack of a conclusive agreement could have serious implications for us at the domestic and regional levels," Senator Hylton told honorary Consuls who represent Jamaica globally.

He pointed out that Jamaica's participation and positions in the WTO negotiations were guided by specific imperatives, which were necessary for effectiveness and the achievement of positive results. Some of these he noted were: the need to secure improved effective market access for trade in goods and services; ensuring that key development concerns of small economies were included in decisions taken, including provisions relating to special and differential treatment to increase trading opportunities; sensitizing WTO members to the country's adjustment concerns resulting from trade reforms; and liberalization, among others. The Foreign Affairs Minister Hylton however informed the conference that notwithstanding the stalemate in the WTO negotiations, the Economic Partnership Agreement negotiations between Member States of CARICOM and the Dominican Republic (CARIFORUM) were far advanced and would be scheduled for completion by the end of December 2007. He also used the opportunity to express deep appreciation to all Honorary Consuls in attendance at the conference for the work they have been doing in positively promoting the country globally. "Allow me at the outset to express the deep appreciation of the government and people of Jamaica for the positive contribution you are making in promoting Jamaica's interests in your respective countries and regions. You have singularly and collectively provide an avenue for Jamaica to expand and strengthen its bilateral relations with a wide range of countries through this network of Honorary Consulates located on all continents, together with some 20 diplomatic missions and consulates," Senator Hylton said. He further noted that as integral components of Jamaica's foreign service, it was critical that Honorary Consuls were fully cognizant of the broad tenets of Jamaica's foreign policy and the underlining principles which guide it. Organized by the Ministry of Foreign Affairs and Foreign Trade, the conference is aimed at updating Honorary Consuls on government policies and programmes. It is also a mechanism to deepen dialogue between the Consuls and government officials. Minister Hylton told JIS News that, "This conference which is being held on the eve of the World Conference of Honorary Consuls, is an opportunity for government to update them on what is being done in the country so that they can represent Jamaica's interests even better overseas".

Source: Jamaica Information Service, Montego Bay, 5 November 2006

WTO outlook still cloudy after Pascal Lamy US visit

Prospects for a quick resumption of world trade talks appeared dim on Friday after World Trade Organization Director General Pascal Lamy warned that negotiations were on the brink of failure. US trade officials denied a report they had privately told trading partners they were prepared if others made matching concessions to offer \$5 billion more in farm program cuts to get the talks going again. US Agriculture Secretary Mike Johanns also said differences in the world trade talks were so great he doubted Lamy could come up with a plan to bring parties together. "There's some pretty fundamental differences here," Johanns told reporters before meeting with Lamy. "Just in agriculture, there's a big difference. I just think it would be very, very difficult for Lamy to put together a text to bridge that kind of gap," Johanns added. Some trade experts believe only Lamy can break the impasse in world trade talks by putting together a draft plan that would become the blueprint for a final deal. One of Lamy's predecessors took a similar step in 1991, when the previous rounds of world trade talks were stuck. Lamy, in an editorial on Friday in the Wall Street Journal, said the five-year-old round of world trade talks risked total failure after being suspended in July over differences in how far to cut farm subsidies and tariffs. "There comes a time in every negotiation where the prospect of failure looms. For the Doha round of global trade negotiations, that time has nearly arrived," Lamy wrote. He exhorted the United States to make further cuts in farm subsidies while pressing the European Union, Japan, Brazil and others to make concessions as well.

However, US officials denied a report in BNA, a Washington-based news publisher, that the United States had privately told trading partners it was willing to reduce its previous proposal for a \$22.4 billion cap on overall US trade-distorting domestic support down to \$17 billion. "We have not signaled a readiness to reduce to \$17 billion or any other number," said Gretchen Hamel, a spokeswoman for the US Trade Representative Susan Schwab. At the same time, the United States has never said its previous offer was a "take it or leave it" proposal, Hamel said. "Negotiations were suspended, but talking was not. Ambassador Schwab continues to look for a way forward. "Schwab plans to press for progress in the negotiations at the annual Asia Pacific Economic Cooperation summit meeting later this month in Hanoi, Hamel said. Johanns conceded the world trade "talks are on life support," but said the United States remained committed to the Doha round and restarting trade negotiations.

Source: Reuters, Washington, 5 November 2006

WTO chief stresses 'cohesion' to unions over globalisation

The head of the World Trade Organization has acknowledged that "cohesion" must be a guiding principle of globalisation in response to pressure from a new global trade union body.

The director general of the WTO Pascal Lamy said in a statement to the new International Trade Union Confederation (ITUC) on Thursday: "We all have to guide globalisation, the nations, the states, the international organisations and civil society." Lamy, prevented by technical problems from speaking directly via video link, said: "We have to work for much greater cohesion, cohesion between trade and health, between trade and work, trade and environment. "The WTO is one of the main targets for pressure from ITUC. The new labour body, which believes it is now strengthened in organising global campaigns, has made the taming of globalisation a key policy objective. It wants to combat what it sees as the damaging effects on ordinary workers of the opening of global markets to competition. ITUC was created on Wednesday following the dissolution on Tuesday of the world's two largest trade union movements, the World Confederation of Labour (WCL) and the International Confederation of Free Trade Unions (ICFTU). But the third-biggest federation, the World Federation of Trade Unions (WFTU) with Communist connections, has refused to participate with what it regards as a compromise with capital-driven globalisation.

ITUC was to have begun life on Thursday with a debate on globalisation involving Lamy who is in Boston in the United States, but trans-Atlantic technical gremlins got in the way of communications between the two global giants. However, he was able to hear the discussion in Vienna and wrote a brief statement which was read by an ITUC official. Another participant was the director-general of the International Labour Organization Juan Somavia who said: "If the current policies are not working, we can change them, the current model is not inevitable." Briton Guy Ryder, who is expected to head the new body, had said on Wednesday that ITUC's goal was to "change the rules of globalisation" in favour of the workers.

The creation of the new body, embracing 306 national unions in 154 countries and representing 168 million workers, ends decades of feuding among large sections of the world union movement. The WFTU, which counts 145 member unions and 42 million workers worldwide, has said it was defending "a class line" by shunning the ITUC and criticised other unions for making "compromises and concessions" by joining it. The ITUC plans to organise campaigns worldwide on such matters as labour rights, collective bargaining and the application by multinational companies of high labour standards. But it also wants to speak directly with major organisations to achieve its aims. "We must conduct a dialogue with international institutions like the International Labour Organization or the World Trade Organization to change their policies," Ryder said. "At the same time, we must be able to mobilise national unions" to ensure a balanced dialogue between the new body and the international organisations, he added. About 1,700 unionists were taking part in the three-day congress in Vienna, mobilising an army of interpreters who were translating the debates simultaneously in the three

official languages -- English, French and Spanish -- as well as a dozen other languages, including Arabic, Swedish and Japanese.

Source: AFP Vienna, 3 November 2006

Summit shows China's Africa clout

China's Africa summit has ended in Beijing, with the Chinese government pledging to double both aid and trade with African nations.

China expects annual trade with Africa to total \$100bn (£53bn) by 2010 after the event, attended by nearly 50 African heads of state and ministers. With China also promising \$5bn in loans and credit for Africa, analysts said it showed Beijing's growing clout. Yet critics said China was too happy to support repressive African regimes. Others warned that Western nations were losing further ground to China in Africa, both in terms of accessing future raw materials and political influence. "[China] gave a party and everybody came, it's a big deal," said David Zweig, an analyst of Chinese foreign policy at the Hong Kong University of Science and Technology. "I think it's significant. It's the biggest event in terms of China refocusing its attention on the developing world." The state-run Chinese media has taken no time to trumpet the summit as a "milestone".

In addition to doubling aid to Africa by 2009 and bilateral trade by 2010, China also unveiled \$1.9bn of immediate trade and investment deals. These include a \$300m new aluminum production plant in Egypt, a \$300m contract to upgrade a highway in Nigeria and a \$200m copper project in Zambia.

China is increasing its economic and political ties with Africa because its booming economy has developed a tremendous appetite for raw materials, such as Nigerian and Sudanese oil. Yet critics of its growing presence in Africa are unhappy that, unlike loans from the US and global institutions such as the International Monetary Fund, China's cash offers do not come with democracy or human rights ties.

In particular, they point to China's support for the Sudanese government, strongly criticised internationally because of the violence in Sudan's troubled Darfur region. "Now some countries can get aid and investment without improving on [human rights and democracy] issues," said Chen-Shen Yen, a researcher at Taiwan's Institute of International Relations. "China needs energy from Africa. It needs to import a lot of oil nowadays since its economy is growing so fast, and China can get it from African countries through the summit."

Source: Reuters, Beijing, 5 November 2006

New publication: ‘The European development fund and economic partnership agreements’

The book is a central source of information for economists and international trade specialists concerned with the effects of trade liberalisation on developing economies.

African, Caribbean and Pacific (ACPs) countries face a huge transformation as they attempt to adapt to a more liberalised global market. The regions have agreed to negotiate Economic Partnership Agreements (EPAs) with the European Union to assist with this adaptation. The European Development Fund (EDF) is the main instrument of the EU for helping these countries. ‘The European Development Fund and Economic Partnership Agreements’ argues that despite commitments about aid made at the 2005 G8 summit in Gleneagles, Scotland, by the European Union, the EDF is under-resourced. Moreover, there are serious doubts as to the effectiveness of the fund in providing time-sensitive assistance to ACP states with adjustment.

Instead, contributors in the book propose a separate EPA adjustment facility. If EU countries meet their target aid figures, they could fund the traditional EDF programmes and an EPA adjustment programme. Articles in the publication include: ‘European Aid, the European Development Fund and Adjusting to Economic Partnership Agreements’ by Sacha Silva and Roman Grynberg; ‘EU Assistance to ACP Countries since 1975’ by Paul Goodison; and ‘An Analysis of EU-ACP Aid Flows through the EDF from Lome I to the Cotonou Agreement and Proposals for the 10th and 11th EDFs’ by Alice Clarke. The book has been edited by Roman Grynberg, Deputy Director of the Commonwealth Secretariat’s Economic Affairs Division; and Alice Clarke, an economist with Emerging Market Economics Ltd.

HOW TO ORDER

This title can be bought online at www.thecommonwealth.org/publications
A full catalogue of Commonwealth Secretariat and Commonwealth Foundation publications can be viewed on the website, which provides a secure online buying

facility, and orders can also be made through e-mail or by post. Pre-payment is essential. Payment by sterling cheque, international money order, postal order or bank draft must accompany your order. Payment should be in sterling, drawn on a UK bank and made out to the Commonwealth Secretariat. If you require the order form as an attachment in Word format please e-mail the Publications Section (see address below). Post and packaging charges should be added to every order in the following way: UK orders: 15 per cent of order value (minimum charge £2.00). Non-UK orders: 25 per cent of order value (minimum charge £3.50).

Source: The Commonwealth Secretariat, London

No progress on WTO talks likely over next three years: Oxley

There is no possibility of WTO negotiations inching forward at least for the next three years, according to the former chairman of GATT contracting parties, Alan Oxley. Oxley as the Australian trade ambassador and subsequently as chairman of GATT in 1989 played a key role in streamlining the rules for global trade.

Speaking to FE about the possibility of breaking the stalemate in the current negotiations, Oxley said, "I see no ray of hope for at least three years. Both the EU and the US are not prepared to budge from their rigid positions. This has made the forward movement in trade talks difficult." Citing political compulsions of the two major trading partners, Oxley pointed out to the US and the French polls at hand. Even though Germany is emerging as a country with a greater say in the European Commission, the social democrats in that country are against giving up any protection to agriculture. The European Commission had earlier indicated no change in its farm policy till 2013. "Even if the US polls are over, the new administration will take two to three years to decide on moving the WTO talks forward," said Oxley. He came down on the EU for making stringent environmental rules, serving as trade protection barriers. He also alleged that Japan is guilty for the same action and Republicans in the US are pushing for a more trade restrictive regime. "Restrictions should be directed to the source of pollution and not on trading of the product," he said. Oxley said the trading partners should work out a common practice for abetting environmental degradation.

Source: Reuters, Geneva, 7 November 2006

China to double its aid to Africa

China has pledged to double its aid to Africa and provide \$5bn in loans and credits over the next three years. Chinese President Hu Jintao made the announcement as he opened a summit in Beijing attended by nearly 50 African heads of state and ministers. The summit is focusing on business with more than 2,000 deals under discussion. African leaders welcome their booming trade links with China, but critics accuse Beijing of dealing with repressive regimes. Beijing says it is just doing business and has no political agenda. "Our meeting today will go down in history," Mr Hu told the China-Africa summit. "China will forever be a good friend, good partner, good brother of Africa," he said.

Ethiopian Prime Minister Meles Zenawi remembered China's support during many African countries' fight for independence. "Our main challenge now is not to fight colonialism, but fighting poverty and backwardness and achieving economic independence," Mr Zenawi said. "Africa needs the support of its friends to overcome this challenge." The city has been smartened up for the arrival of the African leaders, the BBC's correspondent Daniel Griffiths in Beijing says. Red lanterns hang from trees and posters celebrate Sino-African friendship.

Trade boost

Mr Hu said that China would double its aid to Africa from its 2006 level by 2009, although he gave no figures. Beijing will offer US\$3bn (£1.5bn) in preferential loans and US\$2bn (£1.5bn) in export credits over the next three years, President Hu said. It will more than double the number of goods which do not attract tax when imported to China from Africa. China will train 15,000 African professionals and set up a development fund to help build schools and hospitals. China's drive to buy African oil and other commodities has led to a big increase in two-way trade, worth \$42bn (£22bn) in 2005. Africa is also a growing market for Chinese goods, but critics say Beijing is stifling African manufacturing. Some analysts have said Africa is the only place left to go, as most of the world's other big oil reserves are already being developed by major Western energy companies.

The three-day summit is concentrating on the rapidly expanding economic ties between the two sides, and many new business deals are likely to be announced over the weekend. Many of them are expected to revolve around China's hunger for African mineral resources, particularly oil.

'Exploitation'

Some critics have voiced concerns over how Chinese-owned firms treat African workers. Protests broke out in Zambia in July about the alleged ill-treatment of workers at a Chinese-owned mine, and there have been reports of pay disputes in Namibia. Human Rights Watch said that all powers involved in Africa, including China, should place human rights at the centre of their policies. "Africans do not need another external power enabling abusive regimes," the group said in a statement on Saturday.

Many economists argue that overall, China's growing economic ties to Africa are benefiting the region

Source: Ghana News Agency, 5 November 2006

US should make generous offer to WTO partners: Stiglitz

The United States should make a more generous offer to its partners in WTO trade talks, which are currently blocked in part because of enormous subsidies paid to U.S. farmers, Nobel laureate Joseph Stiglitz said in a newspaper commentary published Monday. North American subsidies helped kill, at least for now, the Doha round of development talks," Stiglitz was quoted by the French-language business daily Les Echos as saying.

In July, World Trade Organization head Pascal Lamy suspended talks launched in the Qatari capital Doha in 2001 aimed at expanding global trade by reducing subsidies, tariffs and other barriers to commerce. Key trading powers, including the United States, the European Union, major developing countries Brazil and India, and agricultural exporting nations are largely at loggerheads on opening up farming markets.

Stiglitz was quoted by Les Echos as saying that U.S. domestic aid hurt farmers in developing countries by cutting global prices, and noting that U.S. President George W. Bush's administration had "nearly doubled the level of American farm subsidies. "Around 25,000 rich American cotton growers share three to four billion dollars (2.36-3.14 billion euros) in subsidies," to the detriment of "around 10 million farmers in sub-Saharan Africa alone," Stiglitz was quoted as saying. "European subsidies are bigger, but contrary to the United States, Europe is making an effort to reduce them," he added. U.S. consumers would benefit from reduced farm subsidies, the economist added, saying that "the U.S. national interest calls for a change in policy".

Source: AFP Paris, 6 November 2006

Chancellor Brown for restarting Doha round

Chancellor Gordon Brown has called for “bold and concerted action” to restart the Doha round of WTO talks. “Today I am urging progressive global business leaders and government to join forces with other governments to push for a new breakthrough,” he wrote in *The Times* recently. “Globalisation desperately needs champions, statesmen and business leaders speaking together, to challenge the current descent into protectionism.”

Brown has urged India, Brazil, Europe and the United States to break the deadlock by making far greater concessions than they have done so far over farm subsidies, industrial tariffs and access to service markets. He has also called for a new global alliance of governments, business leaders and public figures to fight the reactionary “Luddites” opposed to globalisation and break the “dangerous global log jam” that is threatening world trade.

He is apparently concerned that the opponents of globalisation are not just shouting the loudest, but they are now endangering world prosperity with their success in pushing up barriers to free trade. The Doha round of world trade talks collapsed in rancour last July, and many countries, particularly in Europe and Latin America, have started to pursue populist protectionist policies. Other countries are considering doing bilateral deals among themselves instead of participating in a global deal that includes most countries.

The talks stalled when developing countries accused the developed world of not doing enough to curb farm subsidies, while developed countries accused developing ones of not doing enough to open their markets to developed world products. Brown has thus called for restarting trade talks, which has been backed by the leaders of a dozen of the world’s top companies, including BP, Wal-Mart, Arun Sarin of Vodafone, GlaxoSmithKline and Goldman Sachs, all of whom insist that “political leadership is now essential”.

Brown fears there is limited opportunity for progress of the talks, since any deal must be agreed to before the expiry of the fast-track negotiating authority granted to the United States government by Congress till July next year. Afterwards, it could become politically almost impossible for the United States to participate in any significant talks for many years. It is possible that Brown will bring up the issue strongly when he visits India. He had announced at the Labour Friends of India reception at Manchester during the party’s annual meet that he would be going to India shortly. But presently Alistair Darling, the Trade and Industry Secretary, is slated to go to Brazil and India to urge them to help progress by reducing tariffs and opening up their markets.

Brown has also called for the setting up of a new “trade exchange”, bringing together leading figures from rich and poor countries to “expose not only the dangers of rolling backwards into unilateralism and bilateralism... but how much more the world can gain, and especially the poorest, by a globalisation that we can push forward together

Source: Times Newspaper, 7 November 2006

G33 Slams "Flawed" World Bank Paper On Special Products

The Group of 33 in the WTO has complained to World Bank President Paul Wolfowitz about a paper on Special Products (SPs) produced by the Bank which the Group says contains a serious misrepresentation of the purpose and effects of SPs.

The G33, in a letter to Wolfowitz, attacked the World Bank paper's conclusion that the SP proposal was aimed at raising the prices of foods produced by subsistence farmers and that this could have disastrous consequences for poverty. Diplomats of several G33 members, contacted in Geneva, expressed anger at the wrong assumptions and conclusions of the paper, which they said exposed the lack of knowledge of the authors about the G33 proposals on SPs and also about the WTO's Doha negotiations. They were particularly outraged that the paper has been published at a crucial time in the Doha negotiations, during which the United States and a few other WTO members have tried to shift the blame for the impasse in the talks onto the G33 for allegedly blocking market access for farm products from the US and other countries.

Senior diplomats from several G33 members are concerned that the Bank's paper could be used as ammunition by the US to shoot down the G33 proposal. Some believe that the Bank's publication of the paper at this moment is an intervention aimed at weakening the position of the G33 while strengthening the hand of the US and others opposed to the G33 proposals on SPs. "The Bank should not try to interfere in this misleading and manipulative way in the WTO negotiations," said the Ambassador of a G33 country. "It is especially objectionable that the paper tries to show that our proposal on special products, which is aimed at protecting the poor, will be harmful to the poor. "The G33 is a grouping of 46 developing countries that operates in the WTO's agriculture negotiations and which has championed the concepts and instruments of SPs and special safeguard mechanism (SSM) to defend the interests of their small farmers. The group includes Indonesia (the coordinator), India, China, Pakistan, the Philippines, Sri Lanka, Mongolia, Korea, Nigeria, Kenya, Tanzania, Mozambique, Benin, Senegal, Mauritius, Uganda, Bolivia, Peru, Venezuela, Nicaragua, Cuba, Dominican Republic, Jamaica, Barbados, Trinidad and Tobago, Antigua and Barbuda, and several other African, Caribbean and Central American countries.

A letter on behalf of the G33 members was sent earlier this month by the G33's coordinator, Indonesia's Ambassador to the WTO, Gusmardi Bustami, to the World Bank President expressing their "urgent and serious concerns" about the World Bank Paper on 'Implications of Agricultural Special Products for Poverty in Low-Income Countries', authored by Maros Ivanic and Will Martin. Will Martin is a Lead Economist in the Development Research Group of the World Bank, while Maros Ivanic was with the Bank when the paper was written.

The paper was produced by the Bank's Trade Research Team and published at the World Bank's website. "The G33 believes the paper contains a serious misrepresentation as regard the purpose and impact of the Special Products (SPs) instrument contemplated in

the WTO's July 2004 Framework and the Hong Kong Ministerial Declaration," said the letter.

According to Ambassador Gusmardi, the paper is premised on a central assumption, which is without authority and completely false, i.e. "those proposals for special products seek to achieve the goals of food security, livelihood security and rural development by raising prices of staple foods produced by subsistence farmers."

The G33 complained that the paper, using the foregoing faulty assumption, concludes dramatically that "the fundamental goals of Special Products - raising the prices of staple foods produced by subsistence farmers - could have disastrous consequences for poverty, undoing years or even decades of development progress. "The G33 letter said that in no way has there been a proposal put on the table to increase the level of protection on the designated SPs as suggested in the World Bank's paper, nor has a proposal been presented that would lead to increases in staple food prices by 50% as the paper further concludes and assumes. "The G33 proposal on SPs entails tariff reductions on 90% of agricultural tariff lines, while allowing developing countries to provide limited exemption from tariff cuts on 10% of the agricultural tariff lines or to liberalise a limited number of other products more slowly than would otherwise be the case," said the letter.

It added that the G33 has endeavoured to raise the concerns of the millions of subsistence and poor farmers in the developing world whose livelihood and food security will be threatened by an across-the-board substantial trade liberalisation in agriculture, especially in an environment of highly distorted agricultural markets, and therefore the Group's mandate and concern is precisely poverty prevention and alleviation.

Source: Martin Khor, Geneva 6 November 2006

China warns against U.S. action at WTO over piracy

Any move by the United States to take China to the World Trade Organization (WTO) over intellectual property rights violations will have an "extremely negative" impact on trade relations, Chinese Commerce Minister Bo Xilai said on Tuesday.

Speculation is swirling that Washington is on the point of opening a WTO case against China for failing to protect intellectual property rights. "We think it's senseless. It won't help solve any problems," Bo told reporters. "If action is taken at the WTO it will have an extremely negative impact on the two countries' economic and trade relations." U.S. movie, music and other copyright industry companies claim they lost more than \$2.6 billion in China last year because of pirates who control 85 to 90 percent of the market.

EU trade chief Peter Mandelson, who was in Beijing for talks on Tuesday, said in a speech that China's rampant counterfeiting was a "ball and chain", dragging down European competitiveness and cramping cooperation. But he later told reporters that the European Union had no intention of straining relations by suing China at the WTO for falling behind on its obligations. "I'm not looking to for opportunities to take China to the WTO and I hope very much it won't be necessary," Mandelson said

Source: Reuters, Beijing, 7 November 2006