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Table of Contents	Pages
Drug prices for needy on the rise	2
EU proposes 'free trade zone plus' talks	3
EU says WTO rejects US claims on customs regime	3
WTO Appellate Body finds against EU customs law	4
Poland vetoes EU-Russia talks	5-6
No more Russian pirates	7
Pacific Rim economies to push for reviving WTO talks.	8-9
'WTO rules do little for drug access	10
APEC bids to unlock stalled trade talks	11
EU, China to meet on WTO compliance	11
APEC officials urge revival of WTO talks	12-13
US to file new WTO complaint over state subsidies to Airbus	14
WTO fails to back US claims on EU customs rules	15
Updated postal network could expand global trade.	16

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

Drug prices for needy on the rise

Drug prices have increased in the past five years despite a commitment by the World Trade Organisation's 149 members to make them more accessible to the world's poor, the charity Médecins Sans Frontières (MSF) said on Tuesday.

MSF said in a statement that newer HIV medicines recommended by the World Health Organisation (WHO) can cost up to 50 times more than the cheapest first-line treatments, even when they are available in poor countries. The group called for a boost to the production and availability of generic drugs -- which are cheaper because they are no longer covered by patent protection -- to treat major diseases.

Countries should make more use of the options available under part of the WTO deal agreed at Doha, Qatar in 2001, known as the Trade Related Aspects of Intellectual Property Rights (Trips), MSF said. Trips rules grant poor nations affected by diseases such as HIV/Aids, malaria and tuberculosis a temporary exemption from international laws protecting intellectual property rights. It enables them to buy cheaper generic drugs from pharmaceutical companies in countries such as Brazil and India.

MSF said further reform to intellectual property rights was needed to ensure generic producers could keep pace with newer and more sophisticated treatments being developed by pharmaceutical companies. With HIV/Aids, fierce generic competition has helped cut prices for first-line drug treatment by 99% to \$130 per patient from \$10 000 since 2000, MSF found. However, prices for second-line drugs, which patients need as their treatment progresses, remain high, MSF said. It blamed growing demand for patents on newer drugs by pharmaceutical giants in key generic-producing nations such as India. That could reduce competition from generics and dilute their impact on the market, the group cautioned. Tido von Schoen-Angerer, director of MSF's Campaign for Access to Essential Medicines, said that while Doha enabled countries to import medicines, it would have little impact if only expensive non-generic products were on the market.

He called on countries where established pharmaceutical producers are based to allow more generic production and exports of essential medicines. "If this doesn't happen we'll be back where we started in no time because treatment will become unaffordable again," he warned.

Source: Sapa-AFP, Johannesburg, 14 November 2006

EU proposes 'free trade zone plus' talks

European Union (EU) member states had put forward an initiative to start negotiations on "free trade zone plus" with Russia after its ascension to the World Trade Organization (WTO), aide to the Russian President Sergei Yastrzhembsky said at today's meeting of the international activity committee of the Russian Union of Industrialists and Entrepreneurs. He said that Russia found EU member states' initiative a very positive sign.

Source; RBC, Moscow, 14 November 2006

EU says WTO rejects US claims on customs regime

The European Commission said the WTO has rejected US claims of shortcomings in the EU's customs regime. In 2004, the US complained to the WTO that the EU customs regime does not ensure uniform administration by the authorities of the 25 member states.

In a first ruling in June this year, the WTO rejected the bulk of the US charges, finding in its favour 'in three very specific instances of application of classification and valuation rules', the commission said. It said today's ruling reverses two of those violation findings. 'I welcome the confirmation by the WTO Appellate Body that WTO members ... have the right to decide on the best way to organise their administration, provided they comply with WTO standards,' EU trade commissioner Peter Mandelson said. EU tax commissioner Laszlo Kovacs said: 'I am very happy that the WTO has rejected the far-reaching and unsubstantiated claims made by the US.'

Source: AFX News Limited, Brussels, 14 November 2006

WTO Appellate Body finds against EU customs law administration

The WTO Appellate Body issued a report confirming that the European Union (EU) fails to administer in a uniform manner its rules on the customs classification of liquid crystal display monitors. The report upheld a June 16, 2006 finding by a WTO dispute settlement panel. Additionally, the Appellate Body agreed with the United States that that panel erred in declining to consider the broader question of whether the EU's system of customs administration as a whole is inconsistent with WTO rules requiring the uniform administration of customs laws.

In this dispute, the United States claimed that the administration of EU customs law by 25 different agencies (one for each of the EU's Member States), coupled with a lack of any procedures or mechanisms to reconcile the divergences that inevitably occur on important matters including classification and valuation, is a violation of the EU's obligation to administer its customs laws in a uniform manner. Deputy U.S. Trade Representative John Veroneau made the following statement regarding the Appellate Body report: "Today's Appellate Body report reinforces that the EU is subject to the same rules as other WTO Members. The EU's internal decisions about how to organize itself do not excuse it from or diminish its obligations to other WTO Members." "Like every other WTO Member, the EU must administer its customs law uniformly across its territory. Today's report confirms the panel's finding that the EU does not do so when it comes to the classification of LCD monitors."

Source: WTO Geneva, 14 November 2006

Poland vetoes EU-Russia talks because of Russian ban on Polish meat imports

Poland vetoed a European Union plan on Monday to open negotiations with Russia aimed at broadening cooperation, especially in energy, saying Moscow should first end a ban on Polish meat imports. Officials said the Polish veto prevented the EU foreign ministers from finalizing its negotiating position for an economic cooperation deal with Russia to replace a 1997 accord. It was hoped the talks could begin at a Nov. 24 meeting with Russian President Vladimir Putin in Helsinki. "We all appealed to Poland to lift its blockage," EU External Relations Commissioner Benita Ferrero-Waldner told reporters. She said the Nov. 24 meeting with Putin remained scheduled and that the EU head office will continue to try to convince Poland to lift its veto.

Separately, the EU said it wants to see Russia do more on ending fees for European airlines flying over Siberia before it could join the United States in backing Moscow's entry into the World Trade Organization. "Progress has been made but we're not there yet," said EU spokesman Peter Power. The EU wants Russia to join the WTO by year's end. Russia has already agreed to end the over flight fees but uncertainty remains about a transition period to 2013. The fees generate some US\$300 million (€239 million) in revenues a year for Moscow. European-based carriers complain the fees are unfair and too high. The EU is asking Russia to commit to supplying gas and oil under fair trade rules and guarantee transit rights to energy supplies from countries such as Uzbekistan or Kazakhstan. Speaking of the Russian ban on Polish imports, which it says is for health reasons, Ferrero-Waldner said, "We are fully aware of the difficulties Poland is experiencing (and) we sympathize. "She said EU food safety experts will soon visit Poland to certify once again that Polish meat and plant exports are safe.

Poland's relations with Russia have soured in recent years. Moscow has banned imports of Polish meat and plant products alleging they are substandard. In turn, Poland accuses Russia of using its energy exports as a political tool. "We feel very unsafe in terms of energy supplies," Polish Economy Minister Piotr Wozniak said Friday in Warsaw. Increasingly dependent on Russian gas and oil imports, the EU is pushing Putin to sign up to an international energy charter that would make it easier for foreign companies to invest in Russia's energy sector and provide legal guarantees for investors. In effect since 1998, the charter has been signed by more than 50 countries, including Russia. But Moscow is dragging its heels in ratifying it — Putin again refused to do so when he met with EU leaders last month. His reluctance is seen by many as an attempt to guard Russian energy resources for domestic companies while keeping foreign rivals out.

As it awaits Russian ratification of the international deal, EU officials want to include fair trade and investment principles on energy in the new bilateral cooperation agreement.

Russia now provides 30 percent of EU energy imports and 44 percent of gas imports alone, according to EU data. However, EU officials say Russia is also dependent on

European markets and needs technological and financial support from the West to fully exploit its vast resources. Energy represents more than 25 percent of Russia's economic output and over 60 percent of Russian oil and gas exports go to the EU."I have to be frank, there is some work to be done in building up mutual confidence," EU Energy Commissioner Andris Piebalgs told an EU-Russia energy conference in Moscow on Oct. 30. EU officials say reliable, long-term contracts for natural gas can generate significant investments in Russia's energy sector that will then give Russia a credibility which, in turn, will attract further investments. The 1997 EU-Russia cooperation agreement of 1997 will remain in effect until a successor agreement is reached.

Source: The Associated Press, Brussels, 12 November 2006

No more Russian pirates

Putin must show a commitment to enforcing intellectual property rights now that his nation is about to be join the WTO.

As U.S. Negotiators move closer to a critical deal with Russia to lower trade barriers and protect intellectual property, China's treatment of the movie industry stands as a reminder of how fleeting progress can be.

The Office of the U.S. Trade Representative announced Friday that it had reached an agreement in principle with Russian officials on that nation's entry into the World Trade Organization. The pact, expected to be signed this week when Presidents Bush and Vladimir Putin meet in Vietnam, calls for changes in Russian law, regulations and tariffs to provide greater market access to U.S. farm and industrial exports as well as financial services. It also lays out a blueprint for Russia to step up protection of copyrights, patents and trademarks, bringing the country into compliance with global intellectual property treaties.

The details of the agreement remain under wraps, yet representatives of the entertainment and software industries sounded cautiously optimistic notes. Although Russia has provided a growing market for U.S. movies and music, lax enforcement has made it a hotbed for global piracy.

How Russia treats intellectual property is important not just to Hollywood but to all U.S. industries. It's a basic question of whether Russia is prepared to enforce laws that countries around the world embrace. U.S. trade negotiators were right to insist that Russia demonstrate its commitment to enforcing intellectual property rights before gaining admission to the WTO.

Once Russia is in the WTO, Washington may lose much of its leverage, despite the availability of the trading club's dispute-resolution process. Just look at what happened in China to Warner Bros., which announced last week that it plans to withdraw from the movie theater business there. Despite China's entry into the WTO in 2001, Hollywood has continued to face three key barriers to capitalizing on its rapidly expanding market. Chinese regulations have limited U.S. studios' investment in local filmmaking and strictly capped the number of Hollywood films shown there each year.

To attract investment, China agreed in 2003 to let foreigners own up to 75% of a theater joint venture. The new limit, which applied to seven Chinese cities, led Warner Bros. to open four cinemas and plan as many as 26 more. China changed the rule late last year, however, lowering the foreign ownership limit to 49%. Last week, Warner Bros. announced that it would pull out. Russia is the world's most important economy outside the WTO, and its inclusion will be a step toward a freer, more law-abiding marketplace. But as China shows, progress isn't assured even after inclusion

Source: Reuters, Moscow, 13 November 2006

Pacific Rim economies to push for reviving WTO talks, promote free trade

A gathering of Pacific Rim leaders this weekend to tackle regional and global trade issues is underscoring China's growing clout in world economic and political affairs.

Leaders of the 21 economies of the Asian-Pacific Economic Cooperation forum are expected to issue an urgent request for reviving stalled World Trade Organization talks and review progress on meeting the grouping's free-trade goals. Host Vietnam will also get a chance to showcase its economic reforms. "We're considering to issue a stand-alone statement to push for the resumption of the WTO talks," Philippine Foreign Undersecretary Edsel Custodio said Monday.

Senior officials meeting behind closed doors in preparation for the summit later in the week also discussed the possibility of setting up a free-trade area encompassing the entire Asian-Pacific region, APEC officials said in a statement. Beyond the formal agenda, the gathering shows how the APEC region — comprising 2.6 billion people, roughly half of world trade and 55 percent of the world economy — has surged ahead and how much of that is due to China's stunning emergence. "China seems to be the dominant player," said Greg Mastel, chief international trade adviser for the Washington-based consultancy Miller & Chevalier. "All the Asian capitals now tip their hats to Beijing. "Beijing's growing leverage was evident at last month's commemoration of 15 years of formal ties between China and leaders from the 10-member Association of Southeast Asian Nations, or ASEAN. China and ASEAN have their own plans for a free-trade area, and China-ASEAN trade has soared to more than US\$103 billion (€81 billion) last year from US\$8 billion in 1991."China has surged onto the world's stage and ASEAN has surged with it," Philippine President Gloria Macapagal Arroyo said at the meeting in Nanning, a Chinese sugar-trading center that aspires to be China's gateway to Southeast Asia.

Southeast Asia, Arroyo said, serves as a supplier of rubber, timber and energy — and as a 500-million strong market for Chinese goods. At recent APEC summits, terrorism and security issues have been dominant themes — and North Korea's recent nuclear test will doubtless get attention. But many APEC members, as well as the group's business advisory council, want to make sure the group keeps its focus on its founding goal: to promote economic growth through investment and trade on both sides of the Pacific Rim. Toward that end, leaders at this year's summit plan to adopt a five-year "Hanoi action plan" outlining specific policies aimed at lifting trade barriers. The plan is a more detailed version of a proposal adopted last year in Busan, South Korea, said an official at Japan's Trade Ministry who spoke on condition he not be named because he was not authorized to release details ahead of its adoption. Skeptics point out that APEC's commitments are nonbinding, raising questions about the meaningfulness of any agreements.

Still, trade across the Pacific has boomed since APEC got its start in 1989. At that time, the United States and Japan dominated the Pacific Rim's economic scene. There was no World Trade Organization, the U.S. embargoed trade from Vietnam, Laos and Cambodia, and Taiwan barred investments on the Chinese mainland. "When the APEC meetings

began, Pacific trade was much more closed than it is now," said Edward Gresser of the Washington-based Progressive Policy Institute. Tariffs, he said, were 30 percent higher across the board then than they are now.

Back then, South Korea exported twice as much to the U.S. as to China. The same applied to most countries in Southeast Asia. China is now the top destination for exports from both. China, which skirmished with Vietnam on its land and sea borders in the 1970s and 1980s, now talks of building economic corridors with its communist neighbor.

APEC members stretch from Russia to New Zealand and Chile — a diverse grouping that if mobilized could give new life to the sputtering WTO talks, which broke down in July over a dispute over farm subsidies, with the United States and the European Union trading blame for the deadlock. A breakthrough in Hanoi for the WTO talks would be icing on the cake for Vietnam, which is poised to become the 150th member of the WTO next month.

Source: Associated Press, Hanoi, 13 November 2006

'WTO rules do little for drug access

International development and relief agency Oxfam called on the World Trade Organisation (WTO) on Friday to review the effect of its intellectual property agreement, saying it had done little to open up access to lifesaving medicines.

The WTO patent provisions on health have been a bone of contention between rich and developing countries that have been hit hard by HIV/AIDS. WTO members agreed on the intellectual property rules and health declaration at a 2001 Doha ministerial meeting.

In terms of the public health safeguards, developing countries can access generic versions of patented medicines. Nongovernmental organisations have supported this initiative. "Generic competition is the most sustainable way to keep prices of medicines down," Oxfam said in a statement on Friday. In a report published on Friday, Oxfam said developed countries had done little to effect the safeguards. "Rich countries have broken the spirit of the Doha declaration. "We have gone backwards. People are still suffering and dying needlessly," Oxfam's Celine Charveriat said. Oxfam said 77% of Africans had no access to AIDS treatment, while 30% of the world's population did not have regular access to essential medicines. "There are many reasons for this but the most important is that rich countries, particularly the US, are bullying developing countries to impose stricter intellectual property rules in order to preserve pharmaceutical monopolies. This is restricting generic competition and keeping prices high, it said. "Developing countries have a responsibility to use public health safeguards but when they try to do so, they are put under huge pressure," Oxfam said.

Oxfam said, in its free trade agreement negotiations with developing countries, the US insisted on what the organisation said were stricter-than-usual intellectual property rules. "Global health statistics are grim but the US continues to negotiate trade deals with even stricter rules that limit how a country can use public health safeguards," Charveriat said.

Source: Reuters, Johannesburg, 14 November 2006

APEC bids to unlock stalled trade talks

Asia-Pacific economies would try to help revive world trade talks and look for ways to combat counterfeit and pirated goods at this week's Asia-Pacific Economic Co-operation (APEC) meetings in Vietnam, officials said yesterday. Senior officials said they were examining the mix of free trade agreements among the 21 Apec group members to ensure they did not unduly increase transaction costs for businesses. The so-called Doha round of World Trade Organisation (WTO) talks collapsed in July amid disagreements over subsidies and tariffs for farm goods. "Apec can lead the way for all members of the WTO to reignite negotiations and conclude the Doha development agenda next year," said Le Cong Phung, the deputy foreign minister of Vietnam, which is hosting the annual leaders' week. "If APEC can identify a way forward, this path will most likely be suitable to the broader WTO membership."

The Doha round has been touted since 2001 as a way to boost the world economy and fight poverty. APEC said senior officials had discussed "unlocking stalled WTO negotiations, the adoption of APEC's model for free trade agreements and guidelines to secure supply chains against counterfeit and pirated goods". Senior officials will meet again today to set the agenda for a ministerial discussion this week that will culminate in a summit of presidents and prime ministers on November 18-19. Apec, established in 1989, says its members account for about 40% of the world's population and about 48% of world trade.

Source: Reuters, Hanoi, 14 November 2006

EU, China to meet on WTO compliance

China and the European Union will meet early next year to address "gaps" in China's follow-through on some international trade commitments, according to European Union Trade Commissioner Peter Mandelson.

Europe will request China to fulfill more of its obligations as a World Trade Organization member by allowing more access to service markets and doing more to address piracy of intellectual property, Mandelson said. "We are satisfied China is implementing the bulk of its WTO accession commitments, but there are gaps, for example, on access to certain service markets" and protection of intellectual property, Mandelson said.

Source: Reuters, Brussels, 14 November 2006

APEC officials urge revival of WTO talks

Senior officials of the Asia-Pacific Economic Cooperation Forum agreed on Sunday that the annual meeting of the 21 leaders of the APEC member economies should issue a strident call for the revival of the World Trade Organization's stalled Doha Development Round. The first formal event of the APEC Economic Leaders Meeting began on Sunday morning at the new and partially unfinished National Convention Center in Hanoi with the start of a two-day APEC Senior Officials Meeting. "The informal meeting has started," related APEC Secretariat spokesman Christopher Hawkins, who added that the working level meeting was "the last chance for senior officials to discuss the issues the ministers and government leaders will take up in the week."

Top leaders such as United States President George W. Bush, Russian Federation President Vladimir Putin, Japanese Prime Minister Abe Shinzo and People's Republic of China State Chairman Hu Jintao will arrive in the next few days to attend the informal leaders' summit over the weekend. Taiwan Semiconductor Manufacturing Corp Chairman Morris Chang who will represent Taiwan under its APEC moniker of "Chinese Taipei," will arrive in Hanoi Friday. Vietnamese Vice Foreign Minister Lee Cong Phung, who chaired the informal APEC meeting, said that the senior officials would focus their discussions on issues such as unlocking the stalled negotiations for the Doha Round of the World Trade Organization, the adoption of APEC model measures for free trade agreements and guidelines to secure supply chains against counterfeited and pirated goods.

Sunday's "informal retreat" will be followed by a formal plenary session on Monday that will finalize the agenda for the APEC Joint Ministerial Meeting Wednesday and Thursday. In his initial remarks to Sunday's meeting, Vice Minister Phung said that "APEC can led the way for all WTO members to reignite negotiations and conclude the Doha Development Agenda next year." The meeting also discussed the proposed model measures that can be used by APEC member economies in the negotiation of free trade agreements and regional trade agreements (FTAs/RTAs), of which there are over 20 in force in the APEC region and more under negotiation. After the conclusion of the meeting, Taiwan Bureau of Foreign Trade Director-General Huang Chih-peng told reporters that the session had realized a consensus on core principles of the "Hanoi Action Plan" that will provide a detailed program for the realization of trade and investment liberalization and facilitation goals reached at last November's meeting in Busan, South Korea.

But Huang stated that the most important result of Sunday's discussions was the resolve to call on the APEC economic leaders to issue a "strident call" for the revival of the stalled Doha Development Agenda negotiations in the WTO. Huang related that the United States, which was represented by U.S. State Department Bureau of East Asian and Pacific Affairs Senior Official to APEC Michael W. Michalak, related that the re-ignition of the Doha Round was "the number one U.S. trade policy." Moreover, Huang related that Japanese trade officials were even "more aggressive" and called for the APEC leaders to call for the revival of the Doha Round talks by the end of

this year and for their conclusion by the end of 2007. The APEC officials also reached a consensus to propose that the formation of a "Free Trade Agreement of Asia-Pacific" (FTAAP) be studied as a "long-term goal," Huang added. He also noted that the APEC Business Advisory Council (ABAC) had raised the proposal for such a concept in the wake of the spread of bilateral trade agreements, which had increased government administrative costs to cope with the diverging frameworks and created greater obstacles to transparency and compliance among enterprises, especially small companies.

Huang related that in light of the predominance of small enterprises in Taiwan's economy, the Taiwan delegations to past APEC meetings had supported consideration of the FTAAP concept as well as the adoption of "model measures" to help boost overall welfare while increasing the transparency and "open regionalism" of FTA/RTAs and reduce business transaction costs.

The BOFT chief said that ABAC had submitted a feasibility study on the FTAAP notion under the auspices of the Pacific Economic Cooperation Council and that "most countries expressed support" for the study of the FTAAP concept. Huang indicated that Washington's representative had moderated its previous reserved position on the FTAAP issue and expressed "appreciation" for the ABAC study, but also stressed that the U.S. sees revival of the WTO round talks as the priority short-term goal. Huang related that Japan and member economies from the Association of Southeast Asian Nations had expressed similar views, but added that senior delegations of some APEC member economies stressed that "media or enterprises should not be given the wrong impression that there will soon be a FTAAP" and that "the consensus was to consider the concept for the long-term." Moreover, Huang noted that Russia, the People's Republic of China and some other members expressed concern that discussion of a FTAAP could "distract attention" from the WTO and the revival of the Doha Round, which they saw as "the most important" priority. The BOFT chief stated that "what would really distract the WTO would be the formation of 200 or 300 bilateral FTAs" and indicated that Taipei had a more positive stance to regional trade agreements so long as they upheld the principle of "open regionalism."

Huang said that Taiwan would continue to pursue bilateral FTAs with major trading partners, including the U.S., but added that "we believe the revival of the multilateral Doha Development Agenda is the most important objective and we have expressed our view in many papers in the trade and rules section." Ministry of Foreign Affairs International Organization Department Director-General Chen Chung stated that the Taiwan delegation had so far held working-level bilateral talks with six other APEC member economies, but declined to release the names of the members countries "due to mutual respect." "We believe that there should not be any problems in talking about economic and trade with other APEC members, but the other side does not think that," said Chen, referring to the People's Republic of China. "We have found that as soon as we announce which members we have met with, the other side puts pressure on them and tries to interfere," said Chen. Chen said that several bilateral meetings on the ministerial level had already been arranged, but declined to announce details "to respect our counterparts and defend against sabotage."

Source: Taiwan News, 13 November 2006

US to file new WTO complaint over state subsidies to Airbus – report

The US is set to file a revised complaint as soon as today at the World Trade Organization against subsidies those European governments give EADS' unit Airbus, the Wall Street Journal's online edition reported, citing US trade officials. A previous US complaint just month from expiring and European Union trade officials had hoped to negotiate a deal with the US and avoid a WTO case, the WSJ said.

The EU yesterday said it would respond by moving ahead with its own WTO complaint against US government subsidies given to rival plane maker Boeing, the WSJ reported. 'Once the US launched the WTO action, we were left with no choice,' said Peter Power, a spokesman for Peter Mandelson, the EU trade commissioner. The US has argued that Airbus had unfairly used some 20 bln usd in subsidies to overtake Boeing. The US filed complaints at the WTO in 2005 and 2006. Each time, the EU counterattacked with complaints of its own, saying that the US had given Boeing more than 20 bln usd in government help.

Source: AFX News Limited, London, 15 November 2006

WTO fails to back US claims on EU customs rules

The World Trade Organisation's highest judges declined to back US claims that the European Union's customs rules illegally treat imports inconsistently in a wide-ranging attack on EU import regulations. WTO rules require governments to administer customs laws in a 'uniform, impartial and reasonable manner.' The US said in September 2004, when it brought the complaint to the Geneva-based arbiter, that lacking a single customs administration, EU governments impose different import duties on the same product.

Today's decision finds that the bloc's 25 governments have the right to set their own standards when classifying imports for customs duties. In June, judges ruled in favour of the US in the case of three out of 19 customs classifications or valuations. Today, the judges rejected two more US complaints. The arbitrators are 'unable to complete the analysis with respect to the United States' claim that the European Communities' system of customs administration as a whole or overall is not administered in a uniform manner,' they wrote in the conclusions of the report, published on the WTO's website. US exporters face complications because each EU country classifies imported products differently, the Bush administration has argued. Smaller companies that are ill-equipped to track differences in the rates of levies are at a particular disadvantage, the US said. WTO arbitrators reversed an earlier finding that the EU violated its obligations under international trade law in the case of blackout drapery lining.

They also overturned a previous ruling that supported the US's argument on the way European customs treats sales. The judges upheld an earlier decision that liquid crystal display monitors aren't consistently classified. The US complained that LCD monitors are designated "computer-related equipment" in some EU nations and are therefore free from import duties while elsewhere, they're "other" monitors, paying a 14% duty.

Source: Bloomberg, US, 15 November 2006

Updated postal network could expand global trade, says WTO head

The new Universal Postal Union strategy of integrating physical, electronic and financial networks could dramatically facilitate expanding global trade.

This was a key message brought forth by Pascal Lamy, director general of the World Trade Organization, who spoke at the UPU's 2006 Strategy Conference that opened Nov. 14 in Dubai, U.A.E.

The UPU, a United Nations specialized agency based in Berne, Switzerland, is the primary forum for cooperation between postal services.

In his keynote speech, given via video, WTO's Mr. Lamy told 700 delegates from more than 130 countries that the UPU strategy "will optimize the use of the postal network and new electronic technologies and lower transaction costs, which is of particular importance for increasing productivity in developing countries."

Postal services remain an important means of communication supporting trade and other economic activities, he said. Postal services constitute an important sector of trade in services, and cooperation between the UPU and WTO was necessary to "ensure the coherence of their activities," he said. The UPU this year obtained ad hoc observer status in the WTO.

The Strategy Conference organized by the UN's specialized agency for international postal services is a high-level meeting held midway between two Universal Postal Congresses. The next Congress of the UPU's 191 member countries will take place in Nairobi, Kenya, in 2008.

In his welcome address, UPU Director General Edouard Dayan said the Dubai Strategy Conference came at a very important time for the organization, because the ideas and analyses will form the basis of the future World Postal Strategy for 2008-2012 to be adopted at the next Universal Postal Congress.

The information society and new communication technologies, globalization of trade, population movements and migration trends, and the emergence of new players in postal markets are among the many factors that should be incorporated in the UPU's road map for the future, Mr. Dayan said. "With the postal sector evolving and its boundaries shifting, the UPU is resolutely committed to an open approach, reflecting the realities of a changing world by opening up the floor to all postal sector partners, particularly those of the private sector," he said.

The three-day UPU Strategy Conference, which ends Nov. 16, is held under the patronage of Sheikh Mohammed Bin Rashid Al Maktoum, vice president and prime minister of United Arab Emirates and ruler of Dubai.

This is the first time the UPU held its Strategy Conference outside Switzerland, at the invitation of Emirates Post and the UAE.

Source: Reuters, UAE, 14 November 2006