

VANUATU: Dialogue Over WTO Accession Set To Re-start

Discussions on Vanuatu's accession to the World Trade Organization look set to formally re-start. The Daily Post reports that the Director General of the WTO Secretariat in Geneva, Switzerland, Pascal Lamy recently spoke with the Minister of Trade James Bule over related international policy issues. Vanuatu's Government had to shelve an agreed package in 2001 due to disagreements within the retail, services and telecommunication sectors.

The country's accession has been on the WTO agenda for six years and at the last WTO Ministerial meeting in Hong Kong in December 2005, Mr Bule reaffirmed his Government's strong support and willingness to re-start the dialogue.

Source: *Radio New Zealand/Daily Post 12 July 2006*

Czech Donation for Trade capacity Building

The Government of the Czech Republic has given CZK 1.5 million (CHF 76, 173) to the WTO Doha Development Agenda Global Trust Fund.

The Czech Republic's donation will help finance technical assistance and training activities that are part of the WTO Annual Technical Assistance and Training Plan." I am grateful to the Czech Republic for its contribution to the WTO Doha Development Agenda Global Trust Fund (DDAGTF)", said Director-General Pascal Lamy. "At the beginning of the Doha round Members agreed to establish a predictable basis for funding WTO trade-related technical assistance. Such assistance is vital to enhance developing countries' participation in the global trading system".

This latest contribution brings the total amount donated by the Czech Republic to DDAGTF to more than CHF 165,000. The Czech Republic also made donations in 2002 and 2005. The Doha Development Agenda Global Trust Fund was created following the WTO Ministerial Conference in Doha, in November 2001, which launched the current round of negotiations.

WTO Reminded of the Importance of Liberalisation.

WTO Reminded of the Importance of Liberalisation of Trade in Services .The New Zealand Chambers of Commerce and Industry have written to the Director-General of the WTO emphasising the importance of service negotiations to the outcome of the Doha Round. The Round is currently at a crucial stage with Director-General, Pascal Lamy holding a series of intensive consultations with member countries to facilitate an agreement on agricultural and non-market access. "The Chambers' view is that for the EU, US and Japan to agree to liberalisation of trade in difficult areas such as agriculture there will need to be some progress in areas where they seek changes, such as trade in services," said Charles Finny, Chief Executive of the Wellington Chamber. "Not only do services negotiations have the potential to break the current impasse, they are crucial in their own right. Both developed and developing countries stand to gain enormously from the liberalisation of international trade in services.

The letter also warned of the potentially disastrous consequences failure to complete the negotiations this year would have on the WTO, the international trading system, and the global economy. "The on-going liberalisation of multilateral trade over the last fifty years has been responsible for unprecedented economic growth. Should the Doha Round fail, not only would the benefits of further liberalisation be foregone but the world economy would lose much of those gains with the likely emergence of protectionist forces. "A proliferation of bilateral and regional trade agreements, which would be a likely consequence of a failed Round, is a poor alternative to multilateral trade liberalisation. "The consequences of delaying the Round's conclusion are also severe. It is essential the commitment to concluding a substantial agreement by the end of this year is retained. There is no case for delaying negotiations in the hope that countries will substantially alter their positions," Mr Finny concluded.

The Chamber is also part of a global coalition of services which met with Mr Lamy earlier this week. The Global Services Coalition has called on WTO members to produce improved and commercially meaningful offers to liberalise services.

Source: Press Release: NZ Chambers of Commerce and Industry, 14 July 2006.

U.S. raps Japan, EU over WTO talks

Jason Hafemeister, deputy U.S. assistant U.S. trade representative for agricultural affairs, on Thursday blamed Japan and the European Union for the stalemate in the agricultural area of global trade liberalizations talks under the World Trade Organization." We hope to see some positive signs from its (the WTO's) more protectionist members," Hafemeister told reporters, referring to the reluctance of Japan and the United States to lower their agricultural tariffs further.

Asked whether he expects any progress over the issue at the Group of Eight summit opening in St. Petersburg on Saturday, he said he does not know.

But Hafemeister stressed that what is needed for progress is that protectionist countries "make a real strong specific statement" concerning opening of markets. He criticized Japan's effort to keep its high tariffs on rice imports in particular." Many countries are interested in access to the rice market," he said.

Source: Jiji Press, Mainichi Daily News, Japan, 12 July 2006

Police chief defends WTO tactics

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The more than 9,000 police officers who provided security for the World Trade Organization's Sixth Ministerial Conference in Wan Chai last December deserved full marks for their handling of the violent protests on the closing days of the event, Commissioner of Police Dick Lee Ming-kwai said. The security operation, which peaked with the detention of about 1,000 rioting overseas and local protesters, has been criticized for using excessive force by a number of nongovernmental organizations and lawmakers.

Lee said the police deliberately diverted violent anti-WTO demonstrators away from busy areas in Wanchai, before making arrests. Disclosing for the first time the police strategy to confront the violence, which broke out on the penultimate day of the conference, the commissioner said fully equipped riot police, armored cars and tracker dogs had been stationed in the conference venue. Lee rebuked the critics ahead of a ceremony Thursday commending the units involved, saying the use of robust means to end the demonstration was "the right decision and necessary." He said: "We had three objectives: maintain law and order in Hong Kong, ensure the conference was not disturbed, and allow demonstrators to express their view. I consider our work to be extremely successful."

Twenty-five officers and 18 units received commendations Thursday for their "high level of professionalism and commitment displayed in the planning, preparation and execution" of the security operation. "It's the first time we used police negotiators as a communication channel to approach demonstrators and it turned out to be very effective," Lee said, adding that their overseas counterparts had shown interest in the new practice. Senior Inspector Alan Chung, one of the commended negotiators, said: "I consider our work very successful as the riot only lasted a few hours and the demonstrations were peaceful most of the time."

Chung and his team of 20 officers researched the background, culture and opinions of the protesters to have a better understanding of their needs before the protest. "We talked with them before the conference to show them that Hong Kong police would help facilitate their protest," he said. Chung said their slogan, "Who Cares Wins," and the efforts of the team helped dispel any hostility demonstrators held towards police, with many thanking them in the end.

Lee said the demonstrators were professional but the police's tactic to lure them away from Lockhart Road to the convention center was a great move to reduce disturbance to residents. Chief Inspector Chow Kwok-kee, who was a frontline

officer at the protests, said the WTO demonstrations were the most extraordinary experience in his 32 years with the force. "It was a historic moment when we successfully restrained the riot by thousands of people," he said, referring to the events of the night of December 17 when police fired tear gas to keep the mainly Korean protesters away from the convention center.

Lee said all methods used, including pepper spray, water cannons and tear gas, were non-lethal. He added the only flaw was the inadequacy of interpreters to communicate with the Koreans.

Source: The Standard, China, 14th July 2006

Politically difficult agricultural issues stall WTO negotiations.

THE US agriculture secretary has expressed alarm at developing countries' proposals in World Trade Organisation (WTO) negotiations that he says would preclude any new market access for US farm exports." Quite frankly, I am worried," Secretary of Agriculture Mike Johanns in Geneva told reporters in Washington by teleconference late June 30. Johanns spoke just before he was scheduled to meet with ministers from the European Union (EU), Australia, Brazil, India and Japan. The Geneva meetings with ministers from more than 30 countries attending are scheduled to continue through July 02. Disagreement over politically difficult agricultural issues has stalled the negotiations, formally called the Doha Development Agenda, almost since they were launched in 2001. In October 2005, the United States offered to reduce sharply its domestic support spending for farmers -- from \$19 billion a year to \$7.6 billion for the most trade-distorting subsidies -- in exchange for sharp reductions of agricultural tariffs by developed and rapidly growing developing countries.

Since then, Johanns said, no other country has matched the U.S. offer for deep tariff cuts. He said a smaller tariff cut proposed by the G20 group of developing countries and an even smaller one from the European Union (EU) would amount to little or no new market access because of many proposed product exclusions. WTO puts these exclusions in categories called sensitive products and special products as well as measures called special safeguards. Johanns calls them all loopholes.

For example, he said, some countries have proposed excluding up to 15 per cent of all agricultural products from tariff cuts as sensitive products even though excluding more than 2.0 per cent erodes any additional market access. Then, he said, a proposal by the G33 group of developing countries for excluding special products (designed to promote rural development) would deny US exports access to 94 per cent to 98 per cent of developing countries' markets, including rapidly growing China, India and Brazil." You can see why I'm getting worried," Johanns said.

Further, he said, the G33 proposes protecting all agricultural products from surging imports by a special safeguard mechanism, which would be triggered automatically when imports rise above a certain level or if prices fall below a certain level. Unlike for WTO safeguard measures protecting non-agricultural products, countries using the special safeguard mechanism would not have to demonstrate injury to the domestic industry.

Combining the "very weak" G20 agricultural tariff cuts proposal with the G33 product exclusions, Johanns said, precludes any new market access. Throughout the Geneva meetings, top U.S. officials have insisted they will not accept incremental reductions in agricultural tariffs. "Suggestions that we need to settle for something less than achieving substantial improvements in market access -- for the sake of having a deal at any cost -- is a clear signal that the WTO is in danger of losing its way," US Trade Representative Susan Schwab said earlier June 30. Schwab and Johanns led the US delegation to the WTO sessions, where the participants remained far apart just six months before the Doha round is scheduled to conclude.

Schwab said a trade agreement that opens market access through substantial tariff cuts would increase income to developing countries more than all the foreign aid and proposed debt relief offered by the world's wealthiest countries." Creating new trade flows will be the yardstick used to measure our success", she said.

Source: Financial express, 14 July 2006.

US gaming legislation holds many implications

Antigua and Barbuda's attorney at the World Trade Organisation (WTO) Mark Mendel says the United States' pursuance of legislation to block the access of external gaming companies to American clients has serious implications for the ongoing WTO dispute. Mendel said the Bill goes beyond simply making financial transactions related to online gaming illegal and seeks to expressly amend the US Federal Wire Act to criminalise offshore remote gaming, while allowing US domestic remote gaming." As we expected, it is as contrary to the WTO decision as you could almost conceive," Mendel told the SUN, though he added he would be surprised if the American Senate approved the bill. On the upside of the matter, he said the legislation should make it easier to demonstrate to the WTO that the US remains non-compliant with the rulings of the WTO Dispute Settlement Body (DSB) and was actually moving in the opposite direction.

At the same time, Mendel acknowledged the continuing WTO process to be a lengthy one. In just over a week, a DSB panel would be established to review the current state of US legislation and rule on the country's claims that it was already in compliance with the DSB's orders.

However, Mendel noted that the entire WTO would go on a hiatus during the month of August and this stage of the Antigua & Barbuda/US dispute was not likely to get off the ground until work resumes in September." I think that our continued fight of this case is really the main factor internationally that legitimises what gaming operators are trying to provide. Lengthy though our case may be, I think it's frontline in legitimising and strengthening this industry and I expect the fight to go on," Mendel said.

The proposed US legislation is not specifically targeted at Antigua & Barbuda and would also affect a number of countries which also provide online gambling services to US clients.

The question of whether such shared concern could rally support for Antigua & Barbuda at the WTO was also put to the attorney who said he was not particularly hopeful that others may join Antigua & Barbuda on the frontline of the trade conflict with a superpower." I know for a fact that we have a lot of friends, but then none of them are so bold as to stand at the front of the line with us," he said. "Some are helping more than others but most are just hoping that we, at our cost and expense, resolve the issue in favour of everyone."

Source: Caribbean News, Reuters, 13 July 2006.

Caricom looks to new future with Haiti

Caricom Secretary-General Edwin Carrington once again extended open arms to Haiti, during the last Meeting of the Caricom Heads of Government.

Haitian President René Prével attended the meeting in St. Kitts last week, marking the resumption of his country's participation in Caricom. Haiti, a full member of Caricom since 2002, was suspended from the regional organisation in 2004 after Former President Jean Bertrand Aristide was removed from power.

At the time, Caricom said that the suspension would last until a democratically elected government took over leadership of Haiti. Elections were held in February and, earlier this year, the Heads of Government indicated that Haiti's return to full participation was pending. "In this initial annus mirabilis [a wondrous or fateful year], it is with immense pleasure that we welcome the return of Haiti to the Councils of the Caribbean Community," Carrington said. He said that Prével's presence at the meeting was "an indication that the people of Haiti have chosen to pursue the path of democracy." The Secretary-General also hailed Haiti's return as "a vindication of the principled position taken by the Caribbean Community on the occasion of the interruption of the democratic process in your country in 2004."

Carrington has promised the support of Caricom, especially in the immediate future since, he said "we know that the coming months will be crucial to the future development of Haiti. "Today, after years of unrest, Haiti has been able to find constitutional normality once again - a new political regime has been put in place as a result of the elections in February and April, 2006 and the process will soon be completed with the organisation of municipal and local elections," Prével told the Caricom Heads." I hope that, at the end of my mandate in February 2011, the Republic of Haiti would have taken decisive steps on the long and difficult road of democratic stability and sustainable development. This stability and continuity must be the fruit of permanent dialogue already engaged between the social, political and economic sectors of our society."

Haiti's return to full membership of Caricom paves the way for the island to participate in regional integration measures, such as the Caricom Single Market and Economy.

Prével said that Caricom was "the natural place" for Haiti's integration and that he was pleased to oversee its return to this fold after twenty-eight months of absence." During the next five years of my new mandate, I will work my hardest to contribute toward the strengthening of ties between my country and yours, and I will work with you for the advent of a Caribbean which will be more brotherly, stronger and more united when faced with mutual challenges."

Source: Thursday July 13 2006