



## *Trade News Bulletin*

*Issue No. 156*

Friday 13 February 2009

---

Table of Contents	Pages
WTO members meet to assess signs of protectionism	2
WTO solution would restore hope in economic recovery	3
Ban on Chinese toys may not hold at WTO	4-5
US service firms urge new approach to WTO talks	6
Netherlands supports India's stand on WTO	7
EU Predicts Trade Boost for Region	8
Ecovas Vows to Remove Obstacles to Free Movement	9
South Africa in Growing Conflict with EU	10-11
EAC Treaty Amendments Will Boost Unity	12-13
WTO top court again condemns U.S. dumping measure	14
India, Brazil raise EU drug seizures issue at WTO	15
Taubman of WIPO Picked To Head WTO IP Division	16
Guyana and Brazil – Bridging for Good Times	17-18

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

### **WTO members meet to assess signs of protectionism**

World Trade Organisation (WTO) members met on Monday to assess how far the financial crisis has encouraged protectionism.

Diplomats representing both rich and poor nations were set to discuss WTO Director-General Pascal Lamy's January report showing countries had ignored the Group of 20 (G20) nations' plea in November against raising trade barriers. Monday's debate will give G20 leaders more facts about protectionist trends in promoting exports or reducing imports by the WTO's 153 members and others such as Russia ahead of a meeting in London in April.

Trade barriers aiming to defend jobs may deepen the global recession if they make it harder for other countries to sell their goods abroad, as happened when nations closed their markets in the 1930s Depression. Lamy said that while the 2009 slowdown would affect all WTO members, developing countries were particularly at risk as their growth depended heavily on trade, whose deceleration was now the main downward pressure on world economic growth. "The extreme vulnerability of the global economy to trade developments illustrates clearly the perils of trade protectionism in current circumstances," he said in the report.

### **INFORMATION DEFICIT**

In its latest forecasts, the International Monetary Fund projects world trade will contract 2.8 percent this year after growing 4.1 percent in 2008 and 7.2 percent in 2007.

The WTO report concentrates on increases in tariffs, but also details stimulus packages, such as for the car industry, which many developing countries see as a more insidious form of protectionism as they favour domestic producers, with cash injections that the poorer countries often cannot match. It also lists financial bailouts, warning that they too could result in distortions to competition between financial institutions by providing state aid or subsidies.

One issue to be discussed on Monday is the slow speed at which WTO members report their new trade measures, making it difficult to ascertain a complete and up-to-date picture of the state of international commerce. "One of the problems dealing with services is the information deficit that we have about what governments are doing, what regulators are doing, what measures are being taken," Hamid Mamdouh, director of the trade in services division, told a news briefing on Friday. Lamy's report has sparked some controversy within the WTO, with Bolivia arguing the director-general exceeded his mandate. Other members say the pulse-taking is part of the WTO's responsibility to monitor trade trends. Nigeria's WTO ambassador, Yonov Fred Agah, who chairs the trade policy review body holding the meeting, compared the exercise with traditional African society, where a suspected wrongdoer is called to give account in the village square. "Peer pressure maybe will help the system, rather than anyone thinking 'I can do what I want'," he told Reuters.

**Source: Reuters, Geneva, 9 February 2009**

### **WTO solution would restore hope in economic recovery**

When meeting with India's Minister of Commerce and Industry in Delhi on 6 February, Minister for Foreign Trade and Development Paavo Väyrynen emphasised the importance of finding as quick WTO solution as possible. "A breakthrough in the WTO negotiations would generate faith and confidence in international economy and would give a positive impetus to economic recovery," the Minister said during his meeting of more than two hours with his Indian colleague. India is one of the key parties in the WTO negotiations. Both of the Ministers were still awaiting what kind of a trade policy the new US administration would adopt.

Ministers Väyrynen and Nath also discussed both the bilateral and the EU-India economic relations. There have been hopes that the trade between India and Finland would double between 2007 and 2011, but, according to Väyrynen, this year will pose special challenges to achievement of these goals. India's particular hope is to increase co-operation between small and medium-sized companies. India also values Finland's strong competence in various fields of high technology. During the talks, solutions related to clean technology in particular (so-called Cleantech Finland) came to the fore.

Väyrynen met also India's minister of information and broadcasting and minister of science and technology. The latter offered Finland an opportunity to participate in the technology summit to be organised in India towards the end of 2009 as a partner country. The ministerial meetings were also attended by representatives of Finnish enterprises.

In Delhi, Minister Väyrynen participated also in the Sustainable Development Summit, the organiser of which is the TERI institute chaired by Nobel Laureate Rajendra Pachauri. In his address, Väyrynen underscored the importance of creating a new economic model for, for instance, addressing the challenges of climate change. "The current Western economic model is not sustainable. Instead, we need a new system that is less degrading to the environment and more in keeping with the principles of sustainable development," the Minister stressed.

Väyrynen had also talks with Jeffrey Sachs, Special Advisor to the UN Secretary-General and Director of the Earth Institute. Finland is co-operating with the institute directed by Sachs in Kenya within the framework of so-called Millennium Village and Millennium City projects. The aim of the collaboration is to bring balance to regional development and establish wide-ranging regional development co-operation.

**Source: Reuters, New Delhi, 11 February 2009**

### **Ban on Chinese toys may not hold at WTO**

India's move to ban import of Chinese toys may not be compatible with the World Trade Organization (WTO) rules.

Trade experts and lawyers told Business Standard that if China drags India to the WTO, the country may find it difficult to justify the ban. However, Indian toy manufacturers see the ban as an opportunity to reclaim their lost market share. "There are certain norms under which a country can impose such prohibitions. It seems the ban is not compatible with them," said a Delhi-based international trade expert.

The notification, issued on January 23, said the move had been carried out in "public interest" and would be effective for six months. However, there were no details of the grounds on which the ban was imposed.

The ban comes against the backdrop of shrinking market for exports as major economies like the US, Europe and Japan which account for half the world's output are in recession. Countries hit by low exports are creating barriers to protect their domestic companies from competition. WTO members can drag their trade partners to the international trade body if they suspect any unfair trade practice. Government officials said there has been no official intimation from China on this. "There is a procedure through which they have to come. They have to seek consultations," Commerce Secretary Gopal K Pillai said recently. The ministry said any country can restrict imports from a country in public interest.

Government sources said the ban was imposed because of health concerns. In 2007, many varieties of Chinese toys were found to carry toxic substances like lead and many international companies had recalled millions of such toys across the globe.

Lawyers specialising in international trade disputes point at Article 20 of General Agreement on Tariffs and Trade (GATT), which defines conditions under which import restrictions can be imposed. These include protection of public morals as well as health and safety concerns. However, the article specifies that such measures cannot be used to discriminate between countries. "For this, there has to be scientific evidence that there has been an impact on citizens' health. Moreover, if India says that the ban was imposed as quality norms for Chinese toys did not match its standards, it has to apply the same standards on domestic toy manufacturers. If India has not done its homework, it may lose to China in the WTO," said a lawyer specialising in trade. "They should have at least mentioned that the ban was imposed after complaints related to toxicity. Clearly, WTO procedures have not been followed," he added.

Experts said the notification could have at least mentioned more elaborately the reasons for the ban or banned import of toys with specified toxic content from all countries. "Toxic toys can come from anywhere, why only China?" said the expert.

Significantly, the DGFT widened the ambit of the ban in a subsequent circular, which said the ban would apply to all toys manufactured in China. This means that even a toy imported from a third country but manufactured in China won't be allowed into the country.

### **Ban to help domestic players**

Domestic toy manufacturers, who peg their market size at Rs 3,000-3,500 crore, have been complaining that cheaper Chinese toys have grabbed over 40 per cent of the market, impacting them adversely. “The ban will help the domestic industry augment their share,” said AK Bansal, chief managing director, Hanung Toys and Textiles Ltd, which sells about Rs 100 crore worth of toys in India. According to industry estimates, about 20-25 per cent of the industry is organised. “Toy makers in the unorganised sector have been hit the most by cheaper Chinese toy imports,” added Bansal.

**Source: IST, New Delhi, 11 February 2009**

### **US service firms urge new approach to WTO talks**

Major U.S. service industry companies frustrated with slow progress in world trade talks want the Obama administration to pursue a much different approach, according to a briefing paper obtained on Friday.

'Moving ahead in the WTO will require new and creative ideas,' the Coalition of Service Industries said in the paper which comes even before President Barack Obama has fully assembled his trade team.

The group's membership includes energy services giant Halliburton, express delivery rivals Fedex and UPS computer technology and software leaders IBM and Microsoft top U.S. banking, financial services and insurance companies.

The paper reflects the sector's frustration that negotiations on its priorities in the seven-year-old Doha round of world trade talks have taken a back seat to agriculture and manufacturing. 'The ... approach has meant that agreements in services hinge on agreements in other sectors that are driven by completely different negotiating dynamics,' the group said.

The United States might achieve better results by trying to negotiate sector-specific agreements in areas such as computer and energy services with a smaller group of countries, the group said.

These 'plurilateral' pacts could be modeled after the WTO Basic Telecom Agreement and the WTO Agreement on Financial Services, both reached in 1997, the paper said. 'A sector-focused approach may circumvent some of the obstacles that have hampered more comprehensive negotiations,' the group said.

The group also recommended the Obama administration explore negotiating a high-standard 'services-only' free trade agreement with Japan and the European Union.

Former President George W. Bush's administration insisted U.S. free trade pacts cover manufacturing and agricultural trade in addition to services. That approach effectively barred free trade talks with Japan and the European Union because of their trade sensitivities, especially in the farm sector.

The coalition also urged Obama to update and expand services chapters of existing U.S. trade pacts and to build a Trans-Pacific regional free trade agreement from existing deals with Chile, Singapore, Peru and Australia.

**Source: Reuters, Washington 6 February 2009**

## **Netherlands supports India's stand on WTO**

*High-level economic mission visiting country*

*Offers an ideal business climate for Indian firms*

Minister for Foreign Trade of Netherlands Frank Heemskerk has supported India's stand on World Trade Organization (WTO) talks and said it was unfair to blame India for failure of talks. He also favoured signing of the Free Trade Agreement (FTA) between India and the European Union stating it would boost trade.

Mr. Heemskerk, who is leading a high-level economic mission to India from February 8 to 13, will be accompanied by over 40 companies and educational institutions. In addition to representatives from the international business community, the delegation will include a large number of representatives from SMEs. A number of bilateral trade cooperation and investment agreements are likely to be signed during the visit.

During his recent interactions with Indian journalists, Mr. Heemskerk said that he had been in constant touch with Union Commerce and Industry Minister Kamal Nath and said India's concerns on WTO were genuine and need to be addressed in the right spirit.

On the India-EU FTA, the Foreign and Trade Minister said that his country supported the agreement as it would open up good prospects of trade and remove various trade obstacles forever. "We are hopeful of clinching some good agreements including one pertaining to setting up of a Maritime Knowledge University in Chennai, expansion of relationships and offering Dutch expertise in design innovation, agriculture, infrastructure, biotechnology, port development and Information Technology," he added.

"Particularly in these turbulent economic times, it is important to show that we value and wish to continue to expand our good economic ties with India. India is of great importance to the Dutch economy. International trade and investments are the driving force for economic recovery and future growth," Mr. Heemskerk said in his message to the Indian counterparts.

Mr. Heemskerk said the Netherlands offers an ideal business climate for Indian companies partly as a Gateway to Europe.

Mr. Heemskerk will visit Delhi, Pune and Mumbai during his visit and some members of the delegation would go Bhavnagar, Surat and Bangalore.

**Source: Reuters, Brussels, 8 February 2009.**

### **EU Predicts Trade Boost for Region**

The European Union (EU) has expressed optimism that trade in infrastructure services among ECOWAS member states would boost economic growth and development in West Africa.

Pauline Weinzieri of the EU Trade Department stated this at a two-day seminar on Trade in Services and Investments in the Framework of the EC-West Africa EPA in Dakar, Senegal. In her paper entitled "The Economics of Trade in Services", Weinzieri said trade in other services, including transport, logistics, energy distribution and telecommunications, would also promote West Africa's development. She said this would further attract Foreign Direct Investments (FDI) to the region. "It will also attract transfer of expertise and of know-how of foreign services suppliers," she added. Weinzieri noted that the development would also create local jobs, better quality services, cheaper services, more choices for consumers, while reducing the cost of doing business for local Small and Medium Enterprises (SMEs)

Also speaking, Mr Abdoulaye Ndiaye, an expert in trade and services, said ECOWAS should establish a regional database on services. "ECOWAS should put in place accompanying measures, aimed at raising the competitiveness of the services sector in member states," he said. "Member states should undertake reforms for the progressive and regulated liberalisation of various service sectors with high export potential.

This is relevant for the competitiveness of their economies," Ndiaye said.

**Source: Reuters, Lagos, 7 February 2009**

### **Ecowas Vows to Remove Obstacles to Free Movement**

The Economic Community of West Africa, ECOWAS, has reiterated its determination to ensure that the much talked-about free movement of people, good and services within the sub-African region is actualised.

This declaration was made by the president of the ECOWAS commission, Mohammed Ibn Chambas, during a consultation meeting with the minister of foreign affairs at the commission's secretariat at the weekend.

The commission's president also enumerated challenges facing the commission. They include consolidation of peace and security, promotion of the principle of good governance and democracy.

He said that the commission is working seriously toward the integration of ECOWAS into the global economy through the establishment of ECOWAS common market and improved regional competitiveness.

To face up to these challenges, the commission hopes to face a six-point priority, including the achievement of the customs union, conclusion of the economic partnership agreement, EPA, development of regional infrastructure, peace and security.

Chambas noted that the commission "relies on Nigeria's leadership to encourage the implementation of activities in the priority areas" as well as maintain the direction and guideline given by the heads of state and government for 2009.

He emphasised that the commission is committed to having an effective and functional free trade area, ETA, removing obstacles to the free movement of persons and goods, removing non-tariff business (NTBs) and establishing a development conducive, CET.

Other areas of interests that the commission's president emphasised include regional infrastructural development.

This, he said, will be achieved through the implementation of facilitation actions enumerated in the transport and road transit facilitation programme as adopted in 2003.

The commission hopes to bring new dynamism to the railway projects, placing the Abidjan-Lagos link at the forefront.

Responding to ECOWAS president's address, the ministry of foreign affairs, delegates led by the minister of state II, Hon Bagudu Hirse, assured the commission that Nigeria is committed to providing focused leadership in the sub-region under the chairmanship of President Yar'Adua.

Hirse made it clear that the Nigerian government is also committed to solving problems highlighted by the ECOWAS president. He commended the Lagos State government for initiating private partnership programme, PPP. Hirse however acknowledged that the free movement of people and goods across member states border is problematic owing to the fact that this is being abused by some people who use the free borders for smuggling of small arms. He said that the Nigeria government will ensure proper scrutiny.

**Source: Reuters, Abuja, 7 February 2009**

### **South Africa in Growing Conflict with EU**

Brussels officials have rejected calls from three southern African governments for a reassessment of a new trade accord with the European Union.

In January, South Africa, Namibia and Angola made a joint appeal to the EU, urging that it delay the formal signature of a trade liberalisation deal, known as an economic partnership agreement (EPA), with several of their neighbouring countries. Describing the accord as "seriously flawed", the three governments argued that it would set back efforts to boost economic cooperation in southern Africa for "many years".

Botswana, Namibia, Swaziland, Mozambique and Lesotho all gave their initial approval to an EPA with the Union in late 2007. But when the agreement was analysed, some of these governments voiced profound unease about how it could drive a wedge between them and the region's largest economy South Africa, which had decided against joining an EPA.

Later this month, the EU's 27 governments are to discuss if they should give the European Commission, the executive arm of the EU, a mandate to proceed with signing and ratifying the EPAs it has negotiated with the African, Caribbean and Pacific (ACP) bloc.

South Africa, Namibia and Angola have called for the brakes to be applied to this procedure temporarily. Even though European Commission President José Manuel Barroso gave an undertaking in late 2007 that provisions in trade deals which African countries deem to be contentious could be renegotiated, his officials have now declined to accept the appeal.

In a document, seen by IPS, the Commission said that reopening an EPA with Southern African countries would not be "practicable" because it would "ignore" the decision of other governments in that region to accept the agreement. The agreement with southern Africa has been given the suffix 'interim' as it primarily relates to trade in goods. The EU is now hoping to widen its scope so that it becomes a 'full' accord, which also deals with prising open Africa's services markets, as well as containing clauses on investment, public procurement and competition.

Paul Goodison from the European Research Office, which monitors EU-Africa economic relations, said that "one way forward" could be to use a technique that trade negotiators describe as 'bracketing'. This would involve placing brackets around provisions in the EPA that Namibia, South Africa and Angola consider inimical to the interests of their region. It would allow the remainder of the agreement to be signed by both European and African governments but with the contentious clauses not coming into effect.

Peter Mandelson, Europe's trade commissioner from 2004 until last year, had refused to agree to the use of bracketing. But his successor Catherine Ashton has undertaken to demonstrate greater flexibility in the handling of the EPAs. She will be visiting southern Africa in the coming week. "The hope is that with a new hand at the helm, substantive changes in the European Commission position could become possible," said Goodison. "It remains to be seen if at the beginning of next week Commissioner Ashton will have given substance to her rhetoric."

Interviewed by the publication Trade Negotiations Insight, Ashton stated there is a need to "replace controversy over interim agreements with a positive debate on full

EPAs." But she defended the Commission's position on some of the proposals that have most rankled with African countries. Several African governments have taken issue with a demand by the Commission that they eliminate taxes they have imposed on export of raw materials, arguing that such fiscal measures are vital to nurture nascent industries by encouraging the processing of basic resources at home.

While recognising those concerns as legitimate Ashton said: "The commitment to removing trade barriers like export taxes must be a cornerstone of EU trade policy. I am a firm believer in the benefits of open markets and the opportunities they can deliver to businesses and individuals." As Angola is internationally recognised as a 'least developed country', it was able to take a different approach to the EPAs than many of its neighbours. Its status meant that the Commission never threatened to impose higher duties on its exports to the EU if it decided against signing an agreement.

Although Angola has remained outside a regional EPA, it has complained that the Commission provided it with "little clarity" about what the implications of signing up would be. Not enough details have been provided, for example, on what financial assistance would be made available to compensate for the revenue losses once it has to reduce most tariffs on imported goods. As part of an 'aid for trade' strategy formulated in 2007, the EU has agreed to make 2 billion Euros (2.6 billion dollars) available to poor countries each year by 2010.

But that pledge was made before several EU member states decided to slash their development aid budgets in response to the financial crisis. In recent months, Italy has cut its aid allocations by 56 percent, Ireland by 10 percent, while Latvia has taken steps to abolish its aid budget entirely.

Glenys Kinnock, a Socialist member of the European Parliament, noted that there is "nothing legally binding" in an EPA recently concluded with the Caribbean region, the most comprehensive agreement yet reached with the almost 80 ACP countries. "Aid for trade is the elephant in the room," Kinnock added. "Nobody wants to talk about how much (EU) member states are going to contribute."

**Source: Associated Press, Brussels 7 February 2009**

### **EAC Treaty Amendments Will Boost Unity**

The stage is set for amendments to the Treaty establishing the East African Community to make it more effective as the regional economic community emboldens and consolidates in carrying out its mandated activities.

This is the good news emanating from the recently held Sectoral Council Meeting on Legal and Judicial Affairs. The meeting which took place in Mombasa on January 18-24, 2009, was called against a background of efforts to revamp and re-invigorate the activities of the Community.

The Sectoral Council was attended by high ranking EAC officials, ministers responsible for the EAC and Attorney Generals of the partner states among others.

Some of the issues being considered in the proposed Amendment to the Treaty according to sources relate to the scope of the Treaty; the powers and interrelationships among the organs and institutions of the Community, the system of election, composition of the East African Legislative Assembly and the jurisdiction of the East African Court of Justice.

The meeting also took into consideration the East African Community Customs Management (Amendment) Act, 2009, the Amendments of the East African Community Financial Rules and Regulations, 2006 and the draft Regulations on the Lake Victoria Transport Act, 2007.

When done, the Treaty shall among other things strengthen the EAC Secretariat and its resource mobilization capabilities and ensure the streamlining of decision making within the Community. These are by and large, very fundamental areas in bolstering the EAC.

However, as the process transpires, the striking essence in the dispensation regards the use of the proper and procedural methods in enforcing the said amendments. It is incumbent that strict adherence to the Treaty takes place to avoid any unpalatable reactions from citizens. The exercise calls on the partner states to adhere to within the very confines of the same Treaty under revision. Article 150 is succinct and provides the procedures in its own accord.

A quick synopsis of the Article provides for the amendment at any time in the history of the existence of the Treaty by all the partner states or the Council of Ministers. A proposal of the amendment should be communicated to the Secretary General who in turn is charged with informing the partner states. There is a 90-day period provided for comments as prescribed, thereafter which, the Summit receives the same vide the Council. Any amendments enter into force once ratified by the partner states.

Ideally, the various provisions of the Treaty take into account the strategic interests of the region. A small and weak state cannot survive and has no future in the highly competitive world - a reality that long dawned on the partner states. The Treaty is remarkable as a document of the broad consensus on the system of integration of choice. With it comes the inspiration and guidance it provides in the realisation of expectations.

There is some fresh breath of air in the regional integration process much to the delight of integration enthusiasts. If the tempo is sustained, then the region is likely to

witness the fulfilment of the undertaking and promises of the EAC to the effect of making 2009 a year of "great promise." Only last week, the seventh round of negotiations of the Common Market took place in Kisumu, Kenya in talks aimed at thrashing out and panel beating the clauses in efforts to complete the discussions on the Protocol. Next week attention moves to Kigali, Rwanda as the EAC calls a high level retreat for its key organs and institutions over the next two weeks.

The theme of the meeting which is "How the EAC can be made a more effective institution" indeed captures the moment as it is both timely and apt. All the meetings allude to the consultative processes that shall inevitably mesh to the realisation of the ultimate Political Federation.

Generally, the EAC must be the institution that gives voice to the citizens of the region, sparks excitement and sets out a bold vision for the eventual unification of the partner states. The Treaty must at all times be adhered to as the foundation.

**Source: Reuters, Kigali, 31 January 2009**

### **WTO top court again condemns U.S. dumping measure**

The World Trade Organization's top court backed the European Union on Wednesday in its challenge of a U.S. method for dealing with unfairly priced imports, confirming a series of previous rulings.

The European Union launched the appeal even though it won the original case in October, because the original panel refused to rule on some instances challenged by Brussels. The United States subsequently also appealed. "Given the repeated WTO findings against the use of zeroing by the U.S., the (European) Commission hopes that the U.S. will abandon this practice and fall into line with other WTO members," EU trade spokesman Peter Power said in a statement.

An official with the U.S. Trade Representative's Office said the United States was "highly disappointed" with many points of the ruling, but also noted the panel did not accept all the European Union's claims in the appeal. "The United States has previously expressed its concerns about the Appellate Body's findings on zeroing in statements made to the WTO in ... other disputes. We will continue to consult with members of Congress and interested members of the public as we move forward with next steps," the U.S. trade official said.

The case had attracted attention as an example of a growing rift between the WTO's dispute panels and its Appellate Body over the extent to which zeroing can be permitted under international trade rules.

With the economic crisis fuelling fears of protectionism that could deepen the world's recession, trade remedies such as anti-dumping measures to tackle cheap imports are coming under added scrutiny by governments and trade lawyers.

In a 166-page report, the Appellate Body overturned many reservations of the original dispute panel, and recommended the United States bring the measures into line with trade law. International trade rules allow countries to impose duties on imports that are sold for less than they cost at home, if they are found to damage businesses in the importing country.

The anti-dumping duties are based on the difference between the price in the exporting and importing markets.

The United States ignores, or treats as zero, examples where the price is actually higher in the United States than in the exporting country. Critics say that artificially inflates the anti-dumping duty, putting up a higher barrier to trade. The present case, launched in October 2006, involves U.S. anti-dumping measures against imports of European ball bearings, steel products, pasta and chemicals.

The United States now accepts that zeroing is inadmissible in new anti-dumping investigations, and did not contest EU arguments involving investigations into imports of chemicals from Finland, Netherlands, Spain and Sweden. But it argues that zeroing should be allowed in reviews of its existing anti-dumping measures, and is pushing in the WTO's Doha round to have zeroing explicitly recognized as permissible.

**Source: Reuters, Geneva, 5 February 2009.**

### **India, Brazil raise EU drug seizures issue at WTO**

At the WTO meeting, Brazil and India criticized the EU over an Indian generic drug to treat high blood pressure that was seized late last year while transiting the Netherlands for Brazil

Geneva: Developing countries accused the European Union (EU) at a meeting of the World Trade Organization (WTO) on Monday of seeking to use tough intellectual property laws to seize generic drugs, putting lives at risk in emerging nations, where the cheaper medicines are often destined. At the WTO meeting, Brazil and India criticized the EU over an Indian generic drug to treat high blood pressure that was seized late last year while transiting the Netherlands for Brazil.

Brazil's WTO ambassador Roberto Azevedo told WTO's General Council that the case reflected a trend by industrialized countries to try and circumvent global trade rules by pushing tough intellectual property standards in other bodies, such as the World Customs Organization and the World Health Organization.

The case touches on a sensitive issue between rich and poor countries access to affordable medicine and has been cited by developing countries as an example of rising protectionism in the economic crisis. "We have raised the issue here with the expectation that the EC (European Commission) will urgently review the relevant regulations and the actions of the national authorities based on such regulations, and bring them in conformity with the letter and spirit of the TRIPs (trade-related intellectual property rights) agreement and the rules-based WTO system," India's statement to the WTO council said. EU ambassador Eckart Guth criticized the "highly emotional debate" and warned fellow WTO members against jumping to wrong conclusions or blowing the case out of proportion.

**Source: Hindu Business, New Delhi 10 February 2009: Mint's Radhika Pandeya in New Delhi contributed to this story.**

### **Taubman of WIPO Picked To Head WTO IP Division**

Antony Taubman, acting director and head of the Global Intellectual Property Issues Division at the World Intellectual Property Organization, has been named to the top IP position at the World Trade Organization, the WTO has confirmed.

Taubman is slated to start on 1 May in the lakeside post down the hill from WIPO in Geneva. As director of the WTO IP Division, he will be responsible for overseeing all of the WTO's IP-related activities, including the 1994 Trade-Related Aspects of Intellectual Property Rights (TRIPS) agreement, technical cooperation and capacity-building activity, and related dispute settlement matters. He also will be responsible for managing WTO activity related to government procurement and trade and competition policy, as these are in the same division at WTO.

The position was vacated last summer by Adrian Otten, who had directed the IP division since 1993 when it was first created, and who played a key role in the TRIPS negotiation. Hannu Wager of Finland, an official in the IP Division, has been acting head during the search but reportedly did not seek the leadership post.

Taubman brings to the WTO years of experience in international intellectual property law. He joined WIPO in 2002 after three years as director of international intellectual property at the Australian Department of Foreign Affairs and Trade and one year as a senior lecturer at Australian National University as a part of the Australian Centre Intellectual Property in Agriculture. His division in WIPO has overseen years of policy work on traditional knowledge, genetic resources and folklore. He also had a hand recently in the preparation of a document on IP and climate change that WIPO circulated throughout the United Nations. Another Australian, Francis Gurry, was appointed director general of WIPO last October.

Taubman has published widely on the topic of international intellectual property, writing papers on such topics as TRIPS and compulsory licensing; the public domain and intellectual property law treaties; public-private management of IP for public health in developing countries and the international patent system and biomedical research [requires subscription], and co-authored a guide to public sector IP management in the life sciences.

**Source: ip-watch.ch, Geneva, 4 February 2009**

### **Guyana and Brazil – Bridging for Good Times**

A relatively small bridge between the sprawling giant, Brazil, and its neighbour on the Atlantic Coast, Guyana, has the potential for contributing significantly to Guyana's economic development and the export potential of Brazil's northern region.

The narrowest point at which the Brazil and Guyana borders connect is the Takatu River, alongside which lie the State of Roraima in Brazil and the area of Lethem in Guyana. The bridge is scheduled to be opened before the end of the last quarter of this year, and maybe as early as March.

For centuries the native peoples of the area – the Amerindian tribes – have been traversing the river and cohabiting with each other. Now, the Brazilian government, with the full agreement of the Guyanese government, has built a bridge across the river capable of carrying heavy vehicles to transport containers with a wide variety of commodities as well as people.

The Takatu Bridge is reported to be one of 335 projects identified by the Integration of Regional Infrastructure in South America, an initiative by South American Governments to construct a new infrastructural network for the continent, including roads, waterways, ports, and energy and communications interconnections. While it will be some years before all this infrastructure is in place, the plan points to a framework that will make it possible to transport goods and people across all of South America by road.

Guyana will be well-placed to benefit from the Takatu Bridge because it will allow Brazilian businessmen from Brazil's Northern-most State of Roraima to truck commodities through Guyana to a port on Guyana's Atlantic coast and then to markets in North America and Europe. This method will be considerably cheaper for businesses that now have to transport goods across the vastness of Brazil to its far-away ports.

Both the Governor of the State of Roraima and the businesses located there are anxious for the opening of the Takatu Bridge, built at a cost of just under US\$4 million. They see it as the first necessary path to the Guyana port on the Atlantic.

The population of Roraima State and its capital, Boa Vista, has grown in recent years. At approximately 400,000 people, it is now bigger than the population of Barbados, and bigger than any two countries in the Organisation of Eastern Caribbean States (OECS). So, in addition to the Bridge providing the means for Brazilian products to be exported more cheaply through Guyana, it also offers the opportunity for Guyana to market its products into Brazil.

Significantly, 18 months ago, the Brazilian government held a seminar in Guyana for Guyanese business people on how to do business in Brazil.

Relations between Guyana and Brazil have always been solid. Brazil is one of the few South American countries that accepted its borders on independence from the Portuguese and have made no territorial claims on its neighbours. In the continuing

claim by Venezuela for two-thirds of Guyana, the Brazilian government has been a steady voice of reason and support.

The Venezuelan government of President Hugo Chavez is known to be unhappy with the construction of the Takutu Bridge. So much so, that construction of the bridge was halted for some years and it was only recently that work proceeded rapidly to bring it to the point of an official opening soon. The Chavez government had also objected to Brazil establishing a Consulate in Lethem to look after the affairs of Brazilians and dealing with commercial paperwork between the two countries. The Brazilian government appears to have overcome that problem and the Consulate will be opened to coincide with the bridge.

Over the last few years, there has been a steady influx of Brazilians into Guyana. It is estimated that there are about 3,000 Brazilians now working gold mines in Guyana and making a good living from it while contributing to the economy. They have brought in new technology and are getting higher production yields. Consequently, the government is getting more taxes, and the Guyana Gold Board which purchases the production is selling it on the international market at a profit.

Brazilians have also drifted into Georgetown, Guyana's Capital City, and have opened various businesses including one of its most popular restaurants. Unlike the treatment accorded to Guyanese in several Caribbean countries, the Guyanese have been extremely accommodating of the Brazilians and the government has sought to regularise the status of those who entered the country illegally.

The understanding and good neighbourliness between Brazil and Guyana is at such a high level that each country is allowing nationals of the other to enter each other's country up to a point where documents are not required. Hence, theoretically Guyanese nationals can travel as far as Boa Vista in Roraima State, and Brazilians can go as far as Annai, an area in the Essequibo River. Reports indicate that border controls are now being established in Boa Vista and Annai, but it is an indication of the openness of the two countries to each other that this system can operate at all.

Of course, while the Takatu Bridge is a necessary first step in the opening-up commercial activity that will benefit both countries, there is more to be done; the most important thing being the creation of an all-weather road from Lethem to Georgetown and the re-enforcement of bridges across Guyana's rivers. The task is not difficult. A dry-weather road already exists and transportation vehicles ply it every day. Joint ventures either between the two governments or private businessmen from both countries could finance the cost of the road whose commercial traffic would repay its cost in good time.

Undoubtedly, new towns will develop along that road in areas that are now sparsely populated. The road points the way not only for a cheaper outlet for Northern Brazil to the Atlantic and therefore to Europe and North America, but for a considerable boost to the economy of Guyana.

The opening of the Takutu Bridge is good news in otherwise bad times.

By Sir Ronald Sanders

(The writer is a business consultant and former Caribbean Diplomat)

Responses to: [ronaldsanders29@hotmail.com](mailto:ronaldsanders29@hotmail.com)