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Lamy warns bilateral agreements are not the "easy way out" from the suspended talks



Director-General Pascal Lamy, in the Annual Memorial Silver Lecture at the Columbia University in New York on 31 October, said that "we must ensure regional trade agreements are complementary — and not a substitute — to the multilateral trading system". He added that "if the multilateral system dies away, so does the positive potential of regional trade agreements".

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In a speech before the International Trade Committee of the European Parliament in Brussels on 17 October, Mr. Lamy said the failure of the trade talks would "not be a major economic shock that would precipitate any particular market crisis...but rather as a slowly developing disease that would progressively sap the strength of the multilateral trading system built up over the past 50 years, damaging its economic lungs, its political heart, and its systemic bone structure".

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The Director-General, in his report to the General Council on 10 October as chair of the Trade Negotiations Committee, said that from his contacts with many trade ministers "it is now obvious that the cost of failure, and the missed opportunity to rebalance the trading system, would hurt developing countries more than others". In a separate statement, he underscored the importance of moving forward on Aid for Trade despite the setback in the negotiations.

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Mr. Lamy, in a video message to the African Investment Forum on 10 October 2006, said Africa's agriculture exports and the continent's intratrade would be among the major beneficiaries from a successful Doha Round.

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In a keynote speech to the 23rd Assembly of the International Federation of Pharmaceutical Manufacturers and Associations on 11 October, the Director-General said that "the public is holding their governments to account for the expectations that's globalization has raised on a much wider scale — that an increasingly wealthy and prosperous world should be making faster progress towards broadly-based economic development, reducing poverty, and achieving international social and environmental goals".

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African Union urges trading powers to quickly restart negotiations

The Chairman of the African Union, President Denis Sassou N'Guesso of Congo, in a statement issued on 27 October, urged "all WTO Members, and in particular the G-6, to break the current deadlock". He added that "for millions of our citizens, the Doha Development Agenda represents the hope of improving their living standards and freeing themselves from absolute poverty".

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Working party completes Viet Nam's membership talks

WTO members negotiating the terms of Viet Nam's membership completed their task on 26 October by accepting the documents spelling out Viet Nam's commitments and rights. The documents will now go to the full membership in the General Council, which will meet on 7 November, to decide on accepting Viet Nam.

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The Working Party began intensive consultations on 9 October.

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Tajikistan submits revised offers

The Working Party on the Accession of Tajikistan held its third meeting on 6 October 2006 to continue its examination of Tajikistan's foreign trade regime. With new materials from Tajikistan, the Secretariat will prepare an Elements of a draft Working Party Report for consideration at the next meeting. Tajikistan submitted revised offers on goods and services and met bilaterally with interested Members on the fringes of the Working Party meeting. The Chairman H.E. Mr. C. Kull (Estonia) indicated that, depending on the arrival of new inputs, the next meeting could be held in the first half of 2007.

TRADE POLICY REVIEW back to top

East African Community: Economic progress, but continuation of reform is still needed

The Trade Policy Review Body examined the trade policies and practices of the East African Community (EAC), composed of Kenya, Tanzania and Uganda on 25 and 27 October. The EAC members have continued their economic reform programmes over the last few years aimed at addressing key challenges, notably poverty reduction, sustainable economic growth and development, and full integration into the world economy, according to a WTO Secretariat report on the trade policies and practices of the East African Community. The report notes that further liberalization of trade and investment, driven both by their commitments in the WTO, and by their participation in regional trade agreements, have been major features in this process. But the report also adds that EAC countries' membership in overlapping trade arrangements makes their trade regime complex, difficult to manage, and is likely to limit the proper functioning of the EAC as a customs union. According to the report, more attention needs to be paid to non-tariff measures in the full establishment of the EAC customs union (its free-trade-area and common trade-measure components). In addition, continued structural reforms and additional trade liberalization by EAC members would contribute to better resource allocation.

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Kyrgyz Republic: Impressive progress but continued reform remains important

The Trade Policy Review Body reviewed the Kyrgyz Republic's trade policies and practices on 9 and 11 October. The country has made impressive progress since its economic and political transition to a market-based economy, with farm reform, price deregulation, financial sector liberalization and significant state privatization that have helped the country face various setbacks such as the Asian and Russian economic crisis of the late 1990s, according to a WTO Secretariat report on the trade policies and practices of the Kyrgyz Republic. The report says that some structural reforms remain unfinished and that it would be important for the Kyrgyz Republic to diversify its economy into manufacturing and services and soften the country's vulnerable reliance on mining (gold) and agriculture.

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DSB sets up panels to examine disputes on auto parts, shrimp and steel



At its meeting on 26 October, the Dispute Settlement Body established three panels to examine, respectively, China's measures on auto parts, US measures on shrimp from Thailand, and US anti-dumping measures on steel from Mexico. Also at the meeting, the US blocked the first-time request by India for a panel to examine the US customs bond directive, and, under Other Business, Brazil expressed concern at the "terrible precedent" set during the process to compose the compliance panel in the "cotton" case.

16th Specialized Course on WTO Dispute Settlement ends

On 29 September, twenty-four government officials from WTO Members and Observers ended a five-day immersion into the rules and procedures governing the WTO Dispute Settlement mechanism.

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General Council endorses recommendations of Aid for Trade Task Force

The General Council, on 10 October, took note of the report of the Task Force on Aid for Trade, endorsed its recommendations contained,, and agreed to the specific next steps outlined in the report.

> Summary of the meeting

Lamy: It's time for a new "Geneva consensus" on making trade work for development

Director-General Lamy, in the Emile Noel Lecture at the New York University Law School on 30 October 2006, stressed that "a fundamental aspect of the current Round is to correct the remaining imbalances in trade rules in favour of developing countries and to improve rules that will provide developing countries with authentic market opportunities".

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On 12 October, Mr. Lamy held an online chat with representatives from developing countries. The 196 government officials participating in a course on the WTO, organized by the Institute for Training and Technical Co-operation on its eTraining website, were invited to attend.

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CTD looks at cocoa trade

At the Committee on Trade and Development (CTD) meeting on 4 October, the International Cocoa Organization made a presentation on the world cocoa economy and on aspects of the organization's work. It was agreed that a panel discussion bringing together a number of organizations working on commodity issues would be a useful way to move forward under this agenda item. The Committee also agreed to consider inviting the International Coffee Organization on a meeting-by-meeting basis to attend future discussions on commodities.

The Committee reverted to the notifications made by ASEAN and China under the Enabling Clause in 2005 and the questions raised on the notifications by the EC, the US and Japan. Members agreed that the Chairman should continue to consult informally to find an acceptable way to conclude the Committee's consideration of the notifications. The Chairman will report to the Committee on his consultations at the last meeting of the year, scheduled for 28 November 2006.

Discussion continued on the EC's notification under the Enabling Clause concerning its revised GSP scheme and the EC's written responses to questions posed by Brazil, China, India and Pakistan. At the request of a

number of delegations, the item will remain on the CTD's agenda.

Under the agenda item concerning the Hong Kong Decision to provide duty-free and quota free (DFQF) market access for LDCs, Bangladesh made a statement on behalf of the LDC Group outlining the Group's view that the appropriate forum to discuss the Decision at this point in time was the CTD in Special Session. Under the same agenda item, Korea informed the Committee that it was working on expanding its provision of DFQF market access to LDCs, and the US and Japan confirmed that their domestic processes to implement the Decision were ongoing and on schedule.

The Chairman proposed that the CTD's discussion of the developmental aspects of the negotiations under paragraph 51 of the Doha Declaration be temporarily put on hold, in view of the suspension of the negotiations. The Committee will consider how to proceed with this agenda item at its last meeting of the year.

The Committee appointed Ambassador Jean Feyder (Luxembourg) as Chairman of the Sub Committee on Least-Developed Countries.

International bodies join forces to advise OIE animal health and welfare fund

Five international organizations met for the first time in Paris on 20 October to advise the World Organization for Animal Health (OIE) on funding to help developing countries meet international standards for dealing with disease outbreaks and related issues.

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WTO organizes two e-training courses for developing-country officials

Two online introduction courses, in French and Spanish respectively, on the WTO and its Basic Principles will be organized in parallel on the eTraining website for government officials from developing countries from 23 October to 1 December 2006.

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Germany, Korea, Denmark contribute to WTO technical assistance



- Germany's contribution to the Standards and Trade Development Facility (STDF) will assist developing countries in improving compliance with international sanitary and phytosanitary standards which must be met if imports of certain products are to gain access to foreign markets.
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- The Republic of Korea has announced a contribution of USD 200,000 to the Doha Development Agenda Global Trust Fund.
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- The Danish government has donated DKK 14 million (CHF 3 million) to support technical assistance and training activities in favour of developing countries for the years 2006 and 2007.
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WTO ACTIVITIES back to top 2006 import licensing review completed



Motor vehicles, agricultural products, footwear, toys, steel, iron and copper ores, lithium carbonate and licensing regimes in general, were among the import licensing issues discussed when the committee handling this subject reviewed 46 information documents from members on 30 October and completed its latest biennial review.

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Sri Lankan cinnamon's future brightens, SPS Committee told

Clouds overhanging Sri Lanka's cinnamon exports to the EU are dissipating thanks to bilateral talks and the swift approval of new international standards, the WTO committee handling food safety and animal and plant health heard in its 11-12 October meeting. But some developing countries continued to be concerned about EU "novel food" regulations, and several continued to press for a discussion on private sector standards.

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Working Group discusses technology transfer and services

During the Working Group on Trade and Transfer of Technology (WGTTT) meeting on 6 October, preliminary views were raised about the possibility of trade in services leading to appropriate technology transfer. In addition, the representative of UNCTAD briefed Members on their recent work on "Trends in Cross Border Flows of Technology". It was pointed out that UNCTAD had identified six indicators to assess cross-border technology flows: payment of royalties and licensing fees by the users to technology providers; trade in capital goods; trade in business and professional services; number of patents filed; the flow and expenditure of transnational corporations in R&D; and the growth of industrial alliances.

Under the agenda item relating to the consideration of possible recommendations on steps that might be taken within the mandate of the WTO to increase flows of technology to developing countries, India, Pakistan and the Philippines introduced a room document elaborating upon some of the recommendations contained in an earlier submission tabled by them. The document provided written responses and clarification to the questions that some developed countries had posed on the issues raised in their submission.

Negotiations guestions spill over into regular Agriculture Committee

The WTO farm talks are suspended, and in any case they do not take place in the regular Agriculture Committee, but they still featured in the committee's meeting on 31 October, in particular members' failure to supply up-to-date information.

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Lamy fields 150 questions from around the world in online chat

Nearly a hundred participants from around the world posed some 150 questions in on online chat hosted by Director-General Lamy on 18 October. Questions touched on the prospects for the resumption of the Doha Round, the possible impact of failure, and the future of the WTO. > More

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