

# WTO holds high level trade symposia on environment and development

The meetings have been closed but a new dialogue is now open", declared Director-General Renato Ruggiero at the conclusion of the WTO High Level Symposia on Trade and Environment and on Trade and Development held at the WTO headquarters in Geneva on 15-16 March and 17-18 March, respectively.

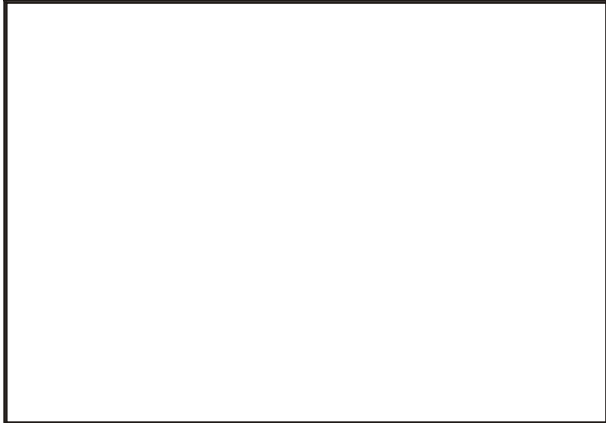
The symposia marked the first time that representatives from non-governmental organizations exchanged views on both subjects with senior government officials from the WTO member and observer governments and with high-level representatives from international organizations.

Some 87 environment-related NGOs and academia, and 40 industry federations and consumer groups participated in the Trade and Environment Symposium. Fifty-one NGOs participated in the Trade and Development Symposium.

Mr. Ruggiero commended the high quality of some 200 interventions made in the symposia. He noted that many participants had urged that trade, environment and sustainable development be addressed in a comprehensive way, which means inclusion of improved market access, capacity building, technology transfer, debt relief and other things.

The Director-General read a letter by US President Bill Clinton to the Environment Symposium that stressed the need to strengthen environmental protection.

Sir Leon Brittan, Vice-President of the European Commission, urged WTO negotiators to "mainstream" sustainability at the Seattle Ministerial Conference. He had originally proposed the holding of the Environment Symposium. ○



*WTO Director-General Renato Ruggiero meets Chinese President Jiang Zemin in Geneva on 27 March as work on the country's accession resumed. (Tania Tang/WTO)*

## Fruit and DRAMS reports adopted

The Dispute Settlement Body (DSB), on 19 March, adopted reports on two disputes, and heard implementation statements from India, the European Communities, Argentina and Korea.

### *Japan's measures affecting agricultural products*

The Appellate Body upheld the basic finding of the panel that Japan's varietal testing requirement for imported apples, cherries, nectarines and walnuts is without sufficient scientific basis, and thus is inconsistent with the provisions of the WTO Agreement on Sanitary and Phytosanitary Measures. It found an additional violation of the Agreement in concluding that Japan's requirements for imported apricots, pears, plums and quince were not based on a risk assessment.

The United States urged the adoption of the Appellate Body report, which it said has clarified important provisions of the SPS Agreement.

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## DISPUTE SETTLEMENT

Japan expressed regret that the Appellate Body had not accepted its arguments. However, it said that nothing in the report prevents it from protecting itself from pests.

The EC said that while the reports clarified SPS concepts, they have also raised questions about panel's assessing scientific justification for trade measures. Brazil hoped that the reports would facilitate its exports of mangoes to Japan. Hungary said it was pleased with the findings.

The DSB adopted the Appellate Body report, and the panel report, as modified by the Appellate Body.

### ***US anti-dumping duty on DRAMS***

This dispute concerns a complaint by Korea against a decision of the US Department of Commerce not to revoke the anti-dumping duty on dynamic random access memory semi-conductors (DRAMS) of one mega bit or above originating from Korea. Korea contended that the decision was made despite the finding that the Korean DRAM producers have not dumped their products for a period of more than three and a half consecutive years, and despite the existence of evidence demonstrating conclusively that

## WTO High Level Symposium on Trade and Environment

*The following article as well as that on the Trade and Environment Symposium are excerpts from the comprehensive reports prepared by the International Institute for Sustainable Development. The full reports are available on the WTO Website ([www.wto.org](http://www.wto.org)).*

The World Trade Organization (WTO) High Level Symposium on Trade and Environment was held at the WTO in Geneva from 15-16 March. The Symposium was divided into three panels to consider: linkages between trade and environment policies; synergies between trade liberalization, environmental protection, sustained economic growth and sustainable development; and interaction between trade and environment communities.

### **The Opening Session**

**Renato Ruggiero**, Director-General, World Trade Organization, welcomed the participants and noted with pleasure the participation of large number of high ranking delegations from capitals and representatives of civil society. He said Sir Leon Brittan had proposed and President Bill Clinton endorsed the holding of a High-level Symposium on Trade and Environment. He read a message from President Clinton that stressed the need to strengthen environmental protection; ensure trade rules support national policies providing for high levels of environmental protection and effective enforcement; and achieve greater inclusiveness and transparency in WTO proceedings. President Clinton's message indicated proposals the US would make at the symposium including the reduction of environmentally damaging subsidies and a pledge by the US to conduct an environmental review of the next round of negotiations.

Ruggiero said the aim of the symposium was to improve the critical relationship between trade and environment and better understand the objectives and functions of the WTO. He identified the objectives of the WTO as lowering barriers between peoples and nations, avoiding discrimination and creating a global trading system that is rule-based not power-based. He stressed the need to accelerate the work of the CTE, consider environmental assessments of WTO work and tackle the problem of poverty. He emphasized that the WTO is an ally of sustainable development and underscored the common objectives of the trade and environment communities - strong rule-based trading regime and strong and effective environmental regimes. He said this common objective could not be attained through unilateralism, discriminatory actions and protectionism but through consensus and negotiations. He underscored the need to reach global consensus on all environmental issues and give this consensus a stronger institutional voice. He concluded with a call for a new vision of global governance that would embrace more nations at the highest level of decision making.

**Sir Leon Brittan**, Vice-President of the European Commission, identified the key to successful policy on trade and environment to be a coordinated approach to sustainable development. He informed the delegates of an EC study on the likely impact on sustainable development of a Round based on the proposed Millennium agenda and

encouraged others to follow suit. He indicated a preference for MEAs as compared to unilateral actions and stressed the need for confidence that WTO rules accommodate aims of Parties to MEAs. He said it was undesirable for each WTO member to take whatever trade measures it sees fit, based on its view of the acceptability of the way in which products are made in other countries. The issue of PPMs was linked to that of labeling and he stressed the need to adopt a clear and workable approach to eco-labeling. On the precautionary principle, he said there was a need to give it greater definition and prevent it being invoked in an abusive way. He underlined the importance of coherence

## SPECIAL REPORT

dated by the rules of the multi lateral trading system. The final step would be to determine how the multi lateral trading system should accommodate fundamental environmental principles in the service of sustainable development. Economic liberalization has vastly different effects depending on the underlying social, economic and environmental conditions.

**Ian Johnson**, Vice President, Environmentally and Socially Sustainable Development of the World Bank,

fore any new round of negotiation begins. She said the WTO needed to incorporate labor standards and human rights and reduce tariffs on goods and services produced in an environmentally sustainable manner.

The **NATIONAL ASSOCIATION OF MANUFACTURERS** said that multilateral trade rules must not allow the use of unilateral trade measures or sanctions for environmental purposes.

**INTERNATIONAL INSTITUTE FOR SUSTAINABLE DEVELOPMENT (IISD)** said it was unfortunate that the environment and development symposia were being held separately as such separation ran the risk of making development a Southern and environment a Northern agenda.

### ***Closing Statements***

The moderator then provided a summary of the discussions. He said environmental conditions are worsening daily and the dialogues within these walls have failed to proceed quickly enough to stave off damage. This session discussed the linkage between trade and environment communities. Several participants stressed that trade, environment and development must be considered together. Public support for the WTO is waning and civil society needs to be engaged in the debate. The result could

be combined with the trade and development symposium and submitted as a joint contribution to the WTO.

Ruggiero concluded the Symposium by declaring it an

## **The High Level Symposium on Trade and Development**

*The WTO High Level Symposium on Trade and Development was held from 17-18 March 1999. Participants met during three panel discussions to consider: linkages between trade and development policies; trade and development prospects of developing countries; and further integration of developing countries, including the least*

trial countries' markets that would increase incentives for trade and investment activities in LDCs.

**Caio K. Koch-Weser**, Managing Director, Operations, the World Bank, stated that for nearly two decades, developing countries as a group have been in the vanguard of progress on trade liberalization, and this openness to trade has paid off not only in higher growth but also in providing a stimulus to the world economy as a whole. He stressed the importance of protecting these gains and resisting a return to protectionism. He said that every one has a role to play in moving this agenda forward, from the World Bank and other international institutions, to countries themselves. Trade alone cannot form the basis for lasting development. It must be part of a broader development agenda to invest in the poor and integrate them into the global economy.

**Prof. T. N. Srinivasan**, Chair, Department of Economics, Yale University, highlighted the folly of trying to

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### A brief history of developing country participation in the GATT and the WTO

Of the original 23 signatories to the GATT in 1947, 11 were developing countries. At that time, the GATT did not separately recognize the special situation of developing countries. The fundamental principle of the agreement was that rights and obligations should apply uniformly to all contracting parties. Participation of developing countries in the WTO negotiations has increased steadily; 25 developing countries took part in the Kennedy Round of negotiations and 68 in the Tokyo Round and 76 in the Uruguay Round. Today, more than 100 of the 134 Members of the WTO are developing countries; 29 of which are least-developed countries (LDCs).

#### ***The Review Session and Follow-Up***

Between 1948 and 1955, developing countries participated in tariff negotiations and other aspects of GATT activities as equal partners. During these years, requests made by developing countries under Article XVIII (Government Assistance to Economic Development and Reconstruction) for releases from their obligations were examined by the working parties to ensure that the requirements of the provision had been fulfilled. At the Review Session (1954-55), Article XVIII was overhauled with a view to giving developing countries additional flexibility with regard to several of their obligations. A new Article XXVIII(bis) was introduced at the session. It provided for periodic rounds of multilateral negotiations, which would take into account the needs of developing countries for a more flexible use of tariff protection to assist their economic development.

#### ***The Kennedy Round***

Following a Ministerial Meeting in May 1963, which laid down the principles for what was later known as the Kennedy Round (1963-1967), the Committee on Legal and Institutional Framework of GATT in Relation to Less-Developed Countries worked on a chapter on Trade and Development. This chapter, added by an amending protocol as Part IV, contained three new Articles, entitled Principles and Objectives (Article XXXVI), Commitments (Article XXXVII) and Joint Action (Article XXXVIII).



goods, discussing implementation problems on a case-to-case and issue-by-issue basis and making improvements to dispute settlement procedures.

In summarizing, the moderator noted that many thoughts on integrating the developing countries into the multilateral trading system had been provided. He noted that developed countries should remember that an example is better than a sermon. He also noted many statements questioning the belief that simply freeing trade is enough. He said LDCs will be encouraged if the trading system does not become a source of additional obligations. **UNITED KINGDOM** noted the importance of poverty alleviation and the need for integration of trade policies into a wider set of development policies.

### **Closing remarks**

**WTO Director-General Renato Ruggiero**, in closing the Symposium, noted that by the end of the four days of discussion, around 200 interventions from delegations had been made. He said the meeting had been positive and constructive, with an impressive number of interventions which had contributed to a better knowledge of problems pertaining to trade and development. He noted in particular: the strong emphasis placed on least-developed countries; the statement by Alec Erwin that trade liberalisation and development policy required adjustment in both developing and developed countries; the wide consensus that trade liberalisation was not on its own sufficient for development; and the support for closer cooperation between the main international organisations to ensure an integrated framework in terms of development strategy.

Mr. Ruggiero noted the discussion about the goals to be pursued through the WTO and took up Mr. Erwin's idea that greater social equity should be sought in future negotiations. It was recognized that there had been difficulties for many developing countries in implementing the Uruguay Round results; this was a serious issue that needed to be examined with an open mind in order to prepare future negotiations. Studies showed that, although there had been benefits from the Uruguay round, these had not necessarily been evenly distributed.

Regarding the next round of multilateral negotiations – which many had called a Development Round – some had expressed the need for delaying the initial phase of the negotiations. Others had indicated that it was necessary to meet the agreed deadline; this could be done if developing countries had greater confidence in themselves, their roles, and their leverage in forthcoming negotiations. He recalled Mr. Ricupero's statement that developing countries needed to face a positive agenda with a more aggressive mind, so that they might define and defend their interests successfully.

The role of new technologies had been indicated as an essential element both of future negotiations and of the development process in general. He had been particularly impressed by negotiations for the liberalisation of telecommunications, which had been completed in a few months. These negotiations had not been particularly arduous for developing countries. They had quickly recognised that liberalisation in telecommunications would be of interest to them as it would allow a flow of investment and network technology that would increase their

competitiveness. He also recalled that developing countries had made positive contributions in the area of electronic commerce, allowing agreement on an ambitious work programme. It was essential to consider how to use new technologies to accelerate the development of developing and least-developed countries.

Mr. Ruggiero said that a major success of the Symposium was the full support for giving priority to the integration of LDCs into the multilateral trading system, and the need for industrial countries to open their markets through bound duty and quota free access to the exports of least-developed countries, at an early stage of the next Round. He also noted full support for the development of Tj 0.0789 Tc 2



### **Developing countries, etc**

Some of the concerns raised came, in particular, from developing countries. They said they lack the money and the people to deal with the complex and scientific SPS issues such as adopting international standards. They also have difficulties in participating in the development of these standards.

Although the SPS Agreement says developing coun-

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