

Focus-on-Trade is a regular electronic bulletin providing updates and analysis of trends in regional and world trade and finance, with an emphasis on analysis of these trends from an integrative, interdisciplinary viewpoint that is sensitive not only to economic issues, but also to ecological, political, gender and social issues. Your contributions and comments are welcome.

# Focus on Trade

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## TRADE TALKS AT DAWN

By Steve Schifferes

BBC News Online economics reporter in Doha

**T**rade ministers from 142 countries will be reconvening at dawn in another attempt to reach agreement on launching a new round of world trade talks.

Negotiators worked through the night to find an acceptable draft agreement and overcome big remaining differences as the trade talks overran their scheduled conclusion.

World leaders have set high hopes on agreement, in order to revive confidence in the world trading system in the context of a world economic slowdown.

World Trade Organisation (WTO) spokesman Keith Rockwell said there were still major players who had "significant difficulties" with key issues that need resolution - including agriculture, environment, investment and textiles.

But one trade official said an agreement was "within reach," as delegates managed overnight to settle a row over imports of tuna and bananas to the European Union.

The trade negotiators also agreed a deal earlier to help developing countries gain access to cheap medicines by easing patent laws where there was a health emergency.

### AGRICULTURE REMAINS THE KEY

Pressure is mounting on the European Union to agree a deal on agriculture,

where the EU has been resisting pressure for an agreement in principle to phase out agricultural subsidies.

But it is hoping for some movement on environment in return, an issue where European public opinion feels strongly.

A senior UN official told the BBC that he had detected some movement on the environment issue, with an accelerated timetable of discussions and the possibility of environmental impact statements for future trade deals.

Other countries, especially from the Cairns group of agricultural exporting nations, are pressing the EU to reduce its generous agricultural subsidies under the Common Agricultural Policy, worth \$90bn a year.

They say the aim of negotiations should be a "substantial reduction in, with a view towards phasing out, agricultural export subsidies."

The French economy minister Laurent Fabius said that "no European" could accept such a clause, as it implies a pre-determined end-point for the negotiation.

But the EU admitted that it was isolated on this issue, with even Japan - which has a highly protected agricultural sector - unwilling to back the EU line.

However, with all 15 EU countries having to agree

any trade deal negotiated at Doha, and with France facing elections early next year, it could take some time to reach a deal.

EU press spokesman Anthony Gooch told reporters that Europe had given a lot without gaining very much in return so far.

The EU has been forced to drop controversial proposals to include investment and competition laws in any future trade negotiations.

## REVISED MINISTERIAL DRAFT DECLARATION: STILL HARMFUL TO INTERESTS OF DEVELOPING COUNTRIES

By Walden Bello and Aileen Kwa

The revised draft ministerial declaration issued in the afternoon of November 13 continues to highly detrimental to the interests of developing countries.

The new text, as many have already pointed out, continues to relegated to the margins the developing countries' demand that implementation issues should serve as the core work agenda of the WTO in the next few years. This text affirms the loud complaints in Doha by developing country representatives that their voice no longer counts in the WTO.

Likewise the text continues to place at centre stage the developed countries' desire to initiate a process that would lead to negotiations on the so-called "new issues" of investment, competition policy, government procurement, and trade facilitation. The text explicitly calls for the immediate initiation of negotiations on government procurement and on trade facilitation. While there appears to be some dilution in the language on investment and competition policy, in fact the text sets in motion activities by the working groups on investment and competition policy that are calculated to give momentum to the adoption of a decision to launch negotiations in these areas during the Fifth Session of the Ministerial.

The revised text also ignores the proposal for a "development box" to be added to the Agreement on

Agriculture that many developing countries have pushed for in Doha to promote food security and development.

Focus further notes with disapproval the revised text's dropping of the phrase that the ILO is the "appropriate forum" for dialogue on trade and labor issues. The new formulation leaves the door open for the WTO to expand its jurisdiction to an area where it does not belong.

It is alleged that the compromise language relating to countries' concern about public health is a step forward, but as some observers have pointed out, the so-called compromise will still leave unchanged the language of the TRIPs agreement, and this will serve as the basis for future legal challenges to countries that override patents for public health purposes.

In sum, there are minimal changes to this version of the ministerial declaration. Its adoption will constitute a setback for developing countries in the WTO.

\* Focus on the Global South, Bangkok, Thailand

## VIEWS ON THE DRAFT DECLARATION ON THE TRIPS AGREEMENT AND PUBLIC HEALTH

4:30 PM, NOVEMBER 13, 2001,  
DOHA

Compiled by James Love, Con-  
sumer Project on Technology

“The declaration (as it stands) is a good first step. The developed countries, in agreeing to the declaration, have committed themselves to this process. We want to see a commitment on their part, and their pharmaceutical lobbies, to stop pressures on developing countries. The developing countries can get down to the work of implementing and enacting domestic measures, with the guarantee that there will not be pressures or legal threats.”  
— Cecilia Oh, Third World Network

“It is a definite step forward though it could be stronger. The declaration explicitly recognizes the issues as well as sovereignty of the governments to take appropriate measures to get around to the issues. A lot depends upon the countries now how they live up to the expectations of the poor patients. The declaration also recognizes the problems of countries with insufficient or no pharmaceutical manufacturing capacity and also the limitation of the compulsory license as solution to these problems. We hope General Counsel come up with a clear solution to this issue next year. Our challenge now is to get this declaration translated into action, which can save lives.”

— Zafar Mirza, Health Action International and The Network for Consumer

Protection in Pakistan.

“The Doha declaration on TRIPS is the strongest and most important international statement yet on the need to refashion national patent laws to protect public health interests. It is a road map for using the flexibility of the TRIPS to protect the public health, and sets a standard to measure any new bilateral or regional trade agreement. The declaration is a political statement that did not modify in any way the TRIPS agreement, and the decision to settle for a political statement was controversial in the negotiations. The developing countries had asked for legally binding interpretations of the agreement, including a solution to the single most obvious problem with the TRIPS, the Article 31.f limitations on exports of medicines manufactured under a compulsory license.”

“We were disappointed the European and American negotiators blocked agreement to use Article 30 of the TRIPS to export medicines to countries that do not have domestic capacity for manufacturing, but pleased this issue will be examined by the TRIPS council in 2002. The negotiation over the export of medicines provisions in the TRIPS will be the next battleground in term of trade policy.”

— James Love, Con-  
sumer Project on  
Technology

“Since Seattle there has been a seismic shift. Two years ago many developing countries felt they were powerless against the will of the wealthy countries and their drug companies. Here in Doha more than 80 countries came together and negotiated in mass. It was this solidarity that led to a strong affirmation that TRIPS “can and should be interpreted and implemented in a manner .to protect public health.” In practical terms it means that countries are not at the mercy of multinationals when they practice price gouging. The threat of punitive action against a country that attempts to address its health needs has been dramatically reduced. With this declaration it is doubtful that a wealthy country would dare file a dispute against a developing country or using one of the safeguards such as compulsory licensing. Now patent holders either offer prices that make their drugs accessible or risk losing their monopoly rights. The victory in Doha is really for people who need or will need access to life-saving or extending medicines.”  
— Daniel Berman, MSF

“Like at the Health Ministerial in May 2001, The EC and the EU again fell into this apparently spontaneous good cop/bad cop mode, with the US opposing everything and the EU claiming to have no position of its own on the issues and to only want to help the

opposed parties find a middle ground, while in truth intensively watering down the developing countries’ proposals. Then the political need to come back from Doha with some semblance of success made the Brazilian delegates cave in to the rich countries’ position and agree to forget legally binding wording as well as clarification of exports for generic versions of patented drugs. India and the Africa group resisted a bit, but were not imparted with enough political commitment to the issue to make this a deal-breaker. The Africa group representative, and the African delegates, did not realize the role and value of press work for negotiation purposes, both in terms of contradicting rich countries’ propaganda and of holding North public opinions ransom for North government’s predictable efforts to renege on the spirit and/or letter of the Doha Declaration. They waited until the last day to talk to the press, instead of crying foul at the first immoral positions insisted upon by developing countries. The chairman of the Africa Group did not answer when asked in press conference whether it should be expected that the hard-won right to effectively use compulsory licensing provisions would be exercised by African countries in the short term, in the context of the health crises currently obtaining on the continent, and after the US and Pharma had told the press in the morning

that the Declaration didn't mean anything in the sense that it was purely political, and that it did not really say anything about how WTO would react should patents broken. Where relations with the media is concerned, developing countries seem to show surprising naiveness about the influence of the pharmaceutical industry over richest country governments and their duplicity with regard to international agreements. They should be briefed about negotiation techniques and the role of the press therein.”  
— Khalil, Elouardighi, Paris Act Up!

“This declaration is a major step forwards in the quest to ensure access to medicines for all. The text that has been agreed upon now was unthinkable 6 months, 6 weeks, even 6 days ago. It states clearly that there are serious conflicts between the obligations under the TRIPS Agreement and countries need to protect public health including providing access to medicines, it states that countries have the right to take measures to overcome patent barriers to public health and the statement outlines clearly how countries can do this. It is a missed opportunity that this ministerial conference did not offer a solution for countries without production capacity that want to make use of compulsory licensing. But we are confident that this issue will be resolved in the next year in the TRIPS Council. Countries can ensure access to medi-

cines without fear of being dragged into a legal battle. Now its up to governments to use this power to bring down the cost of medicines and increase access to life-saving treatments.”  
— Ellen 't Hoen, Medecins Sans Frontieres

“Developing countries came to Doha to extract a clear declaration that public health and access to medicines are more important than protecting the commercial interests of pharmaceutical companies. At the end of the day, opposition from rich countries crippled the legally binding language sought by the majority of WTO countries.”  
— Asia Russell, Health Gap Coalition and Act Up Philly

“Wealthy countries and drug companies refuse to compromise patent monopolies in poor countries that have no domestic capacity. The declaration does nothing to remedy this barrier. The majority of people with AIDS and other treatable diseases live in these countries, so a solution is critical. The Ministerial Declaration merely acknowledges the problem of exporting drugs to poor countries- rich countries stood in the way of taking the actions that are desperately needed.”  
— Gaelle Krikorian, ACT UP Paris

“Countries levying formal or informal pressure on poor countries that are taking strides to increase drug access should face condemnation from

WTO members, because such pressure violates the spirit and terms of this agreement. Doha did not end the battle over poor country access to drugs,” Lynch continued. “Against the pressure of rich countries and drug companies, the fight must continue to complete the unfinished work of this Ministerial- millions of lives are at stake. We demand that the WTO clarify during the first meeting of the TRIPS Council that nothing in the TRIPS Agreement should stand in the way of countries exporting cheap drugs to poor countries.”  
— Sharoann Lynch, Health Gap and Act Up NYC

“The Doha declaration on TRIPS is a big step to Access to drugs for poor countries. Now all African consumers are waiting to its real application by our governments not only in term of access to HIV drugs but in order to let their people have access to the others drugs chiefly those which will be discovered...The struggle for LIFE and Justice continues.”  
— Jacques Arbi Akerekoro, Arambe / Kafu-Ata- Benin

“Doha is a big step forward in the battle for affordable medicines. The huge profile given to the issue changes the political climate, building on the victories in the South Africa and Brazil cases. It will now be much harder for the US and the drug companies to bully poor countries over their patent policies. We would have liked to see a stronger declara-

tion but there is a clear political statement that the agreement must be implemented in a way that promotes access to medicines. The next step is to ensure that next year's scheduled review of the TRIPS agreement takes a hard look at the length and scope of pharmaceutical patents in developing countries, which remains the heart of the problem.”  
— Michael Bailey OXFAM

## PROTEST GROUP SOFTENS TONE AT WTO TALKS

By Paul Blustein, *Washington Post*

DOHA, Qatar, Nov. 11  
**T**he way the plan was originally conceived, six boats loaded with anti-globalization activists were to sail into the port of this Persian Gulf sheikhdom to protest the World Trade Organization meeting here. "We were organizing everybody in our movement," said Jose Bove, the French farmer renowned for vandalizing a McDonald's restaurant.

The scheme was scrapped, however, after the Sept. 11 terrorist attacks. Bove, one of a few dozen activists roaming the halls at the conference center where the WTO meeting is being held through Tuesday, instead has joined in staging occasional demonstrations.

Profound changes have buffeted the anti-globalization movement since the attacks on the World Trade Center and the Pentagon. In an era of suicide hijackings, war and anthrax in the mail, the movement's leaders are finding it difficult to generate much indignation about problems like sweatshop wages or food impurities.

And as events at the WTO meeting here illustrate, many of the movement's adherents are feeling heightened discomfort about engaging in the sort of militant activity that once brought them attention

because they are loath to risk being associated in the public mind with Osama bin Laden and his followers.

The movement leapt into prominence at the WTO meeting two years ago in Seattle, where a loosely allied throng of left-wing students, labor union members, environmentalists and anarchists disrupted the gathering amid violent clashes with police.

In Seattle, and in protests at international meetings in Prague, Washington, Quebec and Genoa, the activists forced the press and elements of the power elite to confront myriad concerns about the clout of multinational corporations and the increasingly free flow of goods and money across national borders, which the activists blamed for adversely affecting workers' livelihoods and the environment.

Comparing the meeting here with Seattle is unfair in many ways, though, because Qatar offers a poor environment for mass demonstrations, not to mention civil disobedience or "direct action" against fast-food outlets and other corporate targets.

The meeting of trade ministers from the organizations 142 member countries is aimed at striking an

accord on an agenda for multiyear negotiations to lower trade barriers worldwide. The last meeting to set such an agenda was in Seattle, where trade ministers failed to achieve their goal.

Because of limited hotel space, fewer than 200 representatives of labor, environmental and other groups opposed to free trade were granted visas by the government of this oil-rich nation, which lies on a peninsula off the East coast of Saudi Arabia.

Although the government of Qatar allows peaceful protests, it is a monarchy that has only recently begun democratizing. Thousands of Qatari police and military personnel maintain rigid security at the meeting site and hotels to prevent any terrorist assault during the meetings.

Even so, for the anti-globalizers the need to soften tactics "would have been an issue even if this meeting had taken place in a western city," said Jamie Love, the head of a Ralph Nader-affiliated group who is here seeking to relax WTO rules that protect the patents of pharmaceutical companies on AIDS drugs and other medicines. "Given the unbelievable atmosphere of patriotism, being critical of government is touchy for people."

That is a source of frustration for many activists, who contend that their analysis concerning the evils of multinational corporate capitalism is no less valid

now than it was before Sept. 11. This analysis, they contend, may help account for the anti-western sentiment in Muslim countries. Some voice hope that opposition to the U.S. bombing of Afghanistan would help them overcome their recent public-relations troubles.

"We felt we needed to respect the mood after Sept. 11" by refraining from major protests, said Walden Bello, a prominent Filipino critic of globalization who is executive director of the group Focus on the Global South. "But ever since the bombing started in Afghanistan, I think the mood has changed. I think there's greater sympathy for our views to be heard."

The meeting in Qatar also has underlined some of the awkward divisions between the anti-globalization forces and the governments of poor nations whose interests the activists purport to champion. Although the activists and the developing countries take the same position on some issues, such as the desirability of easing international drug patent rules, they differ sharply on others.

Food safety is one example. Bove, like many Europeans, favors changing WTO rules so that countries can more aggressively restrict imports of meat, grain, fruit and vegetables for health reasons. The restrictions would stem from products having been genetically modified or treated with hormones.

“The people who want to put a product on the market ought to have to show that the product is safe,” Bove said. “For the moment, it’s the country refusing to import a product that must show the product is bad. We have to reverse that.”

Bove’s view, which is supported to some extent by the European Union at the meeting here, draws vehement criticism from officials of developing nations. The EU, the officials fear, would use health concerns as an excuse to keep their farm products out of Europe as a way of protecting the region’s farmers.

For that reason, developing countries are rejecting proposals to start negotiating changes in WTO food-safety rules. On similar grounds, the developing nations oppose initiatives favored by U.S. labor and environmental groups that would impose trade sanctions on countries that fail to observe sufficiently high standards for workers rights and the environment. Those standards, too, might provide a pretext for blocking imports from the developing world.

The activists’ “hearts are in the right place; their premise that the global trading system has inequities is something that we share,” said Munir Akram, Pakistan’s ambassador to the WTO. “But we think they get deflected by misinformation about things like food safety and labor

standards, which could be used for protectionist purposes, and could defeat the very goals they seek of helping developing countries. The movement from their premises to their conclusions—that’s where we think they sometimes go wrong.”

Even so, Akram said, the protesters generally aid the cause of developing countries in trade meetings such as the one in Qatar.

One such illustration came Saturday when, just outside a press briefing being given by a U.S. delegation, a group of activists began chanting and waving signs to protest the way the WTO meeting is being run. The protesters focused on the creation of six committees of trade ministers that are meeting privately to debate the issues still dividing the WTO’s 142 member nations over the agenda for a new round of trade talks

“What goes on behind closed doors? Arm twisting! Arm twisting!” the protesters chanted, a reference to the fear that rich nations would use their economic clout to force less-wealthy countries into making concessions.

Qatari security guards rushed to the scene. The activists briefly considered trying to confront U.S. officials inside the meeting, but thought better of it and dispersed.

## THE DOHA REPORT By Anuradha Mittal

DOHA, November 11

As the WTO continues to meet in Doha, Qatar, it faces a severe crisis of legitimacy. Every newspaper present here and the Qatari News Agency, the daily bulletin on the WTO Fourth Ministerial, has carried articles on growing protests against the economic forces of the WTO that are ignoring the concerns of the Third World countries in the process.

The Geneva draft is sprinkled with clauses that benefit the powerful trading nations such as the United States and the European Union. To ensure the success of the Ministerial, they are now arm twisting poor member nations of the WTO to endorse the text.

The release of the draft declaration was deliberately delayed by the WTO General Council so that the NGOs and others would not have sufficient time to react and to demand its withdrawal. In addition, issues such as agriculture, environment, investment, competition policy, and TRIPS were added without assigning enough time for member countries to explore the issues further. The Indian Minister of State for Commerce and Industry, Rajiv Pratap Rudy has demanded that issues such as investment and competition which are currently under study should not be brought up for

discussion at the World Trade Forum.

To support the position of the Third World nations, representatives of international civil society, around 40-50 of us, held a protest on November 10, to tell the U.S. delegation to stop its arm twisting tactics. This morning, we added good humor while exposing the lack of transparency and muscle flexing by the U.S. and the E.U.

Protest theater, “Why the Developing Countries Love the EU and the US” was staged in the tented breezeway outside the media center, at the end of the corridor that press and NGOs are forbidden from using, fondly called the Hall of Shame by many of us.

While the NGOs portrayed how the business fat cats are pulling the strings of E.U. Trade Commissioner Pascal Lamy, Mike Moore, and Robert Zoellick, they also ridiculed the WTO’s claims of having changed its way by getting rid of the Green Rooms by replacing them with the facilitator, a “Green Man.” Walden Bello, Executive Director of Focus on the Global South and a Board member of Food First, played the role of the Third World delegate who is first threatened and then offered bribes to agree to investment and to show no opposition to Trade Related Intellectual Property Rights (TRIPS).

The theater generated massive media coverage including the BBC, Arabic Press including Al Jazeera, and other international press. The press jostled with each other to take pictures and video as we chanted and held the following placards:

1. Our World is Not for Sale: No New Round
2. Don't Sell Our Public Services: Stop the GATS
3. Don't Destroy Our Environment: No Green Rooms, No Green Men: We Want Green Trade
4. Put Food and Public Health Above Private Wealth: People Before Patents
5. Food is a Human Right: Food Rights for the Poor
6. Worker's Rights are Human Rights: People Before Profits
7. Women's Rights are Human Rights: Put Life Before Trade
8. Democratize the WTO: No Arm Twisting

The WTO might have controlled the NGO participation, but it cannot control our energy and our passion for truth and justice. This evening, we will protest the press briefing organized by Pascal Lamy to show how hollow his claims of openness and democracy within the WTO are.

The Third World delegates are fighting back

as well. This morning while distributing the press release for our protest theater, I met a delegate from an African country. His response to our press release was, "We love the U.S. and the E.U. because they are suffocating us with their love." The Indian government has already declared in the General Council that the new round is promised as a new check to India while the last check has already bounced for India.

\* Anuradha Mittal, Co-Director of Food First, is in Doha, Qatar attending the 4th WTO Ministerial Conference.

# PRESS STATEMENT BY 'FRIENDS OF THE DEVELOPMENT BOX'

10 November 2001, Doha