

### Push to revive stalled trade talks

Developed and developing countries are giving a new push to the stalled Doha Round of global trade negotiations. Both groups called for the early resumption of global trade talks after discussions at the IMF–World Bank spring meetings in Washington in April. “Our aim must be to break the trade deadlock, push forward the development objectives of Doha, and both open our markets to developing countries now and remove trade-distorting subsidies,” declared British Chancellor of the Exchequer Gordon Brown, chair of the IMF’s ministerial steering committee. He attacked what he termed “the scandal of agricultural protectionism around the world,” arguing that it costs developing countries more than double what they receive in aid each year. World trade talks have been stalled since the failure to reach agreement in Cancún, Mexico, last year.

### Waste plagues small island states

As if rising sea levels, overfishing, water shortages, and inadequate sanitation service were not enough, the world’s small island states are facing a new problem: rubbish. According to the United Nations Environment Program, island states are getting swamped by waste, ranging from discarded beer cans turning pristine shores blue-green to old sofas blocking lush creeks. Many states need help in dealing with the problem of solid wastes.

### IMF ready with trade cushion

The IMF said it is ready to help cushion the short-term adverse impact of trade liberalization on small developing countries with its new Trade Integration Mechanism. A qualifying member country may request funding if it expects a net balance of payments shortfall as a result of liberalization measures implemented by other countries. The mechanism does not cover balance of payments needs arising from reforms to a country’s own trade regime. The funding would be made available to central banks to offset lower exports as governments adjust to greater competition.

### MDGs proving elusive

A report by the IMF and the World Bank warns that, on current trends, most developing countries will fail to meet most of the Millennium Development Goals (MDGs). The *Global Monitoring Report 2004* shows uneven progress toward the first MDG of halving the global rate of income poverty between 1990 and 2015. While this goal is likely to be achieved at the global level—largely through progress in the world’s two most populous countries, China and India—Africa will fall well short.

The snapshot the report affords of other MDGs, particularly for health, education, and the environment, is bleaker. On current trends, the goals of reducing child and maternal mortality will not be attained in most regions, and only a small proportion of countries—15–20 percent—currently appear to be on track. The goal of halting and reversing the spread of HIV/AIDS and other major diseases, like malaria and tuberculosis, appears daunting as their incidence continues to rise.

The report, prepared for the IMF–World Bank spring meetings in April, argues that developed countries need to show leadership by delivering on the promises made at the Monterrey Financing for Development Conference in 2002, where they pledged to match stronger reform efforts in developing countries with increased financial support.



Rodrigo Rato, the new Managing Director of the IMF, was one of the architects of Spain’s economic resurgence over the past decade.



A truck overturns in India.

### Car crashes cost billions

Road crashes kill 1.2 million people a year and injure or disable 50 million. They cost low- and middle-income countries \$65 billion in extra health spending and forgone family income—more than the total official development assistance the countries receive, the World Health Organization says in support of a new road safety campaign.

### EVENTS COMING UP IN 2004

#### June 14–15, Madrid, Spain

Dollars, Debt, and Deficits—60 Years After Bretton Woods, Co-organizers: Banco de España and IMF

#### July 11–16, Bangkok, Thailand

XV International AIDS Conference

#### October 4–5, Washington, D.C.

IMF–World Bank Annual Meetings

#### November 4–5, Washington, D.C.

IMF Annual Research Conference

### 30 YEARS AGO IN F&D

“The international monetary system is facing its most difficult period since the 1930s. As a result of recent developments in oil prices and supply, 1974 will almost certainly be a year of staggering disequilibrium in the global balance of payments. . . .”

H. Johannes Witteveen,  
IMF Managing Director, quoted in *F&D*, June, 1974