The aim of this newsletter is to provide members with details of the current activities and future projects of the Virtual Institute, abstracts of recent UNCTAD publications, and links to other trade and development related sites. The newsletter will also serve as a means by which the network of members can communicate and share ideas on a regular basis.

Our next newsletter will be posted in December. We invite you to submit suitable material for inclusion in it. Material may consist of articles, abstracts, reviews or letters relating to development issues and/or news concerning your university department.

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1. Vi RESOURCES AND ACTIVITIES

1.1 UNCTAD’s course syllabi and reading material on Key Issues on the International Economic Agenda

UNCTAD has been conducting training courses on Key Issues on the International Economic Agenda since 2001. The syllabi of these courses draw on UNCTAD’s perspectives and expertise in areas like globalization, trade policies and negotiations, investment, trade facilitation and Information and Communication Technologies. The courses themselves are targeted at policy makers in developing countries whom they should help better understand the intricacies of international economic relations and the challenges that they face while formulating and implementing policies that should maximize the benefits for their countries of integration into the world economy.

You can access the syllabi and the bibliographic material of the upcoming course that will be organized for participants from the Asia/Pacific region in Hanoi from 15 November to 1 December 2004 at http://p166.unctad.org.

For additional information concerning this material, please contact Mohan Panicker at mohan.panicker@unctad.org or the Information and Training Branch, SITE Division, at courses@unctad.org; fax. +41 22 907-0050; tel. +41 22 917-2561.

1.2 New teaching material on Foreign Direct Investment (FDI) posted on the Vi site

The Vi team and the UNCTAD investment experts have jointly designed a new training module on Foreign Direct Investment (FDI). With analytical and empirical case studies drawn from the above-mentioned courses on the Key Issues of the International Economic Agenda, this module addresses core issues related to FDI. It explores the characteristics of FDI and its relationship with privatization and exports, examines the policy framework that is conducive to FDI and presents case studies on FDI in countries with economies in transition.

This training module forms a comprehensive resource that formulates specific learning objectives for each of the content areas above and suggests time frames for their delivery. In addition to a course outline, PowerPoint presentations and a reading list, the material includes an activity workbook to help participants engage in the learning process, and a guide for the presenter to facilitate the use of the activity workbook. An advantage of this material is that all the course information is also presented in a spreadsheet format, making it easy to adapt the material to individual needs.

Additional teaching aids such as a simulation exercise and a video showcasing the Malaysian experience of FDI are available to members upon request addressed to vi@unctad.org.

To access this material go to the Vi website http://vi.unctad.org, and click on Network, Resources by Institute, UNCTAD. You will have to log in with your user name and password.
2.1 Vi TOPIC: INTERNATIONAL TRADE RELATIONS

We have added to the Vi website a selection of UNCTAD documents on trade in specific service sectors. This selection includes audiovisual services, air transport, construction, energy, health and environmental services.

Services have gained prominence in all economies, particularly developing countries. Efficient services are important for national economic competitiveness, as well as human and social development. Services account for over 20 per cent of total world trade and contribute about 66 per cent of value-added in world output. For developed countries, services account for 70 per cent of GDP and 23 per cent of exports, while for developing countries the corresponding figures are 50 per cent and 15 per cent respectively. In 2002, world exports of commercial services stood at US$ 1.6 trillion, of which developing countries accounted for US$ 363 billion. Their share thus increased to 23 per cent from 18 per cent in 1990.

The new documents that we have posted explore the development implications of trade in services in the different sectors, identify modes of priority interest for developing countries based on their national policy objectives, recognize the barriers to their services exports and assess ways of overcoming supply constraints and infrastructure weakness.

2.2 Vi TOPIC: GLOBALIZATION CHALLENGES

This year’s Trade and Development Report is intended to contribute to the debate on policy coherence. It examines how international trading relations are affected by the international monetary and financial systems, and shows that monetary and financial instability can have a serious impact on the ability of developing countries to participate successfully in the international trading system. The report stresses the importance of building a truly multilateral monetary system, in which all countries, not just a few, have a voice in the decisions affecting their lives and prospects. By complementing the multilateral trading system, this would strengthen the impact of trade and capital flows on development. The report also discusses exchange rate management at the national and international levels, and shows how it can contribute significantly to job creation and poverty reduction.

In addition to the electronic version of the publications available on the Vi website, Vi members can obtain hard copies of this report free of charge. Interested members can send requests to Marisa.Henderson@unctad.org. Please include your mailing address.
2.3 Vi TOPIC: FOREIGN DIRECT INVESTMENT

World Investment Report 2004

The World Investment Report 2004 discusses recent global and regional trends in foreign direct investment (FDI) and international production by transnational corporations (TNCs). As the sectoral pattern of FDI is shifting towards services, this report deals with FDI in services and examines the related challenges and opportunities that arise for development.

In a knowledge-based economy, services are critical to the competitiveness of firms in all sectors. Foreign direct investment is a key source of financing for telecommunications, energy and financial services, as well as for other important industries. New information and communication technologies make it possible to trade in services, making their production increasingly subject to the international division of labour. The resulting offshore outsourcing can lead to new opportunities for developing countries to become better integrated into global markets.

The importance of services is therefore increasingly reflected in the policy agenda – ranging from liberalization to promotional efforts to regulation at national and international levels. The overriding challenge is to create an environment that will help countries strike a balance between economic efficiency and broader developmental objectives, so that the benefits of the new international division of labour in services can be reaped by all.

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UNIVERSITY OF CAMPINAS: MATERIAL TO SHARE WITH OTHER Vi MEMBERS

The University of Campinas has contributed several PowerPoint presentations on issues of interest to post-graduate students and teachers of economics, international development, international trade, and business. We provide below a brief summary of these presentations.

The WTO Agreements on Sanitary and Phytosanitary Measures (SPS) and Technical Barriers to Trade (TBT). (Original title in Portuguese: Os acordos SPS e TBT da OMC)

This presentation examines both the SPS and the TBT WTO Agreements. First, it offers a brief description of the main provisions of the agreements by focusing on agricultural trade and sustainable development. Second, it addresses key issues concerning the technical assistance provisions of the SPS agreement and the Doha Decision on Implementation. Finally, it examines these issues on the national level by highlighting the technical capacity that is needed in order to effectively implement these agreements.

The Dual Role of the Exchange Rates. (Original title in Portuguese: Dois Papéis da Taxa de Câmbio)

This presentation considers the dual role of exchange rates as instruments of adjustment as well as instruments of commercial policy. It does so by looking at the general trends in Latin America in the last four decades. This
presentation is indeed very timely. On 4 October 2004, WTO Members discussed the findings of an IMF study on "Exchange rate volatility and trade flows – some new evidence" at the Working Group on Trade, Debt and Finance.

**Autarky or Free Trade.** (Original title in Portuguese: Autarquia ou livre comércio?)

This presentation explores the role of trade policy within the context of globalization. It argues that trade policy decisions cannot be made by only looking at theoretical economic models but also by taking into account power-state relations. As nation-states pursue their own national interests such as the achievement of economic development and prosperity, the presentation concludes that within the context of international trade negotiations there is always a mixture of conflict as well as mutual interest and cooperation.

**The University of Campinas has recently launched a new bulletin on International Economic Relations.**

This quarterly publication aims to contribute to the understanding of the international political economy. With empirical case studies focusing on issues of international finance, monetary policy and international and regional trade negotiations, this publication seeks to explore the emerging challenges as well as the limitations that affect economic development.

### New publication launched by the University of Campinas

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### 3.2 Information about courses at the University Pierre Mendès France of Grenoble

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<th>New syllabi posted on the Vi website. The University Pierre Mendès France of Grenoble has shared with us information about two courses that they have just launched in the framework of their Master’s programme on &quot;Strategy of Actors in the International Economy&quot; (Economie Internationale et Stratégies d’Acteurs, or EISA in French). The two courses are called &quot;Governance of Organizations for International Development&quot; (Gouvernance des Organisations pour le Développement International, or GODI, in French) and &quot;International Economy and Politics&quot; (Economie et Politiques Internationales, or EPI, in French). In addition to the original version in French, we have produced an unofficial translation in English – both of them are available on the Vi website.</th>
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<td>GODI provides theoretical and practical understanding of the main problems of the international economy, the issues at stake concerning negotiations and the operation of international organizations. The proposed curriculum includes courses on strategies of multinational enterprises, analysis of country risks, the management and social responsibilities of firms, national energy policies, the environment and sustainable development, economic instruments for development, the organization and regulation of industries, international negotiations for sustainable development, international trade negotiations, the political economy of the energy business, public law and international organizations, international economic law, international business law and Anglo-American contractual law.</td>
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<th>EPI dwells on the links between the international economy and sustainable development. The issues addressed are those of international and regional integration, the environment (energy, water and natural resources) and the economy.</th>
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### To access this material go to the Vi website [http://vi.unctad.org](http://vi.unctad.org), Network, Resources by Institute, University Pierre Mendès France of Grenoble. You will have to log in with your user name and password. |
Both universities and training institutions could benefit from the documents presented in the expert meetings that UNCTAD regularly organizes. The last expert meeting which focused on the **Policy and development implications of Free and Open Source Software** addressed the following questions: Why should FOSS be of particular interest to developing countries and transition economies? Is FOSS applicable to commercial and business activity? And finally, how does the FOSS idea and process affect other spheres of human activity important for development, such as health, education or copyright and patent law?

Given the importance of this topic, we have posted on the Vi website a background paper on FOSS drafted by the UNCTAD Secretariat and a PowerPoint presentation prepared by one of the experts who attended the meeting.

The background paper by UNCTAD provides a comprehensive overview of the FOSS phenomenon and explains why it is important for governments, business and civil society to seriously and openly debate and consider the benefits of a positive and pro-active approach to FOSS.

The PowerPoint presentation highlights the benefits of FOSS. Dr. Azzman Shariffadeen argues that with FOSS, developers in developing countries can 'freely' participate in open source communities to learn new skills at practically no cost. He highlights the results of ongoing work on FOSS at the international level, describes national and regional experiences, and proposes best practices and guidelines in the area of FOSS from a developing country perspective.

UNCTAD will organize the following meetings in Geneva in the months of November and December 2004. We will make the background documents, as well as the most interesting presentations available to members on the Vi site and announce them in the coming issues of the Vi Newsletter. If you are interested in any of these topics in particular, please let us know at **vi@unctad.org** – we could then follow it more closely, relay your specific questions to the experts, etc.

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<td>Expert Meeting on Issues Related to Good Public and Corporate Governance in the Area of FDI</td>
<td>1 – 3 November</td>
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<td>Expert Meeting on Financing of Commodity-based Trade and Development, Geneva</td>
<td>16 – 17 November</td>
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<td>Expert Meeting on Design and Implementation of Transit Transport Arrangements, Geneva</td>
<td>24 – 26 November</td>
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<td>Expert Meeting on Promoting the Export Competitiveness of SMEs, Geneva</td>
<td>6 – 10 December</td>
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