

# Bridges Weekly Trade News Digest

*Weekly trade news from a sustainable development perspective*

Volume 13 · Number 1, 14 January 2009

## LEAD STORIES

New WTO Rules Text Brings Old Rifts into Focus ..... 1

Obama Picks Former Mayor Ron Kirk for Top Trade Post..... 3

## IN BRIEF

China Registers Sharp Drop in Trade..... 5

Afghanistan, Pakistan Pledge Cooperation on Trade..... 6

## WTO IN BRIEF

Lamy Emerges as Lone Contender for Next WTO Chief..... 7

Mexico, US Challenge Chinese 'Famous Brands' at WTO ..... 8

Brussels Invites WTO Scrutiny of EU Beef Ban 8

## EVENTS & RESOURCES

Events..... 9

Resources ..... 11

Bridges Weekly Trade News Digest© is published by the International Centre for Trade and Sustainable Development (ICTSD), an independent, not-for-profit organisation based at Ch. de Balexert 7, 1219 Geneva, Switzerland, tel: (+41) 22-917-8492; fax: 917-8093.

To subscribe to Bridges Weekly Trade News Digest or access back issues, visit <http://ictsd.net/news/bridgesweekly/>.

Bridges Weekly Trade News Digest is made possible through the generous support of the Government of the United Kingdom (DFID) and ICTSD's core donors including the Governments of Finland, Denmark, the Netherlands and Sweden; Christian Aid (UK) and NOVIB (NL). Bridges Weekly also benefits from support for the Bridges series of publications from donors including the Rockefeller Foundation, the Swiss Agency for Development and Cooperation and the William and Flora Hewlett Foundation.

Excerpts from Bridges Weekly Trade News Digest© may be used in other publications with appropriate citation. Comments and suggestions are welcomed and should be directed to the Editor or the Director.

Contributors to this issue of Bridges Weekly Trade News Digest© are Bill Kraus and Paige McClanahan. Editor: Paige McClanahan. Director: Ricardo Meléndez-Ortiz.

## LEAD STORIES

### New WTO Rules Text Brings Old Rifts into Focus

Longstanding differences in some areas of the WTO's negotiating group on rules appear as entrenched as ever, a draft text released by the chair of the group last month revealed. But some incremental progress has been made in the 13 months since the previous text was released, and the chair has vowed to intensify the group's work beginning in early February in an effort to narrow gaps in the rules talks, one of several negotiating areas that have prevented the seven-year-old Doha Round talks from reaching a successful conclusion.

The draft text, which was released on 19 December, includes new language on anti-dumping as well as subsidies disciplines, and offers a 'roadmap' for the negotiations on regulating subsidies in the fisheries sector. The document had been expected to be released a few months earlier, but was ultimately put on hold so as not to distract from a strong end-of-year push to conclude critical negotiating areas of industrial and farm goods.

When efforts on those fronts failed to produce results by mid-December, the chair of the rules group, Ambassador Guillermo Valles Galmés of Uruguay, released his draft text.

In an introductory note to the document, the chair stressed that while some compromises had been struck, Members remained starkly divided on several issues, most notably a long-controversial anti-dumping tool known as zeroing.

"It should not be expected that my new texts will offer any magic solutions in the many areas where Members' positions differ dramatically and where

the alternatives remain as delegations originally tabled them, i.e., very far apart,” Valles wrote.

To counter criticism that he has not paid enough attention to all Members’ views, Valles stressed that he relied on a ‘bottom-up’ approach in creating the new text, and that he only provided draft language “only in those areas where some degree of convergence appears to exist.” Several delegations had slammed the previous draft, which was released in November 2007, as unbalanced, claiming that it failed to acknowledge the positions of several parties (see Bridges Weekly, 19 December 2007, <http://ictsd.net/i/news/bridgesweekly/6605/>).

### **No end in sight to ‘zeroing’ battle**

By far one of the most controversial aspects of the rules negotiations has centred on the US’ use of ‘zeroing’, a method of calculating anti-dumping duties that has raised the ire of many of Washington’s trading partners.

When determining the extent to which imports are being exported at artificially low prices (‘dumped’, in WTO parlance), US trade authorities ‘zero out’ cases in which goods are sold at higher prices in the US than in the exporting country. They only take into account cases where prices in the US are lower.

Critics say that zeroing artificially inflates ‘dumping margins’ and allows affected US companies to secure unsuitably high levels of anti-dumping duties on imports with which their products compete.

WTO dispute panels and the Appellate Body have repeatedly ruled against the practice. But US officials claim that these rulings have been based on inappropriate interpretations of world trade law and that the dispute settlement body has overstepped its authority in making the rulings. Specifically, the United States argues that nothing in the WTO’s Agreement on Anti-Dumping specifies that ‘non-dumped comparisons’ (those that have been zeroed out) have to be ‘offset’ when in the calculation of dumping margins.

The debate over zeroing reached a fever pitch in late 2007 with the release of the previous draft

rules text, which would have explicitly permitted zeroing under certain circumstances. Outcry against that provision was both strong and widespread; the US was the lone Member to defend its inclusion.

The draft text released last month showed just how little progress has been made to bridge Members’ differences on zeroing.

“Delegations remain profoundly divided on this issue,” Valles wrote in the text. “Positions ranged from insistence on a total prohibition of zeroing irrespective of the comparison methodology used and in respect of all proceedings to a demand that zeroing be specifically authorised in all contexts.”

Thus, instead of outlining a potential compromise solution on zeroing, the chair in the latest text has simply described the positions of the opposing parties. The wording on zeroing that had caused so much grief in 2007 was taken out, a move that did not please Washington.

“We are deeply disappointed that the chairman has eliminated the limited language on zeroing contained in the November 2007 text,” the office of the US Trade Representative said in a statement. “As we have said repeatedly, the United States cannot envision an outcome in the Rules negotiations that fails to adequately address this critical issue.”

Other areas of disagreement on anti-dumping include whether countries should be required to distinguish the effects of dumped imports and other factors, and whether retaliatory tariffs should be subject to a sunset clause that would faze them out automatically after a set period has elapsed.

### **Chair lays out ‘roadmap’ for fisheries talks**

The rules group is also charged with strengthening disciplines on subsidies in the fisheries sector. A particular challenge for the group on this front has been to balance the need to protect the world’s fish stocks from overfishing – a goal that the chair says all delegations appreciate – and the need to afford a just amount of ‘special and differential treatment’ to the world’s poorer countries, many of which rely heavily on the sector.

The November 2007 text, which included specific legal language on fisheries, called for a ban on several types of fisheries subsidy payments, especially those that boost fishing capacity or create other incentives to fish, such as payments that cover the construction, operating and fuel costs of fisheries vessels. Other forms of support for the fishing industry, such as for port infrastructure "exclusively or predominantly for activities related to marine wild capture" fishing, including storage and processing facilities, were also prohibited in that version of the text.

But following controversy over several of those positions, Valles took a step back this time: the legal language of the previous draft was replaced with a 'roadmap' for future work on the matter.

"We have no pre-existing agreement to which to revert, and the differences among delegations go to the very concepts and structure of the rules," Valles explained. Instead of dictating potential compromises, the roadmap "identifies the key questions that we need to address in order to reconcile the approaches and advance our work in this area," he wrote.

Those key issues include identifying which subsidies lead to overfishing, establishing an objective way of defining a fishery as being overfished, and determining the extent of the group's mandate to discipline subsidies in the sector.

Environmental group Oceana welcomed the chair's new approach to the fisheries talks.

"Oceana strongly and actively supports the WTO mandate to limit fisheries subsidies that contribute to overcapacity and overfishing," Courtney Sakai of Oceana said. "The new roadmap offers a productive way for negotiators to move forward in implementing an effective agreement that achieves these objectives."

Discussions of the new documents are expected to begin in the first week of February.

ICTSD reporting.

---

## Obama Picks Former Mayor Ron Kirk for Top Trade Post

Ron Kirk, a lawyer and former mayor of Dallas, Texas, has been nominated to be Barack Obama's US Trade Representative, the President-elect announced at a press conference on 19 December.

Kirk, a 54-year-old Texan who served as the first African-American mayor of Dallas from 1995 to 2002, has also worked as a private attorney and corporate lobbyist. Kirk served briefly as the Texas Secretary of State in 1994 and was also considered a top contender to lead the Department of Transportation under the Obama administration.

Since Kirk's nomination was announced nearly a month ago, his positions on specific trade issues have come under scrutiny. As mayor of Dallas, Kirk was a strong supporter NAFTA, which he viewed as key to stimulating the local economy. He has also gone on record in favour of establishing permanent normalised trade relations with China. Both moves have upset some labour rights activists.

But Kirk is far from an unabashed free trader. In a race for the Senate in 2002, Kirk said that he strongly opposed granting Congress 'fast track authority', which limits lawmakers' ability to block or make amendments to trade agreements negotiated by the USTR.

But beyond those few statements, Kirk's record on trade is thin. Time will tell how the USTR office under his direction will handle the trade promises that Obama made on the campaign trail, which include demanding strong labour and environmental standards in trade deals and re-negotiating portions of the North American Free Trade Agreement.

"The exciting thing for me is that the president very much sees a robust trade policy as part of his economic agenda. He understands that the United States can't be protectionist, can't step back from our trade relations," Kirk said in an interview with The Dallas Morning News the day after his nomination was announced. "But he wisely ... thinks that we can do better in enforcing those

laws that protect our environment and protect our workers."

Kirk struck a similar chord at the press conference announcing his nomination: "I believe a values-driven trade agenda that stays true to our commitment to American workers and environment sustainability is not only consistent with a pro-trade agenda but also necessary for success," he said.

Obama cited Kirk's experience as the mayor of Dallas, which he called "one of the world's biggest economies," would serve him well in the post.

"He has seen the promise of trade, but also its pitfalls. And he knows there is nothing inconsistent about standing up for free trade and standing up for American workers," Obama said. "As a leader, negotiator, and principled proponent of trade, Ron will help make sure that any agreements I sign as President protect the rights of all workers, promote the interests of all Americans, and preserve the planet we all share."

Free traders in Washington were happy about the pick. Current USTR Susan Schwab called him "an excellent choice," and said that she hopes that he "continues the work that we have done to benefit US workers, farmers and entrepreneurs. As a former mayor of Dallas, which is a major hub of international business, he understands the importance of trade," she said.

"Ron Kirk is an inspired choice to serve as US Trade Representative in the Obama Administration." John Engler, the president of the National Association of Manufacturers – the largest industrial trade association in the US, said in a statement. "Texas is our largest exporting state, and Ron Kirk has seen firsthand how important free trade agreements, such as the North American Free Trade Agreement, are to our economy," he said.

Praise also came from Capitol Hill. Congressmen Charles Rangel, who heads the Ways and Means Committee, and Sander Levin, the chair of the Subcommittee on Trade, issued a joint statement praising Obama's nominee. "Mr. Kirk has proven himself to be an intelligent, strategic leader who understands the needs of our communities

enabling him to be a powerful advocate for America's interests in the global marketplace," the congressmen, both Democrats, wrote in the statement.

And Democratic Senator Max Baucus, the chair of the Senate Finance Committee, also welcomed Kirk's nomination, calling the USTR-designate "a distinguished attorney and former big-city mayor with a long record of accomplishment in both the public and private sectors."

But some less ardent supporters of free trade expressed either wariness or outright scepticism at Obama's choice for the post. Congressman Michael Michaud, a Democrat from Maine, said that he was "deeply concerned about the choice of Ron Kirk." Kirk's "past trade policy positions do not reflect the views of most Americans," Michaud said, citing the former mayor's support of NAFTA and normalised trade relations with China; his views "do not reflect the reform agenda that President Obama has pledged to an American public clamouring for a new direction on trade."

But Kirk sought to dampen public speculation about the stances he may take as USTR, saying that his record on trade should not be interpreted too narrowly.

"My responsibility as a mayor was to aggressively promote my city and the Dallas-Fort Worth metroplex as a great place to do business," Kirk said in the interview with The Dallas Morning News. "My responsibility as the president's US trade rep is to administer all aspects of our trade policy, including that part of our policy that meets our environmental objectives and takes care of America's workers."

"So I just ask everybody to take a breath and give us time," he said. "My agenda is the president's agenda."

Obama had reportedly offered the cabinet-level USTR post to Representative Xavier Becerra of California in December (see Bridges Weekly, 10 December 2008, <http://ictsd.net/i/news/bridgesweekly/35920/>), but the Congressman turned him down, preferring to stay on in the House of Representatives, where he had recently won a leadership post.

In an interview with *La Opinion*, a Los Angeles area Spanish-language publication, Becerra expressed some hesitation about taking the post. “My concern is how much weight this position would have had, and I reached the conclusion that it would not be a top priority, or even second or third priority,” he said.

### Items on the agenda

It is true that trade will not be at the top of the new president’s agenda. Stimulating the struggling economy, reforming the country’s healthcare system, and addressing climate change are expected to be the administration’s priorities. Working in the grim economic climate may prove to be especially challenging for the new USTR, who will have to negotiate with a Congress that may be warier than ever about further trade opening.

But several items are definitely on the USTR’s agenda for the near future. Kirk will have to decide how to handle three bilateral trade agreements that the executive branch has negotiated but that are awaiting Senate approval. The new USTR will also need to decide his approach to the currently stalled Doha Round of trade talks at the WTO.

Provided that Kirk wins the approval of the Senate, he will take office no earlier than 20 January, the day that Obama becomes US President.

ICTSD reporting. “Former Dallas mayor Ron Kirk to be named to Obama cabinet,” DALLAS MORNING NEWS, 18 December 2008; “Ron Kirk says free trade key to economic recovery,” DALLAS MORNING NEWS, 20 December 2008; “Ex-Dallas Mayor Kirk said to be Obama’s trade pick,” BLOOMBERG, 18 December 2008.

## IN BRIEF

### China Registers Sharp Drop in Trade

China’s imports and exports fell steeply for a second straight month in December, deepening an economic slump that has already led to widespread layoffs and factory closings.

The most precipitous drop was in imports, which slumped by 17.9 percent from a year earlier, according to data released by China’s customs agency, the Associated Press reported. The drop has been attributed to the lower prices of oil and raw materials, coupled with reduced demand from Chinese consumers, a worrying development given that Beijing is hoping to reinvigorate the economy by boosting domestic consumption.

Exports declined by 2.8 percent in December – the sharpest drop since 1999, the Associated Press reported – following a 2.2 percent fall in November.

Thousands of Chinese companies have already been forced to close thanks to the downturn in trade, prompting a wave of layoffs.

In November, the Chinese government announced a stimulus package worth 4 trillion yuan (US\$ 585 billion) that is intended to spur domestic demand and reduce the domestic economy’s reliance on exports. The package includes tax breaks for exporters, greater government investment in infrastructure, and larger farm subsidies.

Against that backdrop, the Organisation for Economic Cooperation and Development released a study last month assessing China’s progress in opening its markets to foreign trade.

“With its 2001 WTO accession, China has locked in much of its trade liberalisation commitments,” the study found. “The focus is now on ‘second-generation’ trade-related reforms – tackling border and domestic regulatory barriers.”

Chief among Beijing's challenges, the study said, was to increase government transparency. To that end, the authors recommended that the government publish in full all trade- and investment-related laws and allow more time for public consultations on draft legislation.

The OECD also called on Beijing to abolish explicit restrictions that discriminate against foreign traders and investors, such as limitations on foreign ownership in certain sectors, and to continue working to harmonise domestic business standards with those established by international standards-setting institutions.

But China has already made huge strides in integrating its economy into the global market, the report noted. Indeed, the Asian Giant's share in the international goods trade jumped from 1 percent in 1979 to almost 7.6 percent in 2006, and its economy averaged an annual growth rate of 9.7 percent over the same period.

ICTSD reporting, "China's trade slump worsens in December," AP, 13 January 2009; "Trade losses rise in China, threatening jobs," INTERNATIONAL HERALD TRIBUNE, 13 January 2009; "Asian markets spike on China stimulus package," NPR, 10 November 2008.

---

## Afghanistan, Pakistan Pledge Cooperation on Trade

In his first visit to Kabul since taking office in September, Pakistan President Asif Ali Zardari met with Afghanistan President Hamid Karzai on 6 January to discuss issues of national security, narcotics trafficking, and international trade.

Signing a joint declaration entitled "Directions of Bilateral Cooperation," Pakistan and Afghanistan agreed to promote bilateral trade on preferential terms and to work expeditiously towards full implementation of the South Asia Free Trade Agreement (SAFTA) and Economic Cooperation Organisation Trade Agreement (ECOTA).

Created in 2006, SAFTA aims to reduce barriers to trade among the eight members of the South

Asian Association for Regional Cooperation (SAARC), with a goal of eventually eliminating tariffs on goods travelling between contracting states. But implementation of the agreement has been slow, impeded by various political, economic and military disputes between members.

For Islamabad and Kabul last week's meeting marks the latest exchange in what has been seen as a developing stance of cooperation and dialogue between the occasionally contentious neighbouring states.

The declaration pledged both nations to maintain frequent exchanges of high-level visits and contacts between government departments, parliaments, armed forces and security agencies to enhance mutual understanding in all fields.

"Afghanistan and Pakistan have a new relationship," Karzai told a joint press conference.

With increased communication and coordination, both nations hope to mutually benefit in terms of economic development, and to enhance their ability to meet mutual security concerns, which was a central focus of the meeting.

"We intend to work towards a better tomorrow. We want to tell the world today, together standing shoulder to shoulder, that we are together in this fight against these non-state actors who have taken nations, countries and in fact superpowers to war," Zardari told reporters.

The declaration also included a commitment of both nations to improve transit and communication infrastructure, increasing connectivity between the countries and the region.

Although the nations have provided some mutual access with the Afghanistan Transit Trade Agreement (ATTA), the 1965 treaty is viewed by many as outdated and unsuited to current market realities. As such, the ATTA is being updated in the form of the new Afghanistan Pakistan Transit Agreement (APTA), currently under completion. This new agreement seeks to slash trade barriers between the two countries, nearly eliminating duties and taxes on Pakistani and Afghani goods in transit.



Such improvements as those envisioned by the Joint Declaration and APTA could provide landlocked Afghanistan with greater access to the Persian Gulf and Arabian Sea, particularly the Gwadar deep-sea port, which opened last year. For Pakistan, improved Afghan infrastructure means greater accessibility to trade with Central Asian nations.

ICTSD Reporting; “Zardari, Karzai pledge improved ties,” Daily Times (Pakistan), 8 January 2009; “Karzai sees new era with Pakistan,” BBC, 6 January 2009; “President’s first official visit: Pakistan, Afghanistan to ink new trade agreements,” Daily Times (Pakistan), 27 December 2008.

## WTO IN BRIEF

### Lamy Emerges as Lone Contender for Next WTO Chief

For the first time in the 14-year history of the WTO, the race for the next leader of the global trade body will be uncontested.

As nominations closed 31 December, current WTO Director-General Pascal Lamy emerged as the sole candidate for the four-year position. Lamy, who has headed the organisation since September 2005, confirmed his intentions to run for a second and final term in early November (see BRIDGES Weekly, 6 November 2008, <http://ictsd.net/i/news/bridgesweekly/32641/>).

The French national’s first term was dominated by gradual advances, but ultimate stalemate, in the seven-year-old Doha Round of trade talks. At the centre of the collapsed negotiations lies continued disagreement between industrialised and developing nations – a gap that Lamy was unable to bridge.

In a letter to WTO General Council chair Bruce Gosper announcing his intention to seek re-election, Lamy highlighted the successes of, and challenges remaining, for the global trade body following his first term.

“We have seen the Doha negotiations move closer to the finish line; we have seen the Aid For Trade agenda take a prominent place as a necessary complement to trade opening; we have welcomed five new members into the organisation; we have worked to enhance the participation of all members, in particular the poorest, in the activities of the organisation” Lamy wrote. “We have seen all of this and much more but it is undeniable that, today, the tasks ahead of us remain challenging, in particular in view of the current world financial turmoil.

“I stand ready to continue to serve the WTO for a second term and to make a contribution to reinforcing multilateralism and development,” Lamy’s letter concluded.

Observers have questioned the significance of Lamy’s uncontested bid, as it represented a failure of the WTO’s 153 members to submit another candidate.

“The decision by WTO members not to propose contenders to Lamy’s quest for re-election signals, at best, their confidence in Lamy’s continued leadership and, at worst, the perceived lack of viable alternatives,” Carolyn Deere, director of the global trade governance project in the Global Economic Governance Programme at University College, Oxford, commented in a blog.

“For many members, there are also concerns about rocking the leadership boat given the uncertain political environment and the tenuous future of the Doha Round,” Deere wrote.

An uncontested candidacy precludes the fierce campaigning and intense discourse that have characterised past contests for the top spot at the global trade body. However, the lack of competition may also deny Members the opportunity to examine Lamy’s track record in front of a global audience of stakeholders and academics.

WTO Members must now decide whether to make Lamy’s re-appointment automatic or to follow traditional procedures.

ICTSD Reporting; "Update – Lamy only candidate for next head of WTO," REUTERS, 5 January 2009; "WTO says Lamy is sole candidate to head organisation," AFP, 5 January 2009.

---

## Mexico, US Challenge Chinese 'Famous Brands' at WTO

Alleging illegal subsidies on a wide range of exported goods, Mexico and the United States have filed requests for WTO consultations with China over the support that Beijing provides domestic exporters under its 'famous brands' programme.

In a release on 19 December, the United States Trade Representative's office asserted that China was violating world trade laws by offering its exporters cash grant rewards, preferential loans, research and development funding, and payments to lower the cost of credit insurance.

The USTR asserted that Beijing's 'famous brand' designation, under which those subsidies are granted, covers a wide range of sectors, including household electronic appliances, textiles and apparel, a range of light manufacturing industries, agricultural and food products, metal and chemical products, medicines and health products.

"We are going to the WTO today because we are determined to use all resources available to fight industrial policies that aim to unfairly promote Chinese branded products at the expense of American workers, farmers, ranchers, manufacturers and intellectual property owners," USTR Susan Schwab said in the release.

But Beijing contends that the 'famous brands' programme is not inconsistent with its WTO obligations. Hui Boyang, a Chinese official responsible for the selection of brands that qualify for the special treatment, said that "China gives no subsidies to help the export of 'famous brands'," and that the designation is "an honorary title," Xinhua News Agency reported.

"Some local governments do give rewards to those selected enterprises, but the rewards are

small, symbolic and one-off, not a long-term preferential policy," Boyang said.

However, Beijing indicated that it would cooperate with the complainants in the case. "On the US and Mexican request of dispute settlement consultations through the WTO, the Chinese side will deal with it according to WTO rules," the Chinese Ministry of Commerce said in a statement on 22 December.

Under WTO rules, Mexico, the US and China will have 60 days to hold formal consultations. If the parties fail to reach a resolution by the end of that period, the complainants may ask a WTO dispute settlement panel to consider the case.

But there is still some hope for the future of US-Sino trade relations, according to a recent USTR report to the US Congress on China's compliance with its WTO commitments. The report, which was released just four days after the 'famous brands' case was brought to the WTO, stated that "based on the increased willingness that China displayed in 2008 to work cooperatively and pragmatically with the United States on contentious issues, the United States is optimistic that significant progress is obtainable in 2009."

The report indicated, however, that the US would continue to use WTO dispute settlement mechanisms should bilateral dialogue fail to resolve future issues.

ICTSD reporting; "Official: China doesn't subsidize export of 'famous brands,'" XINHUA, 23 December 2008; "US sees progress in easing trade disputes with China," AFP, 24 December 2008.

---

## Brussels Invites WTO Scrutiny of EU Beef Ban

In the latest development in a trans-Atlantic controversy spanning nearly two decades, the European Union on 22 December requested formal consultations with Canada and the United States at the WTO. At issue is the legality of both the EU's longstanding ban on imported hormone-



treated beef as well as Canadian and American sanctions levied against EU goods in response.

The request from Brussels follows a mixed ruling from the Appellate Body in which the EU was granted the authority to continue the restrictions, while Canada and the US were allowed to continue to impose trade sanctions totalling over US\$ 125 million annually.

At the centre of the controversy is whether the EU's ban is in compliance with the WTO Agreement on Sanitary and Phytosanitary Measures, known as the SPS Agreement. That Agreement governs the use of health and safety-related trade barriers, and allows such restrictions to be justified based on scientific evidence or other pertinent information.

In its 16 October ruling, the Appellate Body held that it was unable to determine whether the EU's assessment of human risk brought the European trading bloc into compliance with the SPS Agreement, faulting the lower WTO panel for numerous evidentiary and procedural errors. Concluding, the Appellate Body recommended that the parties re-initiate WTO dispute settlement proceedings, prompting the current request from Brussels.

By requesting formal consultations, the EU is inviting scrutiny of its own trade policies, an unusual move at the WTO. But Brussels says that it is confident that the import ban is legally justified.

"We are convinced that our legislation on hormones is fully in line with WTO law: the restrictions on hormone-treated beef are based on solid scientific evidence showing risks for human health," EU spokesperson Peter Power said.

"We are thus very confident and hope that the US and Canada will engage constructively in these consultations and that we can find a solution to this long-lasting dispute."

The EU authorised the current sanctions in 2003, citing research claiming to have found overwhelming evidence that the hormone oestradiol 17-beta caused cancer and harmed genes, and substantial evidence that five other

hormones were also harmful to humans. The EU had hoped that that change in policy would bring the bloc's import ban into compliance with a 1999 WTO ruling that found earlier restrictions unjustified.

Having long taken a precautionary approach toward hormone-treated food, Brussels hopes this coming round of dispute settlement procedures will end the debate on the ban's legitimacy, and end Canadian and American duties on EU imports as well.

In contrast, US Trade Representative Susan Schwab indicated continuing sanctions were justified following the 16 October Appellate Body ruling. "The Appellate Body's report confirms that WTO Members that are subject to additional duties for failing to bring themselves into compliance with the WTO's rulings and recommendations must do more than simply claim compliance in order to obtain relief from such duties. We very much welcome these conclusions by the Appellate Body" Schwab said.

Since the Appellate ruling, the USTR has solicited public comments on possible modifications to the EU products sanctioned. According to a 31 October notice in the Federal Register, while current sanctions cover mostly food products, possible changes could lead to duties on a range of products from chewing gum to motorcycles.

ICTSD reporting; "EU Wants Sanctions Justified in WTO Beef Hormone Case," Bloomberg, 22 December 2008.

---

## EVENTS & RESOURCES

---

### Events

For a more comprehensive list of events in trade and sustainable development, please refer to ICTSD's web calendar at: <http://www.ictsd.org/cal/index.htm>. If you would like to submit an event, please email [events@ictsd.ch](mailto:events@ictsd.ch).

**Coming up: 15-21 January**

14-18 January, Singapore City, Singapore. CAPACITY-BUILDING WORKSHOP ON IMPLEMENTING NBSAPs AND MAINSTREAMING BIODIVERSITY FOR SOUTH, SOUTHEAST AND EAST ASIA (CBD). This workshop is the first of a series convened to discuss national experiences in implementing national biodiversity strategies and action plans. The aim of this program is to provide an opportunity for countries to synergise shared knowledge, identify relevant tools, and develop strategies for overcoming challenges associated with implementing NBSAPs. For further information, please refer to <https://www.cbd.int/nbsap/workshops/south-southeast-east-asia.shtml>.

15-16 January, Makati, Philippines. ASEAN COOPERATION ON ECONOMICS AND BUSINESS AND EDUCATION. The Association of South East Asian Nations, or ASEAN, with a combined population of close to 600 million and a GDP of US\$ 1.07 trillion is one of the fastest growing regions in the world. ASEAN's growth and prosperity is now challenged by the reality of low-cost export processing with the promise of a large domestic market. This business-orientated conference will address the current challenges of the region as well exploring the intrinsic business and economic realities in ASEAN in the longer term. For further information, please refer to <http://www.aseancooperation.com>.

19-20 January, Mumbai, India. FIRST ANNUAL RENEWABLE ENERGY BUSINESS CONFERENCE – INDIA'S EMPHASIS ON BIO, WIND & SOLAR ENERGY. As their energy demands increase, India is emerging as one of the most attractive markets for investors in renewable power. Acting as a meeting point for financiers and industry specialists, this conference seeks to explore the opportunities for investment and to examine the steps which India's national and regional governments has taken to spur development of sustainable energy. For more information please refer to <http://www.informedia-india.com/client/index.aspx?id=conference&status=list>.

20-21 January, Brussels, Belgium. CEPS 4TH ANNUAL EUROPEAN ENERGY POLICY CONFERENCE 2009 – IS EUROPE'S ENERGY SECURITY AT STAKE? The conference will once again bring together major players from across the European Union and internationally, to discuss a range of issues including: Diversifying supply; ensuring safe and reliable transit, and partnerships with transit countries; low-carbon energy technologies; effectiveness of the Gas Security of Supply Directive; global demand and supply balances and environmental pressures; macro-economic implications; future energy systems; unbundling and investment; renewables and biomass; geopolitical issues and the role of partnerships; and the role of renewables and energy efficiency. For further information, please refer to <http://www.euenergypolicy.com>.

**WTO Events**

An updated list of forthcoming WTO meetings is posted

[http://www.wto.org/meets\\_public/meets\\_e.pdf](http://www.wto.org/meets_public/meets_e.pdf).

Please bear in mind that dates and times of WTO meetings are often changed, and that the WTO does not always announce the important informal meetings of the different bodies. Unless otherwise indicated, all WTO meetings are held at the WTO, Centre William Rappard, rue de Lausanne 154, 1211 Geneva, Switzerland, and are open to WTO Members and accredited observers only.

20 January: DISPUTE SETTLEMENT BODY

3-4 February: GENERAL COUNCIL

**Other Upcoming Events**

26-27 January, Bonn, Germany. FOUNDING CONFERENCE OF THE INTERNATIONAL RENEWABLE ENERGY AGENCY (IRENA). A successful preparation process has paved the way to the establishment of the International Renewable Energy Agency, or IRENA. All United Nations member states are invited to sign the Treaty (Statute) at the Conference establishing IRENA, on 26 January next year in Germany. From that day forth, the Statute will be ready for signature by any states interested in becoming a

member of the Agency. For more information contact: e-mail: [info@irena.org](mailto:info@irena.org); Internet: <http://www.irena.org/index.htm>.

5-7 February, New Delhi, India. DELHI SUSTAINABLE DEVELOPMENT SUMMIT 2009. The theme of this summit is 'Toward Copenhagen: an equitable and ethical approach', indicating this event's focus on developing a global consensus on climate change. Gathering leaders in industry, government and research, the summit will attempt to stimulate debate and constructive discussion, formulating meaningful policy options within the area of sustainable development generally. For further information, please contact: Mangala Dubey Tewari; tel: +91-011-24682100 (Ext. 2545); e-mail: [mdtewari@teri.res.in](mailto:mdtewari@teri.res.in); and refer to the website: <http://dsds.teriin.org/2009/index.htm>.

10-12 March, Copenhagen, Denmark. CLIMATE CHANGE: GLOBAL RISKS, CHALLENGES AND DECISIONS. This international scientific conference, hosted by the University of Copenhagen, will bring together a diverse array of international scholars and governmental leaders in cooperation with nine other universities. As part of the run up to the United Nations Climate Change Conference (COP-15), this event will expound upon current and emerging thinking in science, technology and policy with the goal of developing strategies for long term sustainability. For more information and registration, please refer to <http://climatecongress.ku.dk>.

4-15 May, New York, US. SEVENTEENTH SESSION OF THE COMMISSION ON SUSTAINABLE DEVELOPMENT. This policy session will focus on agriculture, rural development, land, drought, desertification and Africa. For more information, please refer to <http://www.un.org/esa/sustdev/csd>.

study examines the potential cost to global trade if countries rush to employ protectionist policies. In the most extreme circumstance, the authors conclude that losses in world trade could total up to \$1.06 trillion dollars following the failure of the controversial trade negotiations, which broke down Summer 2008. To access this paper, please refer to <http://www.ifpri.org/>.

SUSTAINABLE CONSUMPTION FACTS & TRENDS FROM A BUSINESS PERSPECTIVE. World Business Council for Sustainable Development, December 2008. This publication combines data from intergovernmental organizations, non-governmental organizations, governments, academics and leading businesses to reveal the latest trends in global consumption. The report indicates that current consumption patterns are not sustainable, but that consumers increasingly seek more ethical and environmentally responsible choices. By examining current realities and future challenges, this paper attempts to demonstrate ways in which businesses can take a leading role in changing consumer choices and promoting long-term sustainability. To access this study, please refer to <http://www.wbcsd.org>.

---

## Resources

THE POTENTIAL COST OF A FAILED DOHA ROUND. By Antoine Bouët and David Laborde, International Food Policy Research Institute, December 2008. Presenting several scenarios following a failed Doha Round, this