



Bridges Weekly Trade News Digest

Weekly trade news from a sustainable development perspective

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LEAD STORIES

US-Peru Trade Deal to Enter Force Despite Labour Objections

George W. Bush, in one of his final official actions as US president, announced on 16 January that a bilateral trade deal with Peru would enter into force at the beginning of next month. The proclamation was made despite recent protests from labour groups and some Democratic members of the US Congress that the Andean nation's labour laws do not adequately protect workers' rights.

Some observers had anticipated the move after the Peruvian Congress passed legislation last week to amend labour and environmental laws that had to be changed before the deal could be put in force.

Legislatures in both countries had already signed off on the deal itself, but according to a pact struck in 2007 between then-US Trade Representative Susan Schwab and Congressional Democrats, President Bush would not officially authorise the agreement until there was certainty that Lima had strengthened certain laws on workers' rights and environmental protection.

According to the office of the USTR, the legislation recently passed by the Peruvian Congress satisfied those requirements.

"With the president's issuance of a proclamation to implement the US-Peru Trade Promotion Agreement as of February 1, 2009, I am very pleased to be able to celebrate the entry into force of this important trade agreement," then-USTR Schwab said in a statement.

Peruvian President Alan Garcia, who has vigorously pursued trade liberalisation since taking office in 2006, also praised the deal.

"We've fulfilled a very important goal for our nation," Garcia said at a ceremony in Lima, calling the agreement a "decisive step" toward deeper integration into the global economy. Peru is also pursuing free trade deals with Canada and China.

Negotiators from the US and Peru agreed on the text of the pact in April 2006, but some Democrats in the US Congress initially refused to ratify the agreement, saying that the deal needed stricter provisions to protect workers' rights and to preserve the environment. These concerns were somewhat appeased when US Trade Representative Susan Schwab struck a compromise deal with Democrats in May 2007 guaranteeing that all future US trade pacts would respect certain standards on labour, the environment, and access to medicines (see BRIDGES Weekly, 16 May 2007, <http://ictsd.net/i/news/bridgesweekly/7751/>).

The Bush administration says that Peru has met the standards set out in that compromise, but some Congressional Democrats are not so sure. The two camps' difference of opinion appears to centre on whether Lima has provided sufficient guarantees that certain outsourcing firms will not be able to deny workers the right to form unions and engage in collective bargaining.

Earlier in the week, Congressional Democratic leaders warned the Bush administration against pushing ahead with the deal.

In a letter dated 14 January, Congressmen Charles Rangel and Sander Levin of the House Ways and Means Committee, which oversees trade, urged Schwab to "resist setting any artificial deadline" for the implementation of the agreement.

Specifically, they expressed concern over certain 'loopholes' in recently enacted Peruvian legislation that they argue would allow Lima to take exception to the protection of workers' rights in some cases.

But then-USTR Schwab shot back with a letter the next day, avowing that "Peru has put in place the laws and regulations necessary" to meet its obligations under the deal.

The following day, Bush made his announcement that the deal would take effect as of 1 February.

Rangel and Levin responded quickly, praising the deal for the progress it represents on labour rights, but criticising it for not going far enough.

"This agreement includes, for the first time basic core labour standards and environmental protections, replacing the 'enforce your own laws' standard in those areas that prevented an effective two-way street policy on trade," the congressmen wrote.

"We were pleased to meet with Peruvian President Alan Garcia when he...announced actions to implement the new standard before Congress approved the FTA. Unfortunately, the Peruvian Congress has subsequently passed legislation including provisions inconsistent with their commitments."

Labour rights activists in the US – some of whom were instrumental in the negotiation of the 2007 compromise between Democrats and the USTR – also spoke out against the deal last week.

"Peru's labour laws still fall far short of meeting International Labour Organisation standards, and we are deeply disappointed with the Bush administration's decision to rush implementation without first securing compliance with the agreement's provisions," said Thea Lee, Policy Director at the AFL-CIO, the largest labour union in the US. "This represents a wasted opportunity and shows poor faith on the part of our own government."

The US is now a party to 17 bilateral free trade agreements; 14 of those deals were enacted while Bush was president. FTAs with Oman and Costa Rica entered into force earlier this month.

Whether the incoming USTR under President Barack Obama will choose to review Bush's recent decision on the Peru FTA remains to be seen. Obama's choice for the post, former Dallas mayor Ron Kirk (see BRIDGES Weekly, 14 January 2009, <http://ictsd.net/i/news/bridgesweekly/37799/>) has yet to be confirmed by the Senate. While Kirk's nomination is pending, Geneva-based trade

official Peter Allgeier, who served as Deputy USTR under Schwab, will fill the position.

ICTSD reporting; “Democrats urge caution on implementing FTA after Peru passes legislation,” INSIDE TRADE, 16 January 2009; “US, Peru wrap up free trade pact despite objections,” REUTERS, 17 January 2009; “García: A ‘national goal’ achieved with Peru-US FTA in force,” ANDINA, 16 January 2009.

Arab Leaders Pledge Economic Cooperation

Arab leaders have vowed to deepen regional economic ties and band together amid global economic turmoil, officials announced earlier this week after the region’s first high-level economic summit on social and economic development.

The meeting, held in Kuwait on 19 and 20 January, brought together 17 Arab heads of state, including Palestinian President Mahmoud Abbas. World Bank President Robert Zoellick and UN Secretary-General Ban Ki-Moon also participated in the gathering.

The conflict in Gaza overshadowed the discussions, and was a source of some disagreement, but the officials did agree on the necessity of deepening economic ties in the region and working jointly to combat the effects of the global economic crisis.

“Despite progress made by some Arab nations, the Arab world is still facing many challenges... especially poverty, unemployment, poor inter-Arab trade and migration of Arab capital and brains,” the leaders said in declaration that was presented on the final day of the meeting.

The economic crisis has already cost Arab states US\$ 2.5 trillion since September, Kuwait’s minister of finance said, thanks to a combination of the steep fall-off in oil prices and investment losses in both sovereign wealth funds and on global stock markets.

The leaders also agreed to work to strengthen Arab funds and financial institutions “by boosting their resources and easing restrictions on providing loans.”

On trade, the leaders pledged to have an Arab customs union up and running by 2015, as a stepping stone to the creation of a full-fledged Arab common market in 2020.

The leaders had been expected to announce a pledge of up to US\$ 2 billion for post-war reconstruction in Gaza, but the final declaration failed to give any details about the highly anticipated Arab Fund, Xinhua reported.

Leaders reportedly could not agree on whether the funds should be given to Hamas, which controls Gaza, or to Abbas, which lost control of Gaza in 2007 but is backed by the West.

“Arab affairs are still tense,” said Amr Moussa, the Secretary-General of the Arab League, Reuters reported. “Things are still not good in my opinion and that’s why the declaration was issued like that ... Other things needed to be included and were not.”

Despite the tension over Gaza, Arab leaders agreed to increase cooperation on the peaceful use of nuclear energy, the construction of a trans-Arab railway line, and the expansion of electrical and natural gas networks in the region.

Calls for deeper integration

In an opening-day address to summit participants, World Bank President Zoellick offered assurances that the Bank was ready to come to the region’s aid as it weathers the economic crisis. But Zoellick also urged the Arab leaders to break down their barriers to trade, tackle high unemployment rates, and improve education systems.

“For too long, the Arab World has been poorly integrated into the global economy, other than through oil. Yet your countries – like all others – are feeling the impact of the global crisis,” Zoellick said.

But Zoellick warned that many institutional obstacles would have to be overcome before the

region could begin to address its economic challenges.

“Private sector growth in the region is impeded by barriers to entry and lack of competition, caused by unequal, discretionary, and often preferential arrangements,” Zoellick said. “Improved public sector and corporate governance can help open the door to greater opportunity for more people who want to work and build.”

WTO Director-General Pascal Lamy echoed Zoellick’s call for deeper Arab integration into the global economy.

“Because international trade is so vital to your economies, the WTO must also be vital to you,” Lamy said in a message to summit participants. “A strong, coordinated and active Arab group in the WTO would no doubt help advance some of your economic priorities.”

Lamy noted that 12 Arab countries are already Members of the WTO, and that another six – Algeria, Iraq, Lebanon, Libya, Syria and Yemen – are in the process of applying to join the global trade body.

“The importance of international trade to the Arab region cannot be overestimated,” Lamy said in the message. “The Arab economy that is most dependent on imports is the United Arab Emirates, whose imports of goods and services constitute 86 per cent of its GDP. It is followed by countries such as Jordan, Mauritania and Bahrain, whose import to GDP ratio is in the 70 per cent range. I would be remiss if I were not to mention that these imports have been vital to the region’s food security.”

Trade levels remain low even among countries within the region, despite the creation of the Greater Arab Free Trade Area, which now counts 17 Arab countries as members, in 2005.

In an op-ed piece in the Lebanon Daily Star, Elias Ghantous, the former head of the General Union of Chambers of Commerce, Industry and Agriculture for Arab Countries, lamented the fact that inter-Arab trade represents only about 10 percent of the region’s total international trade flows. Among members of the Association of

Southeast Asian Nations, that figure is 40 percent; within the EU, it stands at 70 percent.

Ghantous called on Arab leaders to liberalise services trade and to eliminate non-tariff barriers to trade – including high transportation costs and complex border-crossing procedures – in the region.

The officials agreed to hold a similar gathering in Egypt in two years’ time, although the summit is not intended to be convened on a regular basis.

ICTSD reporting. “Arab summit concludes with resolutions on Gaza, Arab development,” XINHUA, 20 January 2009; “Arab economic summit divided on Gaza,” REUTERS, 20 January 2009; “The Arab economic summit: a market approach to development,” THE DAILY STAR, 13 January 2009.

2009: The Year Ahead for WIPO

2009 is poised to be an important year for the World Intellectual Property Organisation as the organisation faces many challenges, particularly in terms of balancing the interests of developing and developed countries and addressing pressing public policy concerns such as public health, food security and climate change. In addition, WIPO is likely to witness a number of important internal changes as a result of the measures introduced by its new Director General (DG), Francis Gurry, to improve the organisation’s performance and effectiveness.

In this regard, Gurry, is expected to vigorously pursue the implementation of a programme of ‘strategic change’ aimed at enabling the organisation “to respond more effectively to the rapidly evolving technological, cultural and geo-economic environment.”

To that effect, a revised programme and budget was approved at an extraordinary session of the WIPO Assemblies on 12 December. In addition to existing goals, the revised documents include new ones such as a focus on building respect for intellectual property (IP); developing global IP infrastructure; enabling responsive

communication; becoming the world reference source for IP information; and addressing IP in relation to global policy challenges.

At the Secretariat level, new key positions advertised after Gurry's election -- such as Chief Economist and Director of Global Challenges -- will be filled in 2009. While they reflect the organisation's recognition of emerging challenges, the profile of the candidates chosen may give some indications as to what direction the organisation will take in dealing with these important issues. Furthermore, a number of senior officials who served under Gurry's predecessor are due to leave their posts, giving the new Director General the opportunity to further consolidate his grip on the Secretariat and push through his reform agenda.

With regard to substantive issues, the implementation of the WIPO Development Agenda (DA) is likely to emerge as a key priority for most member states this year. The initiative was launched in 2004 by developing countries with the aim of integrating the development dimension in all aspects of WIPO's work.

Developing countries have high expectations that the new DG will actively pursue the implementation of the WIPO DA recommendations agreed upon in 2007. Civil society groups are anxious to see that WIPO's approach to IP and technical cooperation effectively contribute toward promoting a development-oriented IP system in developing and least developed countries. From his side, Gurry affirmed that as an indication of the high priority given to the DA implementation, a programme, under his direct supervision will be devoted to ensuring effective coordination of work to implement the WIPO DA throughout the organisation.

The next meeting of the Committee on Development and Intellectual Property (CDIP) -- to be held from 27 April to 1 May - will be significant in achieving further progress on the implementation of the WIPO DA recommendations.

In this regard, the WIPO DA featured prominently in deliberations about the

organisations' revised programme and budget for 2008-2009. Developing country members were initially concerned that a portion of the funding for items in the DA would be contingent upon savings in the other areas of WIPO's work, thus running the risk of uncertainty regarding funding for the implementation of the DA activities.

However, in light of these concerns, the budget was reworked and subsequently approved by member governments with a guaranteed committed amount of roughly US\$ 7 million (8 million Swiss francs) allocated to the implementation of WIPO DA related activities. A new budget for 2010-2011 will be approved next September at the annual General Assemblies.

The protection of traditional knowledge is another area of WIPO's work in which many stakeholders have pointed to the need for greater movement and even an agreement -- not only to deal with greater protection at the domestic level but also with cross-border misappropriation of traditional knowledge, and traditional cultural expressions. The Centre for International Environmental Law (CIEL) in particular has strongly urged the committee to refocus on this issue, and has stressed the need for a process for tracking compliance with principles of prior informed consent and equitable benefit sharing. However, the lack of consensus at the last meeting of the Intergovernmental Committee on Intellectual Property and Genetic Resources, Traditional Knowledge and Folklore (IGC) in October, on a possible inter-sessional mechanism to accelerate the committee's work reflected the continued gap between country positions even on procedural issues which were perceived by some as possibly prejudicing their positions on future substantive work.

Exceptions and limitations to copyright will also be prominent in WIPO's activities in the year ahead. At the last meeting of the Standing Committee on Copyright and Related Rights (SCCR) in November, this issue took centre stage in the deliberations.

Exceptions and limitations to copyright allow individuals, under certain conditions, to use a work without requiring authorisation from the copyright holder. Advocates and supporters for

action on this issue are seeking to strengthen exceptions and limitations in order to achieve a better balance between the rights of copyright holders and the public interest. At the last meeting of the SCCR, NGO advocates said that they expected to see in-depth discussion on exceptions and limitations, especially in relation to educational activities, libraries and the visually impaired. In fact, a proposal by the World Blind Union for a treaty on exceptions and limitations for the visually impaired received much attention from delegates during the SCCR meeting in November. The next meeting of the SCCR is scheduled for 25-29 May 2009.

A similar sentiment is expressed in the Standing Committee on Patents (SCP) where members hope to re-engage in meaningful substantive discussion under the SCP's new work programme adopted last year. Stakeholders are also aware that this has long been the new DG's area of expertise and perhaps that may contribute to further momentum in the Committee's work. The next session of the SCP will be held on 23-27 March 2009.

In this regard, WIPO will be holding an important Conference on Intellectual Property and Global Challenges on 13-14 July, following a proposal by the SCP. The conference will address issues relating to the interface of IP with other areas of public policy, notably health, the environment, climate change, food security and disability, and serve as a global forum for discussion of some of the major challenges in relation to IP the world faces today.

Across the board, many stakeholders are cautiously optimistic that 2009 may witness some movement on many substantive issues on which discussions have been deadlocked for many years at WIPO. Some are hopeful that the election of a new DG who is well versed in the technical aspects of the issues under discussion will contribute positively and decisively to achieving such progress.

Some observers keen to overcome the stalemate in the main areas of WIPO's substantive work are contemplating the merits of taking a 'single undertaking' approach to the discussions – as does the WTO – under the assumption that

compromises might come more easily if officials negotiate just one comprehensive package of issues.

According to Professor Frederick Abbott, Professor of Law at Florida State University College of Law, "there has for some time been an implicit undercurrent of quid pro quo negotiating involving adoption and implementation of the Development Agenda and progress on Substantive Patent Law Harmonisation. Diplomats have perhaps understandably been reluctant to acknowledge an implicit linkage. It might, in fact, be healthy to make explicit what is implicit and move toward the concept of a grand bargain." However, he adds that "this does not imply that any stakeholder should give up its principal objectives, but may increase the likelihood that all sides will see the benefits of reaching progressive accommodations."

Professor Ruth Okediji, Professor of Law at the University of Minnesota, is more equivocal. She indicates that "while there are strategic benefits to such an approach, there is always the question of whether the net gains outweigh the losses that occur through such cross-bargaining" adding that "the WTO experience shows, in the absence of an enforcement mechanism that allows cross-retaliation, developing countries and Least Developed Countries (LDCs) have relatively little power post-bargain to extract compliance from the industrialized countries." She concludes that "in the absence of clearly identifiable gains and an agreed minimum set of achievable outcomes, a single undertaking deal should be approached with caution."

Ultimately, divergences between developing and developed countries that surfaced during the meeting of the Revised Programme and Budget Committee last December and previously at the IGC meeting in October, are a staunch reminder of the magnitude of the challenges facing WIPO to move forward while balancing the interests and perspectives of its different stakeholders.

ICTSD reporting.

EU, Cameroon Ink Trade Deal as 'Stepping Stone' to EPA

The European Union and Cameroon signed an interim bilateral trade agreement last week, which the EU billed as a positive step toward a broader regional deal.

The agreement, which was signed on 15 January, will give Cameroonian exports duty-free and quota-free access to the European market. In turn, Cameroon has agreed to lift tariffs on 80 percent of EU imports over the next 15 years. The agreement also includes provisions to streamline customs procedures, and additionally promises development assistance from the EU to help Cameroonian producers meet EU import standards and compete with their European counterparts.

In time, Brussels aims to establish a far-reaching trade agreement with a regional bloc that includes Cameroon along with seven other Central African countries (Central African Republic, Chad, Congo, Democratic Republic of Congo, Equatorial Guinea, Gabon, and São Tomé e Príncipe). Trade between Europe and Central Africa is worth roughly 11 billion Euros, according to the EU Trade Commission, and the balance of trade is tilted toward Central Africa.

The EU is in similar regional-level negotiations with several other coalitions of developing nations (largely former European colonies) around the globe in an effort to render preferential trading schemes compatible with WTO rules.

A series of non-reciprocal trade preferences was authorised under the Cotonou Partnership Agreement, a deal signed in 2000 by all EU member states and ministers from more than 70 African, Caribbean and Pacific countries. But when that agreement expired at the end of 2007, Brussels had to find other means of continuing the preferential treatment without breaking world trade rules.

They decided that pursuing a series of regional-level Economic Partnership Agreements, or EPAs was the way forward.

Yet after several years of talks, to date only one full-fledged EPA, between the EU and the CARIFORUM bloc of Caribbean countries, has been enacted, although interim bilateral deals have been signed with Côte d'Ivoire, Cameroon, and have been tentatively agreed upon with Ghana (see BRIDGES Weekly, 18 September 2008, <http://ictsd.net/i/news/bridgesweekly/29488/>).

Despite the slow progress, European leaders continue to express their commitment to following through on the regional-level negotiations.

"I am strongly committed to pursuing and concluding regional negotiations in Central Africa and this agreement should be seen as a milestone on the path to the successful conclusion of a regional Economic Partnership Agreement with Central Africa," EU Trade Commissioner Catherine Ashton said in a statement.

An EU memo posted last week on the Trade Commission's website called the recent deal a 'temporary solution', and declared that "the full EPA will entirely replace this interim agreement."

Some sceptics, however, say that if EPA negotiations continue to stall, such 'interim' deals could become permanent, or at least long-lasting, by default.

EPAs: Friend or foe of development?

But while government officials champion the EPAs, some civil society groups and development campaigners have warned that prematurely opening up markets to a deluge of European imports could destroy fledgling industries and undermine the countries' growth prospects.

The UK-based charity group Oxfam International has been an especially outspoken critic of the agreements.

"In a fair deal, Europe would fully open its markets to all exports without demanding reciprocity," Oxfam's Mouhamet Lamine Ndaiye said in April upon the release of an Oxfam report criticising Brussels' stance in the talks.

“It would give developing countries the policy freedom to govern in the public interest and pursue regional integration on their own terms. And it would assist these countries to become more competitive, generate decent jobs and access new technologies.”

But some argue that greater market opening can kick-start developing country economies, and that safeguards and development aid can help ease the transition toward a more liberal trade regime.

“Economic partnership agreements encourage developing countries to benefit from global trade, while maintaining a certain level of protection for some of their key interests,” EU Development Commissioner Louis Michel said in a statement last week. “I trust this agreement with Cameroon will pave the way for the regional integration sought after by Central African countries. It has a very strong development element that will support the implementation of reforms necessary for this regional integration.”

A group of African trade and finance ministers weighed in on the issue themselves in April, and spelled out their concerns and priorities in no uncertain terms.

In a declaration signed in Addis Ababa, the ministers identified several ‘contentious issues’ in the interim agreements, including how the terms ‘substantially all trade’, ‘transitional periods’, ‘national treatment’, and ‘infant industry’ – among others – should be defined.

The ministers also urged the EU to provide ‘adequate and predictable additional resources’ – above and beyond those offered through the European Development Fund – to help developing nations build infrastructure and adjust to the new economic conditions created by the deals.

The officials further called for the deals to include an appropriate level of ‘asymmetry’ to account for the economic differences between the EU and its developing country trading partners.

The extent to which such concerns might be reflected in a regional-level agreement remains to be seen. Technical-level negotiations toward a full-

fledged EPA between the EU and the Central African bloc are set to resume before the end of the month. Continued points of disagreement include export taxes, regional levies, and rules of origin, according to an EU memo on the talks. Officials are also weighing the possibility of including a separate chapter on forest governance, given the importance of the forest sector in the region.

ICTSD reporting.

IN BRIEF

Chinese Minister Tours Africa to Promote Deeper Economic Ties

China's Foreign Minister Yang Jiechi concluded a multi-stop African tour with a visit to South Africa on Saturday. The Chinese minister also visited Uganda, Rwanda and Malawi – some of China's largest trading partners in the region – in an effort to solidify and further strengthen Beijing's economic ties on the continent.

For more than a decade, China has begun the New Year with visits to Africa to discuss trade policy. Beijing's pursuit of Africa's vast reserves of natural resources has given the continent, an important emerging market in its own right, a significant economic boost in recent years.

In Kigali, Yang signed a trade pact with Rwandan Foreign Minister Rosemary Museminali. Under the agreement, the two countries promised to boost trade and economic relations, including by providing incentives for Chinese firms to invest in Rwanda.

Chinese trade with Africa has grown rapidly over recent years, but remains limited compared to the Asian Giant's trade flows with other parts of the world.

In the last seven years trade with South Africa has increased one hundred-fold. China-Africa trade reached a new high of US\$ 106.8 billion last year, according to Chinese government figures. Its

largest partner in the region is oil-rich Angola; trade between the two countries was valued at US \$25.3 billion in 2008. In contrast, Chinese trade with South Korea alone amounted to US\$150 billion the year before.

While in Johannesburg the Chinese official stressed the importance of cooperation and coalition-building during the global financial crisis, and made assurances that there would be no cutback on aid to Africa because of the economic turmoil.

Chen Deming, China's commerce minister on separate visits set out for meetings in Kenya, Zambia, and Angola.

ICTSD reporting; "China hails Angola as largest African trading partner," REUTERS, 19 January 2009; "China's foreign minister wrapping up Africa tour," VOA NEWS, 16 January 2009; "Chinese-African trade volume hits all time high to reach \$106.8 bln," XINHUA, 19 January 2009.

WTO IN BRIEF

WTO to Hear Chinese Complaint against US Import Duties

The WTO announced on Tuesday that it will rule on a challenge that Beijing has brought against US tariffs on imports of certain Chinese tyres, steel pipes and woven sacks.

This is just the second time that Beijing has filed a case with the WTO's dispute settlement body and the first time that a panel has been formed to hear a Chinese complaint. The first complaint that Beijing filed at the WTO, which challenged US duties on coated paper imports, was resolved in consultations.

The US imposed the import tariffs in question alleging that China was selling those products in the US market at less than their normal value, a practice known as 'dumping'. WTO rules allow Members to counter the effects of dumping by imposing tariffs or other punitive measures against the offending country. In this case, however,

China argues that the US retaliation has gone too far.

"China is greatly concerned by the various substantive and procedural problems found in the US anti-dumping and countervailing duty investigations and measures against Chinese products at issue," China said in its official statement to the WTO requesting the formation of a panel.

China launched the case in September (see BRIDGES Weekly, 25 September 2008, <http://ictsd.net/i/news/bridgesweekly/29763/>). Consultations between the two parties were reportedly held in November, but no resolution was reached.

Dispute panels are usually formed within 45 days after a request is granted. Panels can then take up to six months or longer to arrive at a ruling.

ICTSD reporting; "WTO to rule in China trade dispute with US," REUTERS, 20 January 2009.

EU, US Beef Dispute Intensifies

Escalating the WTO dispute over the European Union's ban on hormone-treated beef, Washington announced changes on 15 January to the list of EU food products subject to US\$ 116.8 million worth of retaliatory tariffs. Taking effect on 23 March, the changes allow the US to revise the list of sanctioned goods every six months.

Originally approved by the WTO in 1999, the status of the sanctions remains unclear following a 16 October mixed ruling from the Appellate Body in which the EU was granted the authority to continue restrictions, while Canada and the US were allowed to continue imposing trade sanctions. Following that decision, Brussels requested formal consultations with Canada and the US at the WTO (see BRIDGES Weekly, 14 January 2009, <http://ictsd.net/i/news/bridgesweekly/37772/>).

Arguing before a WTO dispute panel in 2003, the EU claimed to have found overwhelming evidence that the hormone oestradiol 17-beta,

often used by North American cattle raisers, was linked to an increased risk of cancer in humans. However, in their most recent ruling, the Appellate Body held that they were unable to analyse whether the EU's assessment of human risk brought the European trading bloc into compliance with world trade laws, and faulted the lower WTO panel for numerous evidentiary and procedural errors.

The changes, which will make US trade sanctions harder to predict, were met with immediate criticism from the EU.

"This action is most regrettable in the view of many attempts by the EU to find a solution to the long standing dispute over hormone-treated beef," EU Trade Commissioner Catherine Ashton said in a statement. "A large number of EU exporters will be hit with these illegal sanctions. We look forward to working with the new administration to address this situation."

Statements from Washington, however, indicate this latest action was designed to force the resolution of an issue that has been unresolved since the dispute began in the WTO back in 1996.

"The existing duties have been in place for over 9 years; the goal of these modifications is to reach a resolution of the dispute under which the EU would allow market access for US beef and the United States could end its trade action" US Trade Representative Susan Schwab said. "For over a decade, we have been trying to resolve this dispute with the EU but our efforts have gone nowhere."

The USTR added that "in this time of worldwide financial problems, it is important to emphasise that the purpose of the action announced today is not to raise trade barriers, but to lower them."

Initial reactions from Brussels, however, were markedly adversarial. "It is clear that this move by the US administration means that we will have no choice but to start preparations in order to take this to the WTO," an EU press release warned.

"As the WTO has not yet taken a view on our current hormone regime dating from 2003, the US sanctions are illegal."

ICTSD Reporting; "US hits EU with revised sanctions in beef dispute," REUTERS, 15 January 2009; "US, EU escalate dispute over ban on hormone beef," Associated Press, 15 January 2009.

WTO Announces New Online RTA Database

The WTO launched an RTA database containing notifications, legal provisions, texts and information on WTO assessment last week. Containing nearly 200 Agreements currently in force, the database, which was available to the public as of 14 January, is intended to satisfy the requirements of the General Council's Transparency Decision on Regional Trade Agreements.

The database provides members of the public with an easy-to-use system, providing multiple search options and links to additional country profiles for quick access. Additionally, the system provides detailed information on individual RTAs, such as key provisions, timetables and supporting documents.

Regional Trade Agreements (RTAs) refer to arrangements entered into by a WTO member in which it grants more favourable treatment to trade with certain parties. Although contrary to general principles of non-discrimination, they are permitted by the WTO under specific conditions, and are sometimes described generally as Preferential Trade Agreements (PTAs).

Some 421 RTAs have been notified to the GATT/WTO as of December 2008, and have become a prominent feature of multilateral trade.

However, some have criticised the proliferation of the preferential trade deals as a de facto return to the discriminatory trade practices that existed before the inception of the WTO. In his book *Termites in the Trading System: How Preferential Agreements Undermine Free Trade*, economist Jagdish Bhagwati argues that such arrangements destroy the non-discrimination that once formed the foundation of postwar trade architecture,

creating a confusing and problematic maze of preferences.

WTO Director-General Pascal Lamy said in September 2007 that the “proliferation” of RTAs “is breeding concern — concern about incoherence, confusion, exponential increase of costs for business, unpredictability and even unfairness in trade relations.”

Notably, however, Lamy also acknowledged that many regional initiatives have contributed to economic welfare and political stability.

The WTO's database of Regional Trade Agreements is available now at <http://rtais.wto.org/>.

ICTSD reporting.

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.

Coming up: 22-28 January

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: info@irena.org; and refer to <http://www.irena.org/index.htm>.

26-29 January, Albany, New York, United States. INTERNATIONAL NGOS' WORKSHOP ON DEVELOPMENT FINANCING. The goal of this workshop is to provide technical and financial assistance for development projects and programmes working to reduce global poverty and to raise standards of living by mobilising resources both inside and outside the countries. This event will bring together over 300 representatives of NGOs and CBOs from around the world, and is hosted by the non-profit Randolph Foundation. For more information contact: The Randolph Foundation; tel: +1-309-2944111; e-mail info@randolphfoundation.org; and refer to the website at <http://www.randolphfoundation.org>.

28 January – 1 February, Davos, Switzerland. WORLD ECONOMIC FORUM ANNUAL MEETING 2009. The theme of this annual meeting is “Shaping the Post-Crisis World”, and will host participants from industry, government and civil society. The objective of this year's meeting is to create a systematic approach to improve the state of the world and tackle the most critical challenges of 2009. Unique in its wide ranging scope, over 2,500 participants from 96 countries will gather in Davos, including over 40 heads of state or government. Participation is by invitation only. For more information, please refer to <http://www.weforum.org/en/events/AnnualMeeting2009/index.htm>.

28-30 January, Bangkok, Thailand. CAPACITY DEVELOPMENT WORKSHOP ON IMPROVING AGRICULTURAL PRODUCTIVITY, WATER USE EFFICIENCY AND STRENGTHENING RURAL LIVELIHOODS. This workshop seeks to share experiences and best practices in combating rural poverty. Organised by the United Nations Department of Economic and Social Affairs (DESA/DSD) in collaboration with the UN-Water Decade Programme on Capacity Development (UNWDPC) and the United Nations Economic and Social Commission for Asia and the Pacific (ESCAP), this seminar will host academics, practitioners, policy makers and government officials. Specific objectives include the implementation of policies relating to sustainable agriculture, rural development and irrigation water management with a specific

emphasis on the reduction of rural poverty. For more information contact: Mr. M. Aslam Chaudhry; e-mail chaudhry@un.org; and refer to the website: http://www.un.org/esa/sustdev/calendar/work_bkk09.htm.

WTO Events

An updated list of forthcoming WTO meetings is posted 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.

3-4 February: GENERAL COUNCIL

Other Upcoming Events

5-6 February, Brussels, Belgium. THE ANNUAL CONFERENCE OF THE IFRI ENERGY PROGRAMME: EUROPEAN GOVERNANCE AND THE GEOPOLITICS OF ENERGY. This program will feature a diverse array of actors from government and leading corporations to discuss issues related to this year's theme of "Investing in Europe's Energy Future." Beginning with a broad analysis of current trends in global energy, this two-day event will discuss all matters relating to the development, planning, and financing of energy investments in a changing international arena. Discussion topics will range from investing in electricity and fossil fuels to low carbon energy and transportation, and will be presented by leading experts within the field. For Further Information, please contact Martine Breux; tel: +33-014-0616038; e-mail breux@ifri.org; and refer to the website: www.ifri.org.

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; and refer to the website: <http://dsds.teriin.org/2009/index.htm>.

24 February, Geneva, Switzerland. JOINT CONFERENCE ON THE IMPACT OF GLOBALISATION ON TRANSPORT, LOGISTICS AND TRADE: THE UNECE WORK. This conference, taking place during the annual sessions of the Committee on Inland Transport and the Committee on Trade, will examine ways in which stakeholders within the trade and transport communities may work together, particularly on issues of supply chain competitiveness and measuring border crossing performance. Hosted at the Palais des Nations, the conference will highlight the resources available to governments and businesses through the conventions and recommendations of the United Nations Economic Commission for Europe. For more information please contact: Ms. Martine-Sophie Fouvez; e-mail: infotransport@unece.org; and refer to the website: <http://www.unece.org/jointconference2009.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>.

Resources

STATE OF THE WORLD 2009: CONFRONTING CLIMATE CHANGE. By Worldwatch Institute, January 2009. One of the most accessible sources of information on the current state of the planet, this text is published annually in 28 languages and relied on by a variety of stakeholders. The 2009 edition focuses on issues related to climate change and is intended to initiate discussion in the months leading up to COP15, the United Nations Climate Change Conference set to take place in Copenhagen in December of this year. Featuring 22 summaries of the most important issues linked to climate change, State of the World acts as a practical guide to the myriad challenges of developing a sustainable future. Information about this publication is available at <http://www.earthscan.co.uk/>.

GLOBAL ECONOMIC PROSPECTS: COMMODITIES AT THE CROSSROADS. World Bank, January 2009. The World Bank's 2009 report on economic developments relevant to low and middle income countries finds the global economy transitioning from a period of sustained growth to widespread uncertainty. The report notes that world poverty has on balance increased, and that global GDP growth is likely to decline in 2009. A thorough analysis of overall trends and short term swings, this paper recommends policy steps which should be taken at the international level to respond to the global financial crisis and will be useful to a variety of stakeholders in the global economy. To access this paper, please refer to <http://www.worldbank.org/>.

TOWARD HUMAN RIGHTS CONSISTENT TRADE POLICIES. 3D -> Trade - Human Rights - Equitable Economy. December 2008. This paper examines the interplay of trade and economic policies with human rights principles, standing for the proposition that human rights commitments should play an important role in

economic development. Both a source of information and a practical guide for implementation, this publication seeks to aid human rights actors seeking to engage with trade related issues while also assisting development NGOs and other public interest groups with the use of human rights mechanisms as a tool to promote equitable trade and economic policies. To access this paper, please refer to <http://www.3dthree.org/>.

THE IMPACT OF CLIMATE CHANGE AND ADAPATION ON FOOD PRODUCTION IN LOW-INCOME COUNTRIES: EVIDENCE FROM THE NILE BASIN, ETHIOPIA. Mahmud Yesuf, Salvatore Di Falco, Temesgen Deressa, Claudia Ringler, and Gunnar Kohlin. December 2008. This discussion paper seeks to demonstrate through data gathered from 1,000 farms in the Nile Basin of Ethiopia, impact of climate change on food production in a typical developing nation. Additionally, the authors analyze factors promoting adaptation, such as extension services and access to credit, as well as information on future climate changes and access to social capital. To access this paper, please refer to <http://www.ifpri.org/pubs/dp/ifpridp00828.asp>.