



# Bridges Weekly Trade News Digest

*Weekly trade news from a sustainable development perspective*

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## LEAD STORIES

### Senior Officials Discuss Doha 'Road-Map'

Senior negotiators from major trading nations met in Geneva this week to try to agree on next steps for the troubled Doha Round of trade talks, following a ministerial meeting in Delhi where governments agreed to re-energise negotiations with the aim of concluding the round in 2010 (see Bridges Weekly, 9 September 2009, <http://ictsd.net/i/news/bridgesweekly/54723/>).

However, several delegates expressed scepticism about the prospects for progress in the absence of any movement in countries' actual negotiating positions.

At the Delhi meeting, over 30 governments agreed to instruct their senior officials to meet in Geneva in the week of 14 September, to draw up 'a process of engagement' for the next two to three months. Ministers also asked the officials to work with the chairs of the various Doha negotiating groups to prepare an 'agenda of action' for the talks – dubbed a 'road-map' by WTO Director-General Pascal Lamy, trade sources said.

Negotiators were under pressure to come up with a tangible plan for the round ahead of a meeting of around 20 heads of government in the US industrial city of Pittsburgh next week. The G20 summit declaration, which is expected primarily to address the broader economic crisis, is also due to include some mention of trade – although jaded officials warned that yet more earnest exhortations to reach a deal could do the talks more harm than good if they were not also accompanied by actual progress in the negotiations.

Lamy was said to have asked senior officials from a handful of major countries, along with the chairs of negotiating groups, to attend a Tuesday afternoon invitation-only 'green room' meeting

aimed at reaching agreement on the 'road-map'. He was also due to reconvene the group on Friday evening, following parallel discussions convened on Wednesday by the chairs of the negotiating groups on agriculture and industrial goods.

While the Wednesday meetings were open to all members, a follow-up agriculture meeting on Thursday was to be in 'room E' format – amongst some three dozen countries representing a cross-section of negotiating groups and interests. Another senior level meeting on trade facilitation was planned for Friday.

Developing countries have continually insisted on the need for the Doha talks to be a 'bottom up' process, where bilateral and plurilateral talks complement rather than dictate progress in more inclusive negotiations open to all members – a view reiterated in Delhi. The meetings convened by Lamy reportedly included Australia, Brazil, China, the EU, India, Japan and the US, as well as countries such as Canada, Indonesia, New Zealand, Malaysia, Mexico and South Africa and the chairs of the various negotiating groups.

### Road-map fatigue?

Geneva-based negotiators reported that a number of controversial issues require urgent attention before talks can move forward. In agriculture, these include the special safeguard mechanism (SSM), a measure that would allow developing countries to levy additional duties in the event of a sudden surge in the volume of imports or a price depression; tariff simplification, intended to streamline particularly complex tariffs for the benefit of exporters; and the related issues of whether countries will be allowed to create new quotas for tariff lines that had previously been protected only by tariffs, and the number and treatment of the 'sensitive products' that both developed and developing countries will able to shield from the full force of tariff cuts in exchange for expanding quotas on the same products.

Meanwhile, the talks on non-agricultural market access, or NAMA, will need to focus on non-tariff barriers, sector-specific liberalisation initiatives, preference erosion, and a handful of issues specific to South Africa, Argentina and Venezuela,

the chair of the group, Ambassador Luzius Wasescha of Switzerland, said on Wednesday.

Weary negotiators noted that these issues were essentially the same as those identified at a General Council meeting at the end of last year – a sign of the near absence of progress since last autumn. "You're on a treadmill, you keep running and you're not going anywhere – but you're spending a lot of energy," sighed one delegate.

Another delegate said that it felt as though officials were simply "going through the motions" at this week's meetings. The negotiations lacked the "fervor" and "passion" of the July 2008 mini-ministerial, the official said – "you could see it from the interventions, the body language."

Recent changes of administration in several countries, combined with a change of chair for the agriculture negotiations, have hindered meaningful progress in the talks so far this year.

### Waiting for Washington

Many developing country delegates have pointed to the US as a particular obstacle to the Doha Round negotiations. As the still-new administration of US President Barack Obama has been largely occupied by other pressing priorities for much of the year – notably healthcare reform, the domestic economy, and the environment – the Doha Round has fallen by the wayside.

"The US is not really ready to re-engage because they're now focused more on the domestic agenda," one trade envoy told Bridges, and Geneva-based delegates "are still awaiting the US team." President Obama announced his appointment of Michael Punke as the US' next WTO Ambassador just in the past ten days (see Bridges Weekly, 9 September 2009, <http://ictsd.net/i/news/bridgesweekly/54696/>); Punke has yet to be confirmed by the US Senate.

"Trade is not a priority" for Washington, another delegate said bluntly.

Further confounding progress in the talks, the US indicated in this week's meetings that it may not be willing to accept the draft negotiating texts of December 2008 as the basis for future

negotiations. “They claim that the December texts do not meet US political needs,” said one trade envoy, who stressed that this position was “refused by the majority” of Members, who fear losing the progress that had already been made to that point. He described the impasse as “not very promising” for further progress in the talks.

### **The elephant in the room**

Negotiators acknowledged that the WTO's planned end-November full ministerial conference may be the 'elephant in the room' that no one is mentioning, and yet which may be spurring urgent action. The General Council agreed to a low-profile meeting that will address the WTO's 'regular' business and not the Doha talks, but many delegates query how the gathering can avoid addressing the ongoing negotiations. “For the world at large, you can't have a ministerial without discussing Doha,” one delegate said.

A rule requiring items for the ministerial agenda to be tabled six weeks ahead of the conference would effectively set a mid-October deadline for the talks, trade sources said. Following the Pittsburgh meeting, sustained high-level engagement would be needed for any chance of progress in the talks before that date, said another.

But other delegates downplayed expectations for the late-autumn meeting. “We don't expect that it's going to be something very big coming from the [ministerial] meeting,” a trade official said, although he added that the negotiations “can easily be sped up” if and when “key big players” decide to engage.

ICTSD reporting.

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## **US Tyre Tariffs Spark Spat with China**

In his first major trade move since taking office in January, US President Barack Obama announced on Friday that the US would impose 35 percent tariffs on Chinese tyres in a bid to shield domestic producers from what the White House Press

Secretary called an ‘exponential’ increase in imports of the products.

The move triggered a swift reaction from China, which filed a WTO dispute case against the new duties just three days later, alleging that the tariffs violate world trade rules. Beijing also vowed to launch anti-dumping probes into US exports of autos and poultry products, although Chinese officials insisted the investigations were ‘not revenge’ for Washington's new tyre sanctions.

“This is a grave act of protectionism,” China's commerce minister Chen Deming said of Washington's new duties. “Not only does it violate WTO rules, it contravenes commitments the United States government made at the G20 financial summit.”

The ad valorem duties, which are set to take effect on 26 September, will last three years and will decline from 35 percent in year one to 30 percent in year two and 25 percent in year three. The tariffs will be in addition to the four percent duty that Washington already places on imports of Chinese tyres.

Washington alleges no Chinese trade violations in its justification of the new duties; the White House is simply making use of a ‘transitional product-specific safeguard’ clause that was written into the terms of China's accession to the WTO in 2001, a measure that was codified in Section 421 of the US Trade Act. The measure provides a bulwark against potential import surges for WTO members that might struggle to adjust to China's new position in the world economy. The measure will expire in 2013.

In April, the United Steel Workers, a Pittsburgh-based labour group, asked the US International Trade Commission (ITC) – an independent federal agency tasked with evaluating trade complaints – to investigate whether imports of Chinese tyres met the criteria for ‘market disruption’ needed to invoke the Section 421 safeguard. The group claimed that imports of Chinese tyres more than tripled between 2004 and 2008 and that US tyre production declined by 25 percent over the same period, triggering plant closures and the loss of more than 4,400 jobs.

The ITC's conclusion, delivered in June, was music to the union's ears: the agency recommended that the US impose three-year duties on Chinese tyres, starting at 55 percent and decreasing by 10 percentage points each year. Section 421 gives the President, not the ITC, ultimate discretion over what, if any, safeguard measures are warranted; Obama had until 17 September to make his decision.

The ITC recommended four times that former President George W. Bush invoke the safeguard, but he rejected all of the requests. Now, with a labour-friendly leader in the White House, the unions anticipated an outcome in their favour. Obama relied heavily on union support during his election campaign last year, and he is hoping to recruit organised labour to help him in his ongoing fight to reform the US healthcare system.

But US industry was not wholly supportive of the new tariffs. Two major US tyre companies – Cooper Tire and Rubber Company and Toyo Tires – spoke out against the ITC's recommendations, arguing that the proposed duties would stifle their activities in China, where both companies have operations, and ultimately do their companies more harm than good.

But Obama came down on the side of labour; the announcement was made public at 21.45 on Friday night.

"No trading system will work if we fail to enforce our trade agreements," Obama said in a speech on Wall Street on Monday. "So when – as happened this weekend – we invoke provisions of existing agreements, we do so not to be provocative or to promote self-defeating protectionism, we do so because enforcing trade agreements is part and parcel of maintaining an open and free trading system."

### **China pushes back**

Beijing responded forcefully to Obama's announcement, filing suit almost immediately at the WTO to officially challenge the new duties. A statement issued by the Chinese mission to the WTO accused Washington of "abusing trade remedies" in the interest of protectionism.

"It was a misuse of the special safeguard measures and sent a wrong signal to the world," said Chinese Commerce Minister Chen Deming.

World leaders vowed at a summit of the G20 in April to refrain from imposing new measures that would restrict world trade as the global economy struggles to get back on its feet.

More than just violating the G20 commitment, though, Beijing insists that Washington's new tariffs cannot be justified under existing trade rules. Chinese tyre exports to the US fell 16 percent in the first half of this year compared with the same period in 2008, China's Ministry of Commerce insisted in a statement, and 2008 exports were only a 2.2 percent increase from 2007.

Following Beijing's request for consultations, the two sides will now have 60 days to attempt to resolve the matter bilaterally. If no solution is reached, China has the right to ask the WTO to create a dispute panel to hear its case.

### **What's at stake**

Tensions over the tyre row quickly threatened to spread to other areas of the countries' bilateral commerce, as Beijing revealed over the weekend that it was launching anti-dumping investigations into imports of US autos and poultry products.

China and the United States are each others' second-largest trading partners (China's biggest partner is the European Union, while the US' is Canada). When it comes to trade, though, the bilateral relationship means more to Beijing than it does to Washington. Chinese exports to the US account for 6 percent of China's total economic output, 13 times the share of the American economy represented by US exports to China, according to a report in The New York Times. But China holds vast amounts of US debt, and a massive sell-off of US Treasury Bonds could cripple the American economy.

Whether the tyres dispute will spill over into other areas of US-Sino relations has been the subject of intense speculation among political observers. There is certainly plenty at stake: the two countries are already deeply engaged in talks on how to

address climate change, the global economy, and North Korea's nuclear ambitions.

The White House insists that the new trade row will not hinder talks at next week's G20 summit in Pittsburgh, where Obama will meet with Chinese President Hu Jintao and other world leaders. Some observers disagree.

"Trade restraints under Section 421 will no doubt be considered by the Chinese to be a directive of the US president," says Daniel Ikenson of the Washington-based Cato Institute, "and thus the offence taken and the consequences wrought could be profound."

But Edward Gresser of the Progressive Policy Institute sees hints of hyperbole in some of the reactions to the tariffs. "Experts and trade-watchers see the tariffs as a major event. For free traders, it risks being the first step towards a 1930s-style closure of world markets. Populists alarmed about competitive pressure, on the other hand, see it as a bold stand for American workers and against foreigners," he wrote for The YaleGlobal Online. "Both are probably wrong. The tariffs on Chinese tyres probably won't cause a trans-Pacific trade war; nor will it make much difference for the American tyre business either."

ICTSD reporting; "China: US tire tariff sends 'wrong signal' to world," XINHUA, 13 September 2009; "China moves to retaliate against US tire tariff," THE NEW YORK TIMES, 14 September 2009.

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## OTHER NEWS

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### Trade Still Alive, but Competition at Risk: WTO, OECD, UNCTAD

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Despite some 'slippage', the world's leading economies have largely stuck to pledges to refrain from creating new obstacles to trade and investment amidst the worst financial crisis in decades, the heads of the WTO, the OECD, and UNCTAD said this week.

But "growing unemployment due to the crisis will continue to fuel protectionist pressures for the years to come," they warned, even though there are signs that the sharp drop in global trade and investment flows may be bottoming out.

WTO Director-General Pascal Lamy, Organization for Economic Cooperation and Development Secretary-General Angel Gurría, and Supachai Panitchpakdi, the secretary-general of the UN Conference on Trade and Development, also called on governments to "start planning a coordinated exit strategy" from their emergency support for industry and the financial sector as soon as possible, since the measures could end up favouring domestic goods and services over imports.

The joint report, issued on 14 September ahead of the upcoming Pittsburgh summit of the Group of Twenty industrialised and developing countries, tracked G20 members' trade and investment policies from April to August. It measured them against the yardstick of the group's promises, made over the past year, to refrain from protectionism and to minimise the negative impacts of fiscal and financial policy on trade and investment. At an April leaders' summit in London, the G20, which has supplanted the rich country club of the G8 as informal coordinator of the global economy, had asked the WTO to monitor its members' adherence to their pledges on trade.

"There is no indication of a descent into high-intensity protectionism as a reaction to the crisis, involving widespread resort to trade or investment restriction or retaliation," the report concluded, suggesting that G20 governments had managed to keep protectionist pressures within control.

It did, however, point to 'policy slippage', both before and since April. Some G20 members have raised tariffs and non-tariff barriers, notably to protect the steel and auto industries. Use of trade defence mechanisms like safeguards has risen. The EU and the US have brought back highly trade-distorting export subsidies to help their dairy products compete on world markets. And while fiscal stimulus measures have helped boost demand, which in turn supports trade, some countries and local and regional governments have

placed 'buy local' requirements in their spending packages.

While the report said that trade and investment measures thus far mirrored those taken during previous downturns, "the danger is of an incremental build-up of 'sand in the gears' of international trade that could aggravate the contraction of world trade and investment and undermine confidence in an early and sustained recovery of global economic activity." It noted the contradiction between attempting to boost aggregate demand and restricting trade and investment, which it described as a tax on production and income.

These conclusions were similar to those reached by Pascal Lamy's office in three reports released this year as part of an ongoing exercise to monitor all WTO Members' crisis-related trade policies: some backsliding but no widespread retreat into protectionism. The recent study, which differed from the WTO reports in that it focused only on the G20 and included OECD and UNCTAD data on investment, struck a markedly different tone from a World Bank alert in March, which warned that 17 members of the G20 had erected trade barriers, and raised the spectre of 1930s-style economic isolationism.

The report came out too early to reflect the Obama administration's decision to impose extra duties on Chinese tyres, a move that prompted Beijing to threaten retaliation, sparking fears of a costly trade war (see related story, this issue).

### **Trade data improving**

The report found cause to believe that international trade flows are "beginning to normalise." World merchandise trade rose by 2.5 percent in June 2009, with all regions but Africa and the Middle East showing higher exports than the month before. Despite the rise, world trade in June 2009 was 19 percent below its April 2008 peak.

The trade rebound was particularly pronounced in the newly industrialised economies of East Asia, with some evidence that China's stimulus package is boosting intra-regional trade.

Governments have successfully mobilised extra credit and insurance to counteract the sudden shortfall in trade finance after credit markets seized up last fall – a shortfall which, along with declining demand, contributed to the dramatic decline in trade flows. However, strong demand for extra credit facilities by government agencies suggests that private banks have not fully reassumed their traditional role as providers of trade finance.

### **Investment flows falling**

According to UNCTAD, foreign direct investment flows have been plummeting. Following a 14 percent decline in 2008, FDI is projected to fall by 30 to 40 percent this year. Inflows to the 30 OECD countries might halve, to US\$ 500 billion.

In the realm of government policy vis-à-vis foreign investment, however, the report noted that most changes undertaken by G20 members had the stated purpose of increasing openness and clarity for investors. For instance, Australia liberalised screening requirements, lowering costs for would-be foreign investors. Indonesia provided foreign investors with better services and fiscal facilities. Several governments also signed new bilateral investment treaties, or broader free trade agreements incorporating protections for foreign investors.

However, the report noted that the "sheer size" of emergency intervention in globalised sectors like finance and automobiles created "a strong presumption" that capital movements would be influenced. "Akin to subsidies, emergency measures may effectively create advantages for domestic sectors and put foreign players at a disadvantage," it said. And as governments try to wind down crisis-prompted investments, there would be scope for them to favour domestic investors.

The study also gave a nod to so-called financial protectionism, noting that many governments have either urged or required banks receiving aid to be sensitive to the borrowing needs of domestic business.



## Trade restrictions, and future distortions

The report found that, in the main, increased tariff and non-tariff barriers (such as licensing and labeling requirements) were concentrated in a relatively small number of sectors: agriculture, iron and steel, motor vehicles and parts, chemicals and plastics, and textiles.

The number of anti-dumping investigations initiated – a proxy for protectionist pressures exerted on governments by domestic business – was no higher than for the same period in 2008. However, the profile of countries taking this necessary precursor to imposing anti-dumping duties changed significantly: the number of investigations initiated by China almost quintupled, from three to 14. China is also a frequent target of anti-dumping investigations, for everything from mattress components to steel grating.

There was a dramatic increase in the number of investigations launched to determine whether safeguards, a different trade defence mechanism, could be used to restrict imports – from two in the first seven months of 2008, to 16 in 2009 (14 of which were by India).

The trade impact of fiscal stimulus and industrial and financial support programmes was hard to measure, the report acknowledged, due primarily to a lack of data about how the schemes are being implemented. It called attention to the potential long-term effects of these measures on fair competition. “The longer the subsidies remain in place, the more they will distort market-based production and investment decisions globally, the greater will become the threat of chronic trade distortions developing, and the more difficult it will become to correct those distortions,” it said, using the subsidy-rich agriculture sector as a case in point.

The report was followed by annexes containing a country-by-country description of trade-related measures, economic stimulus policies, financial sector support schemes, and investment-related policy changes made by G20 governments between April and August. Most of the information was either notified by the governments in question or publicly available.

## Additional information

The WTO-OECD-UNCTAD Report on G-20 Trade and Investment Measures is available online at <http://www.oecd.org/dataoecd/56/48/43689944.pdf>.

ICTSD reporting.

## IN BRIEF

### EU Releases Communication on Enhanced IP Enforcement for its Internal Market

The European Commission recently adopted new practical, non-legislative measures to complement the existing internal legal framework on the enforcement of intellectual property rights (IPRs). The communication – “Enhancing the enforcement of intellectual property rights in the internal market” – is meant to promote collaboration between the private sector, national authorities and consumers. The European Union hopes the new communication will help the bloc’s 27 member nations clamp down on counterfeiting and piracy.

“Intellectual property rights encourage innovation and creativity which results in an essential cycle of business development, knowledge, further innovation and employment,” said Charlie McCreevy, the EU’s Internal Market and Services Commissioner. “Unfortunately, there are always those who will seek to undermine honest intentions. We need to stop this dangerous trend not by more legislation, but by mobilising stronger collaboration helping us to fight back.”

The communication calls for the creation of a European Observatory on Counterfeiting and Piracy, an initiative that would encourage stakeholders to collect, analyse and evaluate data so that they might share best practices and produce comprehensive information on the extent of counterfeiting and piracy in the EU.

The communication also calls for the appointment of new National Coordinators, who would help to “synchronise” the enforcement of intellectual property rights and ensure more effective information exchange among the EU’s various national administrative authorities. Finally, the new document encourages stakeholders to build coalitions and develop “collaborative voluntary arrangements” to fight infringements of IPRs, in particular by tackling the sale of counterfeited goods over the internet.

The communication is part of the Commission’s broader “IPR Strategy for Europe,” an initiative adopted in 2008 and that is based on a previous European Council resolution. At the global level, the EU is participating in negotiations towards an Anti-Counterfeiting Trade Agreement (ACTA) and is implementing the EU-China Plan of Action for increased customs collaboration. The communication makes note of the EU’s efforts on both fronts.

Although the communication makes no specific mention of recent European customs seizures of generic medicines in transit between non-EU countries, efforts to ‘synchronise’ the enforcement of intellectual property rights and ensure more effective information sharing could be of relevance to such seizures. The effects of the seizures on access to medicines have caused concern among developing countries and health NGOs, which have raised the issue at the World Trade Organization (WTO) and the World Health Organization (WHO).

"Enhanced cross-border cooperation between authorities needs to be improved to ensure consistent IPR enforcement at the borders and across the EU," says EC spokesman in Geneva Sergio Balibrea in this context.

Several news reports in recent weeks have indicated that India is seriously considering taking the matter to the WTO dispute settlement procedure.

ICTSD reporting.

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## US Debates Continue on FTAs with Colombia, South Korea

United States Trade Representative (USTR) Ron Kirk has received more than 500 responses to his request for comments from stakeholders concerning pending free trade agreements with Colombia and South Korea, the USTR said on Tuesday.

“We will carefully review the comments received to help us determine how best to move forward with these FTAs,” said Kirk in a statement.

The deals, signed in November 2006 with Bogotá and June 2007 with Seoul, have yet to be ratified by the US Congress. On 14 September, Washington said that it was taking another look at the pact with South Korea, due to the recent troubles of the US auto industry.

US auto interests say their concerns have yet to be addressed. Making its case to the USTR, the UAW – a labour union representing auto workers -- argued that it would be particularly difficult, even with lowered tariffs, for US auto firms to compete with their Korean competitors, thanks to the support they receive from Seoul.

A US trade official seemed sympathetic to their complaints. “Given the difficulty that American autos have had getting into the Korean market historically, we may have to go back and look if there’s something more we can do,” Kathleen Phillips, US ambassador to South Korea said at a visit to the Korea Economic Institute. According to a USTR press release, the free trade agreement with South Korea is the most commercially significant agreement in the last 16 years.

Meanwhile, the Colombia deal – which would boost US exports to the South American country by an estimated US\$ 1 billion annually – has been blocked by some Democrats who are apprehensive over the country’s alleged persecution of members of labour unions.

Opposition to the agreements has been prominent in the US, from stakeholders and government representatives, but the deals have also met with backlash in Colombia and South Korea. Both



countries' populations have shown concern over US beef imports, due to the possibility of "mad cow disease."

In Seoul, a so-called "beef crisis" arose, with distressed consumers putting on candlelight protests over the quality of beef entering their country. Korean farmers and workers have also organised resistance groups, due to nervousness relating to what they perceive as a very broad opening of the market to US imports.

Back in the US, some observers wonder whether US President Barack Obama is truly committed to pushing for new trade agreements, given that his eight-month-old administration has yet to take any strong steps toward greater market opening. But Obama insists he sees the value of free trade deals.

"A healthy economy in the 21st century...depends on our ability to buy and sell goods in markets across the globe," Obama said in a speech to union members on Tuesday. "And make no mistake, this administration is committed to pursuing expanded trade and new trade agreements. It is absolutely essential to our economic future."

ICTSD reporting; "US takes comments on trade pacts with SKorea, Colombia," AFP, 16 September 2009.

## WTO IN BRIEF

### WTO Issues Interim Ruling in Boeing-Airbus Dispute

The WTO has issued an interim report in a long-running spat between the US and the EU over airline subsidies, media sources reported last week. The confidential ruling, which was said to have largely found in favour of Washington, could impact a pending US military deal for refuelling tankers worth an estimated US\$ 35 billion.

The interim report concerns the EU's € 3.5 billion 'launch aid' subsidies to European manufacturer Airbus. The additional support is meant to offset

the cost of Airbus' A350 long-range aircraft, which will compete with US-based Boeing's 777 and 787 planes but is expected to have lower operating costs and use less fuel.

US officials claimed the ruling was a victory for US interests.

"They didn't assess a damage amount, as of yet. But they said there was a violation of the rules and there was harm that happened to Boeing because of this ... aid that was illegal," Senator Sam Brownback of Kansas said on Friday, Reuters reported.

The office of the US Trade Representative declined to comment, citing the ruling's confidentiality.

Brussels and Washington have tussled over aircraft subsidies for more than three decades, essentially since Airbus emerged as a major market player in the 1970s. In 1992, the two sides signed the Agreement on Trade in Large Civil Aircraft, which set out guidelines for how the governments could support their aircraft manufacturers. But Washington pulled out of the deal in 2004 and promptly launched a WTO challenge against European subsidies. Brussels followed suit with its own dispute case just a few months later.

Governments on both sides of the Atlantic heavily subsidise the production of civil aircraft, an industry marked by long investment cycles, frequent external shocks, and extremely high barriers to entry.

The interim ruling could impact a major pending deal with the US Department of Defense. US-based Northrup Grumman has partnered with Airbus' parent company, EADS, to bid for the US\$ 35 billion contract, for which Boeing is also competing. Some US officials have called on the Defense Department to refuse Northrup's bid based on the conclusions of the interim ruling, but others say that would go too far.

"It would be a grave mistake, with severe consequences for both our economy and trade relations, to use a preliminary WTO report as justification for restricting the ability of our military to procure the best equipment possible,"

said Senator Richard Shelby, whose home state of Alabama is where the tanker would be built if Northrop wins the contract.

Meanwhile, Brussels' counter-suit is still in the works. In that case, the EU alleges that Washington provides illegal subsidies to Boeing through contracts with the Defense Department and the National Aeronautics and Space Administration (NASA). Brussels says that its approach to subsidies is more transparent than the military contracts and tax rebates that Washington offers to Boeing.

ICTSD reporting.

## EVENTS & RESOURCES

### Events

#### Coming up: 16-23 September

16-18 September, Cartagena, Colombia. LATIN AMERICAN FIFTH REGIONAL MEETING ON SUSTAINABLE CONSUMPTION AND PRODUCTION. This is a regional meeting to report the progress achieved on Sustainable Consumption and Production in Latin America and the Caribbean with regard to the priorities identified by the Council of Experts and ratified by Decision 10 of the Forum of Ministers. The meeting will also define the specific contributions of the region to the 10 Year Framework of Programmes (10 YFP) that will be presented in 2010. Attendance is by invitation only. Contact Victoria Belaustegui at [victoria.belaustegui@pnuma.org](mailto:victoria.belaustegui@pnuma.org) for information on the event.

17-18 September, Geneva, Switzerland. WIPO GLOBAL SYMPOSIUM OF INTELLECTUAL PROPERTY AUTHORITIES: DEVELOPING GLOBAL INTELLECTUAL PROPERTY INFRASTRUCTURE FOR PROMOTING

SCIENCE, NEW TECHNOLOGIES, AND INNOVATION WORLDWIDE. The World Intellectual Property Organization (WIPO) is organising a Global Symposium at the International Conference Center Geneva (CICG). The Symposium will provide heads of IP authorities, industry leaders and other stakeholders with an international forum in which to discuss how the present intellectual property infrastructure could be developed in a coherent way to support increasingly borderless activities for innovation within science and technology communities and industries. The event is open to the general public. Online registration is closed but it will be possible to register on arrival at the CICG on 17 September. For more information, visit [http://www.wipo.int/meetings/en/2009/sym\\_ip\\_auth/](http://www.wipo.int/meetings/en/2009/sym_ip_auth/)

18 September, Paris, France. OECD CONFERENCE ON THE ECONOMICS OF CLIMATE CHANGE. The purpose of the conference is to bring together high-level experts, government decision-makers and representatives from civil society to discuss how climate change mitigation and adaptation can best be tackled in an economically efficient manner, including by ensuring sufficient incentives for participation by all. Attendance is limited and registration takes place via OECD Member States delegations. For more information, visit [http://www.oecd.org/document/41/0,3343,en\\_2649\\_34361\\_43298281\\_1\\_1\\_1\\_1,00.html](http://www.oecd.org/document/41/0,3343,en_2649_34361_43298281_1_1_1_1,00.html)

21-22 September, Venice, Italy. 11TH ANNUAL BIOECON CONFERENCE ON ECONOMIC INSTRUMENTS TO ENHANCE THE CONSERVATION AND SUSTAINABLE USE OF BIODIVERSITY. Hosted by the Fondazione Eni Enrico Mattei, in association with Conservation International, Department for Environment, Food, and Agricultural Affairs, Department of Land Economy of Cambridge University, Department of Economics of University of Ca' Foscari Venice, and European Investment

Bank, the Conference will be held at the Centro Culturale Don Orione Artigianelli. The conference is targeted at researchers, environmental professionals, international organisations and policy makers who are interested in working in the management and conservation of biodiversity. The Conference is focussed on identifying the most effective and efficient instruments for biodiversity conservation, such as auctions of biodiversity conservation contracts, payment-for-services contracts, taxes, tradable permits, voluntary mechanisms and straightforward command and control. The registration fee for conference auditors is of € 198, and travel and accommodation expenses remain the responsibility of participants. If you need more information, and for late registration and payment, please contact Ms. Ughetta Molin Fop, e-mail [ughetta.molin@feem.it](mailto:ughetta.molin@feem.it), fax +39.041.2711461.

22 September, New York, US. HIGH LEVEL EVENT ON CLIMATE CHANGE. UN Secretary-General Ban Ki-moon will host an all-day, high-level event on climate change for Heads of State and Government at United Nations Headquarters on Tuesday, 22 September 2009, one day before the opening of the general debate of the 64th session of the General Assembly. For more information, please visit <http://www.un.org/wcm/content/site/climatechange/gateway>

## WTO Events

An updated list of forthcoming WTO meetings is posted at [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.

17-18 September: THE THINK AHEAD ON INTERNATIONAL TRADE PROGRAMME: CHALLENGES FACING THE WORLD TRADE SYSTEM

21 September: EID AL-FITR (WTO NON-WORKING DAY)

22 September: DISPUTE SETTLEMENT BODY

22 September: WORKING GROUP ON TRADE, DEBT AND FINANCE

22-24 September: WORKSHOP ON AGRICULTURE NOTIFICATIONS

23-25 September: WORKSHOP ON ENVIRONMENTAL GOODS AND SERVICES

## Other upcoming events

28-30 September, Geneva, Switzerland. WTO PUBLIC FORUM 2009. Under the heading “Global problems, global solutions: towards better global governance,” the World Trade Organization (WTO) Public Forum 2009 will gather civil society representatives, governments and international organisations to discuss the role of the multilateral trading system and the Doha Round of negotiations within the context of the current global economic crisis. For more information, send an email to [publicforum2009@wto.org](mailto:publicforum2009@wto.org), or see the event’s website [http://www.wto.org/english/forums\\_e/ngo\\_e/forum09\\_background\\_e.htm](http://www.wto.org/english/forums_e/ngo_e/forum09_background_e.htm)

29 September, Geneva, Switzerland. TRADE AND CLIMATE CHANGE CODE WITH GARY HUFBAUER. As climate change policy shifts into high gear ahead of the end-of-year Copenhagen Summit, there is an increased need to better manage and perhaps

remodel the interface between trade and climate change policies and agreements. There is a need for new and improved tools to organise convergence (and manage likely divergences) at the trade-climate change interface, and to explore the scope for – and consequences of – changing current trade disciplines and the assumptions that underlie them. One of the most interesting proposals made to date in this regard is that of a “Trade and Climate Code” advanced by Gary Hufbauer, Steve Charnovitz and Jusun Kim in their recent book *Global Warming and the World Trading System*. At this event, co-hosted by ICTSD and WTI Advisors, Gary C. Hufbauer of the Washington-based Peterson Institute for International Economics, Washington, will present his proposal to a Geneva audience. His presentation will be followed by comments from Gary Horlick, of The Law Offices of Gary Horlick, Washington D.C., Hannes Schloemann, WTI Advisors, Geneva, and Johannes Bernabe of ICTSD. For more information, please email Cecile de Gardelle, [cdegardelle@ictsd.ch](mailto:cdegardelle@ictsd.ch)

29 September, Geneva, Switzerland. GLOBAL NETWORKING TO INCREASE MEMBERSTATE CAPACITY WITHIN THE DISPUTE SETTLEMENT PROCESS. While the DSU is intergovernmental in nature, WTO Dispute Settlement would not be possible without the involvement of a wider network of stakeholders. Private firms, legal counsel, and nongovernmental organisations all provide invaluable assistance to Member states hoping to overcome disagreement via the mechanism. This point has particular salience with respect to overcoming the unfortunate underrepresentation of developing country Member states in WTO Dispute Settlement. This panel event, hosted by ICTSD at the WTO Public Forum, will address the role of non-state actors in WTO disputes and will consider how they are now used – and how they might be used further – to help increase the capacity of Member states to engage in the

process. For more information, please email Cecile de Gardelle, [cdegardelle@ictsd.ch](mailto:cdegardelle@ictsd.ch)

30 September, Geneva, Switzerland. NEW LABOUR AND ENVIRONMENTAL PROVISIONS IN REGIONAL TRADE AGREEMENTS AND HOW SUCH PROVISIONS RELATE TO THE MULTILATERAL TRADING SYSTEM. The number of RTAs notified to the WTO is growing. The EU and the US are placing their efforts in negotiating and implementing a new generation of regional and bilateral trade agreements. Examples are recent cooperation agreements with Central America, CARIFORUM and Andean countries. Moreover India is currently negotiating RTAs with the EU and ASEAN. One of the main reasons for the increasing number of such agreements is that they allow WTO members to achieve progress toward trade liberalisation that they cannot attain in the multilateral system. In the package of issues being covered by RTAs, especially in those between developed and developing countries, new issues are brought to the agenda. At the systemic level: MFN clauses, the relation with Article XXIV and the non execution clause have important implications for developing countries engaging in RTAs. Also regulatory aspects on the relationship between environment and labour standards are starting to arise. While developing countries tend to look at these issues with some level of distrust; consumer and market preferences are reshaping these perceptions. This panel event, organised by ICTSD for the WTO Public Forum, will explore these issues and their implications. For more information, please email Cecile de Gardelle, [cdegardelle@ictsd.ch](mailto:cdegardelle@ictsd.ch)

30 September, Geneva, Switzerland. STRENGTHENING MULTILATERALISM IN TRADE FOR SUSTAINABLE DEVELOPMENT: REFORMING THE WTO FOR THE FUTURE. This session, which will be co-

hosted by ICTSD and the Global Economic Governance Programme of the University of Oxford, will address the challenge of strengthening the multilateral trading system for trade and sustainable development. The starting point for discussion will be that the WTO is a vital and valuable institution, but that changes need to be made to ensure the multilateral trading system addresses the changing times, the new political and economic realities of the trading system, and the pressing challenges of sustainable development. The event will be held during the WTO Public Forum. For more information, please email Cecile de Gardelle, [cdegardelle@ictsd.ch](mailto:cdegardelle@ictsd.ch)

22-23 October, Washington DC, USA. DIALOGUE ON FORESTS, GOVERNANCE, AND CLIMATE CHANGE. Jointly organised by Chatham House, the Rights and Resources Initiative and the World Resources Institute, this is the second in a series of meetings aiming to promote learning and frank discussion on the key issues facing forests and forest communities as the world scales up efforts to mitigate and adapt to climate change. The meeting will focus on the international implications of the Waxman-Markey bill now working its way through the US Congress, as well as the preliminary steps by the UN-REDD and FCPF to establish REDD Readiness in developing countries to date. The meeting is open to all, and there is no charge for admission. However, pre-registration is essential, and you must register by the end of Friday 15 October to be guaranteed admission. To register, please send your name and affiliation to Lucy Ellinas at [climateforest.registration@chathamhouse.org.uk](mailto:climateforest.registration@chathamhouse.org.uk)

26-28 October, Geneva, Switzerland. THE 2009 BRIDGES CHINA DIALOGUE. CHINA AND GLOBAL SUSTAINABLE RECOVERY: TRADE, ENERGY CONSERVATION

AND LOW-CARBON INITIATIVES. Against the backdrop of the current recession, China's economic and political landscape is of paramount importance in facilitating a speedy global recovery. The 2009 Bridges China Dialogue will bring together experts from government, business, academia and civil society organisations for an in-depth discussion and examination of China's market dynamics and policy implications with regards to a global sustainable recovery. For information on panels, speakers and attendance, please visit the meeting's website: [www.bridgeschina.com](http://www.bridgeschina.com)

2-3 November 2009, Bangkok, Thailand. ASIA-PACIFIC TRADE ECONOMISTS' CONFERENCE. Under the heading "Traded growth in times of Crisis," the conference will be an opportunity for trade researchers and policy makers to discuss implications of the global economic crisis for trade in the Asia-Pacific region. The conference will feature panel discussions led by eminent trade specialists and presentations by researchers on a wide range of trade-related issues, including trade governance, trade facilitation, trade liberalisation in services, and trade and development. The conference will celebrate the 5th anniversary of the Asia-Pacific Research and Training network on Trade (ARTNeT) and is organized by the United Nations Economic and Social Commission for Asia and the Pacific (ESCAP), in collaboration with the International Development Research Centre (IDRC), Canada, the United Nations Conference on Trade and Development (UNCTAD), the United Nations Development Programme (UNDP) Regional Centre in Colombo, and the World Trade Organization (WTO). The conference brochure can be viewed at <http://www.unescap.org/tid/artnet/mtg/ARTNeT%20conference-1.pdf> with organizational details listed on the Conference website [http://www.unescap.org/tid/artnet/artnet\\_c](http://www.unescap.org/tid/artnet/artnet_c)

[onference.asp](#). Please register by writing to [artnetontrade@un.org](mailto:artnetontrade@un.org) (no registration fee).

## RESOURCES

THE RISE OF BILATERALISM: COMPARING AMERICAN, EUROPEAN AND ASIAN APPROACHES TO PREFERENTIAL TRADE AGREEMENTS. By Kenneth Heydon and Stephen Woolcock. United Nations University Press, 2009. As multilateral negotiations become increasingly complex and protracted, preferential trade agreements have become the centrepiece of trade diplomacy, pushing beyond tariffs into deep integration and beyond regionalism into a web of bilateral deals, raising concerns about coercion by bigger players. This study examines American, European and Asian approaches to preferential trade agreements and their effect on trade, investment and economic welfare. With bilateralism in trade driven by foreign policy, environmental and social concerns, as well as market access objectives, the key question today is not preferential agreements or multilateralism, but how the various negotiating forums interact. For additional information or to purchase the book, please visit <http://www.unu.edu/unupress/2009/riseOfBilateralism.html>

TRADE AND DEVELOPMENT REPORT 2009. By United Nations Conference on Trade and Development (UNCTAD), 7 September 2009. This report presents a gloomy global economic outlook in the context of the ongoing global financial and economic crisis. It looks at the channels through which this deep crisis, which originated in developed countries, is spreading to developing and transition economies: through financial flows, international trade and commodity prices, migrants' remittances and external debt. The Trade and Development Report 2009 examines in some detail the short-term policy responses taken to tackle the immediate effects of this crisis. In analysing the causes of the crisis, the Trade and Development Report 2009 focusses on the role of excessive risk-taking made possible by financial deregulation and innovation in obscure financial instruments. The report can be ordered from the UNCTAD website at

<http://www.unctad.org/Templates/webflyer.asp?docid=11867&intItemID=1397&lang=1>

SETTING THE NAFTA AGENDA ON CLIMATE CHANGE. By Jeffrey J. Schott and Meera Fickling. Peterson Institute for International Economics, August 2009. After years of inaction, the three partners in the North American Free Trade Agreement (NAFTA)—Canada, Mexico, and the United States—now recognise the imperative to start the long-term process of substantially reducing greenhouse gas (GHG) emissions. This policy brief assesses the implications of the American Climate and Energy Security Act (ACESA) for North American trade and investment, particularly the free distribution of emissions permits, the allocation of revenues generated by the limited auctioning of emissions permits, the impact of renewable portfolio standards on US-Canada electricity trade, and the international offset provisions. The policy brief is available online at <http://www.petersoninstitute.org/publications/interstitial.cfm?ResearchID=1277>.