



# Bridges Weekly Trade News Digest

*Weekly trade news from a sustainable development perspective*

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## LEAD STORIES

### US Senate Passes Stimulus Bill with Tempered 'Buy American' Requirements

The United States Senate passed a stimulus bill on Tuesday that includes controversial 'Buy American' purchasing requirements for iron, steel and manufactured products, but also carries a clause guaranteeing that the domestic-sourcing provisions do not violate the US' international trade obligations.

The US\$ 838 billion package, which passed in a 67-31 vote, is intended to jump-start the flagging US economy by providing an influx of funds for everything from school construction to unemployment benefits to an expanded tax credit for first-time home buyers.

But at least one section of the bill – the 'Buy American' requirements – has caught the attention of US trading partners, who have been closely tracking congressional debates on the matter.

The House version of the stimulus bill, passed on 28 January, includes domestic sourcing requirements for iron and steel (see Bridges Weekly, 4 February 2009, <http://ictsd.net/i/news/bridgesweekly/39776/>).

The Senate version passed yesterday goes one step further, extending the measure to all manufactured goods.

Negotiations among policymakers from the Senate, House, and the White House began immediately after senators finished voting yesterday. Their task is now to reconcile differences between the House and Senate versions of the bill, while ensuring that the compromise they strike will receive the signature of US President Barack Obama, who has said he wants the final version of the bill on his desk by

16 February, the Presidents' Day holiday in the US.

Thus, it remains to be seen how – or even whether – the controversial Buy American provisions will appear in that final compromise legislation.

Obama signalled in several interviews last week that he had reservations about including the 'Buy American' measures in the stimulus bill.

"That is a potential source of trade wars that we can't afford at a time when trade is sinking all across the globe," Obama told ABCNews.

'Buy American' had its opponents in the Senate as well. Republican Senator John McCain last week proposed an amendment that would strike all of the 'Buy American' provisions from the stimulus bill.

"Should we enact such a provision, it will only be a matter of time before we face an array of similar protectionism from other countries – from 'Buy European' to 'Buy Japanese' and more," McCain said before the vote on his amendment.

A majority of Senators disagreed with McCain – defeating the measure in a 65-31 vote.

But lawmakers did succeed in adding new language clarifying that the domestic-sourcing provisions in the stimulus bill "shall be applied in a manner consistent with United States obligations under international agreements." The amendment was sponsored by Senate Democrats Byron Dorgan, Max Baucus, and Sherrod Brown.

"This will help ensure we are doing all we can to promote US businesses and create jobs, which is the purpose of the economic recovery bill," Senator Sherrod Brown, Democrat of Ohio, said last week after the Senate approved the amendment by voice vote.

But European manufacturers said the new language did not do enough to keep trade flows open.

"Unfortunately the Senate's vote does not go further and overturn the Buy American clause,"

said Gordon Moffat, Director General of EUROFER, the European Confederation of Iron and Steel Industries.

"It is a protectionist measure. It sends the wrong message to the world exactly at the time that everyone should be working to keep markets open," Moffat said.

The House version of the stimulus bill, which includes 'Buy American' requirements for iron and steel, contains no such exceptions for international trade agreements. The legislation does, however, allow the head of a department or agency to waive the domestic-sourcing requirement if he or she determines that it is in the 'public interest' to do so. Some observers say that this exception, if carefully implemented, could be the means through which the government avoids violating any international treaty.

### **Strong reactions from abroad**

US trading partners have signalled strong opposition to the 'Buy American' measures, which many have labelled protectionist – a dirty word in the international community these days, as many world leaders have been urging countries to resist the temptation to close their borders to trade amidst the economic turmoil (see related story, this issue).

"We must recognise that any protectionist measure is not a one-way street and protectionism is not good for the world," Indian trade minister Kamal Nath said last week in response to a question about the 'Buy American' provisions, the Telegraph of India reported.

"'Buy American' is definitely wrong," Japanese Prime Minister Taro Aso said last week in front of the Japanese parliament. "It's clearly against the spirit of the World Trade Organization to say you must use American steel to make bridges."

Canada, the US' largest trading partner, also reacted strongly to the stimulus measures.

"We don't need to talk about threats, but [Americans] need to understand, and this will be the message I pass to the president, that we're a force to be reckoned with," Michael Ignatieff, the

leader of Canadian Liberal Party, told Global Television soon after the vote on the House version of stimulus bill.

“We’re the United States’ largest energy supplier — not just oil, but also hydro — and they’ve got to understand that if they want energy security, they shouldn’t start putting up barriers to our goods and services. And that quid pro quo has to be clearly understood by the incoming administration,” Ignatieff said.

Conservative Canadian Prime Minister Stephen Harper took a softer line, saying that he thought that Obama disagreed with Congress’ support of the ‘Buy American’ measures.

### **Trade Adjustment Assistance gets an extension, but not an expansion**

Perhaps less visible on the international scene was a move by the US Senate to include the extension of government support for trade-related layoffs into the massive stimulus bill.

The Trade Adjustment Assistance, or TAA, programme, which offers training and income support for workers who lose their jobs because of factory shifts overseas or increased competition from imports, will get an additional two years’ worth of funding under the Senate version of the bill. But the lawmakers failed to include an amendment that would have boosted funding and broadened the coverage of the programme.

The amendment, crafted by Senators Max Baucus and Chuck Grassley would have increased funding for training courses, and extended coverage to include workers in the services sector, as well as workers who lose their jobs because of plant relocations to countries with which the US does not have a free trade agreement. The amendment also would have improved workers’ access to wage insurance and allowed US\$ 230 million per year to go to communities affected by trade.

But hopes for TAA expansion were squashed last week, when Arizona Senator Jon Kyl said he would not support the expansion of TAA unless lawmakers established a plan to pass the US’ pending bilateral free trade agreement with Colombia. The FTA has been awaiting Senate

approval for over two years; so far, though, its passage has been blocked by some Democrats who oppose the deal on the grounds that Colombia has not gone far enough to improve labour standards in the country.

Because the stimulus package as a whole was subject to a ‘unanimous consent agreement’, meaning that all senators would have to agree to consider the amendment for it to be included in the vote, Kyl’s opposition to the TAA expansion was enough to keep it out of the stimulus package altogether.

In the longer term, though, some economists say that the kinds of reforms included in the failed TAA amendment are just what US economic policy needs. Concerns about freer trade are more a result of holes in US’ domestic social support systems, they argue, than of increased cross-border commerce. They suggest that the prospect of jobs moving overseas seems especially threatening in the US because employers provide so much of the social safety net — large contributions to healthcare, life insurance, and retirement benefits.

These critics insist that the US should focus on investing more in human capital and guaranteeing social benefits independently of employers — reforms like those included in TAA — instead of fighting free trade.

ICTSD reporting. “FACTBOX — House of US Congress weigh stimulus bill,” REUTERS, 9 February 2009; “Senate Approves Stimulus and Begins Intense Talks,” THE NEW YORK TIMES, 11 February 2009; “Aso calls ‘Buy American’ provision ‘definitely wrong,’” BLOOMBERG, 4 February 2009; “Nath flays US trade moves,” THE TELEGRAPH (INDIA), 6 February 2009; “Transcript: Charlie Gibson interviews Barack Obama,” ABCNEWS, 3 February 2009; “Congress key to protectionism, experts say,” CANWEST, 31 January 2009.

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## WTO Warns against Protectionism, Promises Increased Monitoring

The WTO is set to step up its monitoring of trade policies introduced by governments struggling to cope with the worldwide economic crisis, amidst growing concern that tit-for-tat protectionism could deepen what is already the worst downturn in decades.

WTO Members largely welcomed a recent report describing a wide range of trade-related policies governments have adopted since last September, ranging from tariff increases and licensing requirements to financial and auto sector bailouts, various kinds of export support, and moves to ease the effects of the credit crunch on trade finance.

The secretariat of the Geneva-based global trade body now appears set to issue similar reports every two or three months, with the next one expected in mid-March, just ahead of a major summit of the Group of 20 leading industrialised and developing nations.

The 26 January report, prepared by the office of Director-General Pascal Lamy, said that there had been only “limited evidence” of increased trade barriers thus far, though it warned of protectionist risks. Nevertheless, diminished demand around the world has led the International Monetary Fund to project that global trade volume will shrink by 2.8 percent this year – the deepest decline in over twenty-five years.

Lamy presented the report to a 9 February meeting of the Trade Policy Review Body, a WTO committee charged with examining Member governments’ trade policies.

Describing the monitoring initiative as reflecting “the responsibility of the WTO to play an active and constructive role” in managing the crisis and contributing to the restoration of healthy trade growth, Lamy expressed the belief that it should continue “as long as the global economic situation justifies it.”

The WTO chief acknowledged the report’s shortcomings, particularly inaccuracy springing

from the secretariat’s reliance on publicly available news sources. He thanked Korea and Ecuador for providing corrections about their trade policies that were not reflected in the report, and urged Members to provide prompt information about their trade policies in order to support the monitoring process.

Lamy called for vigilance with regard to trade-distorting policies, saying that the world was only at “an early stage in the policy response” to the recession. He praised Brazilian President Lula da Silva and US President Barack Obama for recent interventions “to resist domestic protectionist pressures and make sure their economies remain open to competition from abroad.

Lula blocked a proposal from within his own government to slap licensing requirements on some 60 percent of Brazilian imports; Obama has pushed back against Congressional calls for the US\$ 800 billion fiscal stimulus package currently under negotiation to include ‘Buy American’ clauses requiring the purchase of US-made steel and other inputs (see related story, this issue).

Sources say that many delegations pledged to do better at providing the WTO with information about their trade policies. Governments are notoriously unreliable about notifying their own farm subsidy and tariff policies to the WTO, routinely flouting various transparency requirements.

Several developing countries called attention to the crisis’ origins in the West, particularly the US, and called for the next report to have a special focus on how low- and middle-income countries are faring.

Bolivia questioned whether the director-general had overstepped his mandated annual review of the trading environment, saying that there had been inadequate multilateral discussion about the report’s purpose. The Bolivian ambassador also said that monitoring activities should explore the trade distortions resulting from financial bailout, and should clarify whether developing country trade measures are motivated by the crisis or by other domestic challenges. She noted that developing countries often do not have money to

provide industrial aid, and thus have to resort to tariffs.

The outgoing chair of the Trade Policy Review Body, Nigerian Ambassador Yonov Frederick Agah, promised that his successor, as well as the new chair of the General Council, would hold consultations with Members about the monitoring process.

The 26 January report, though nominally confidential to WTO Members, was widely reported on in the international press. The same is likely to be true for the next edition.

ICTSD reporting.

## IN BRIEF

### UN Urges Increased South-South Cooperation in Response to Crisis

As global indicators continue to reveal the breadth of the financial crisis, developing countries may soften the impact on their economies by increasing cooperation with other nations of the South, according to the United Nations Conference on Trade and Development.

Amidst UNCTAD forecasts that developing country exports may fall by as much as 9.2 percent in 2009, international experts met in Geneva last week to take part in the “Multi-Year Expert Meeting on International Cooperation: South-South Cooperation and Regional Integration,” hosted by the UN body. The meeting explored ways to harness trade, investment and financial flows, among others, to help insulate the South from the full effects of the crisis.

Traditionally, developing nations have been heavily dependent on exports to advanced economies for their long-term growth, and are expected to be severely impacted by sharp drops in commodity prices, as well as increased difficulty in obtaining credit and aid from developed nations.

However, figures from the International Monetary Fund indicate that developing economies will maintain positive growth this year as industrialised nations shrink.

“A global financial crisis has shaken the economic foundations of the North, and is threatening to shatter the growth and development aspirations of the South. The timing, therefore, is right to explore how greater South-South cooperation can help developing countries to cope with the crisis,” said UNCTAD Secretary-General Supachai Panitchpakdi.

The Secretary General went on to say that merchandise trade between developing countries grew at an average of 13 percent per year from 1995-2007, amounting to US\$ 2.4 trillion over the period, or 20 percent of world trade.

“South-South trade has been one of the most dynamic components of international trade generally for the last 10 years or so,” said Bonapas Onguglo, a senior economist at UNCTAD.

As developing countries continue to grow, so shall their need for essential products produced by other emerging nations, highlighting the potential for these countries to expand trade among themselves and create greater independence from EU and US markets.

Although it is unlikely that developing countries will pursue complete self-sufficiency, the increased cooperation may help fill the void left as industrialised nations focus on revitalising their own economies in 2009.

“South-South trade is one avenue. We've not used it fully – now is the time,” Onguglo said.

Among the measures proposed over the two-day meeting were regional stimulus packages and trade arrangements, as well as increased South-South lending and “diversification of foreign-exchange reserves” where developing countries purchase the debt of other nations, a strategy utilised successfully in the Asian financial crisis of 1997.

Others topics discussed included reform of international financial institutions and the need for a conclusion of the Doha Round of multilateral

trade negotiations at the WTO, which encountered significant setbacks last year, (see BRIDGES Weekly, 17 December 2008, <http://ictsd.net/i/news/bridgesweekly/36562/>).

Not subject to debate, however, was the need for immediate action as some participants termed the meeting an “emergency clinic.”

“This crisis is not just any crisis,” said Debapriya Bhattacharya, a prominent economist and President of UNCTAD's Trade and Development Board.

ICTSD reporting; “Developing countries turn to South-South trade,” REUTERS, 8 February 2009; “More ‘South-South’ action called for as poor countries face global financial crisis,” THE FINANCIAL, 6 February 2009.

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## Obama Names Republican Senator to Lead Commerce Department

Judd Gregg, a fiscal conservative and Republican senator from New Hampshire, is US President Barack Obama's pick to serve as secretary of commerce, the White House announced last week.

Gregg, the highest-ranking member of his party on the Senate Budget Committee, voted in favour of every major free trade agreement that came up for a vote during his 16 years in the Senate. He has also gone on record in support of drilling for oil in the Alaska National Wildlife Refuge and has opposed raising taxes on oil and gas companies.

“Clearly, Judd and I don't agree on every issue,” Obama said last week. “But we agree on the urgent need to get American businesses and families back on their feet.”

Pundits say that having Gregg at the head of the Commerce Department, which oversees a wide variety of activities ranging from promoting US exports abroad to helping foster minority-owned enterprises at home, will help Obama gain the trust of the business community.

Gregg, a former businessman who has also been a member of the House of Representatives and the governor of New Hampshire, is the third Republican that Obama has asked to join his cabinet.

“He's willing to bring into his council chamber and to listen to somebody who comes from a different philosophy and he actively sought me out to do that,” Gregg said of Obama in an interview with The New York Times. “But he's the captain. Put another way, I'm a field commander.”

New Hampshire governor John Lynch has named a Republican, former Capitol Hill staffer Bonnie Newman, to serve as Gregg's replacement in the Senate. Gregg's Senate confirmation hearing has yet to be scheduled.

In December, Obama asked former New Mexico governor Bill Richardson to lead the commerce department, but Richardson stepped back from the nomination last month amidst a federal grand jury investigation into his campaign finances.

“A new member joins the president's team, though he's not in lockstep with it,” THE NEW YORK TIMES, 4 February 2009; “Judd Gregg: A curious choice for Commerce,” BUSINESSWEEK, 4 February 2009; “His terms met, Gregg says Yes to Commerce,” USA TODAY, 3 February 2009.

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## WTO IN BRIEF

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### India, China Butt Heads on Indian Toy Import Ban

Indian trade minister Kamal Nath says his country is willing to meet with China to discuss its temporary ban on Chinese toy imports. The recently announced import freeze has provoked an outcry from Chinese manufacturers and public officials, who say the ban is unfounded.

“We are open to any discussions on this matter and until the government of India is satisfied we



will not be able to lift this ban,” Nath told journalists on Tuesday.

“Certainly we will satisfy them for the reasons for which we have taken this step,” he added.

Last month, New Delhi issued a six-month ban on imports of Chinese toys to serve “the public interest.” No further explanation was provided.

But Nath insisted Tuesday that the import ban is compliant with international trade rules and that the measure was taken to ensure public health and safety.

Chinese manufacturers responded strongly on Wednesday, insisting on the soundness of their products and calling for an immediate end to India’s import freeze.

“The abrupt ban has caught Chinese toy makers and exporters, as well as Indian importers, off guard and would inflict heavy losses upon everyone involved,” the toy chapter of the China Chamber of Commerce said.

The Chinese Ministry of Commerce was similarly irked by the move.

“The Chinese government expresses serious concern that the Indian side has imposed...import restrictions in such a short time period,” the ministry said in a statement on its website.

“China hopes that in a period during which the world economy faces grim challenges, India takes cautious and prudent trade remedy measures, otherwise bilateral trade relations could be seriously impacted,” the statement said.

The government-run China Daily reported that Beijing may ask the WTO’s Dispute Settlement Body to consider whether the Indian ban violates world trade rules, according to AFP.

Several Chinese products have come under fire recently for failing to meet health and safety standards. Last year, Chinese milk products contaminated with the chemical melamine sickened thousands and killed at least six children.

In 2007, high levels of lead paint in Chinese-made products prompted toymaker Mattel to recall more than 21 million toys.

India’s toy industry has long struggled to compete with Chinese imports, which now account for 60 percent of the Indian market.

ICTSD reporting; “India says open to talks with China on toy ban,” REUTERS, 10 February 2009; “China’s industrial association strongly dissatisfied by Indian toy ban,” XINHUA, 11 February 2009; “China expresses ‘serious concern’ over toy ban, other Indian moves,” AFP, 10 February 2009.

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## WTO Appellate Body Backs EU over US in ‘Zeroing’ Dispute

The WTO’s Appellate Body issued an opinion last week siding with the European Union in its challenge to the United States’ use of ‘zeroing’ in calculating anti-dumping duties.

The report, released 4 February, comes amidst growing fears of protectionism in the international community, and is but the most recent addition to the significant body of WTO jurisprudence that has already been issued on the controversial method.

The WTO allows its Members to impose retaliatory duties on exported goods that are sold more cheaply abroad than in the market where they were produced. The pricing strategy, known as dumping, is not expressly prohibited by the WTO agreement, but the retaliatory ‘anti-dumping duties’ are regulated by the WTO’s Anti-Dumping Agreement (ADA).

Zeroing’ is a method of calculating dumping margins that ignores, or treats as zero, instances in which import prices are actually higher abroad than in the product’s home market. Thus, anti-dumping duties calculated under ‘zeroing’ are not offset by those instances in which the imported product is sold at a higher price. As such, many nations contend that zeroing artificially inflates US anti-dumping duties. Those higher duties, they argue, in turn act as a barrier to trade.

The Appellate Body's recent report was a review of an October 2008 ruling by a dispute panel on the imposition of US anti-dumping duties on a wide range of European goods (see BRIDGES Weekly, 9 October 2008, <http://ictsd.net/i/news/bridgesweekly/30885/>).

Although the panel decision found largely in favour of the EU, it was appealed by both parties, as Brussels sought to clarify unaddressed issues within the ruling.

The Appellate Body overturned many of the panel's reservations and recommended that "the (Dispute Settlement Body) request the United States to bring its measures, found in this Report . . . to be inconsistent with the GATT 1994 and the Anti-Dumping Agreement, into conformity with its obligations under those Agreements."

"This is an important decision and will lend continued credibility to the WTO dispute settlement system, and to the legitimate use of Trade Defence instruments to fight unfair trade," said Peter Power, spokesman for the EU Trade Commission. "Given the repeated WTO findings against the use of zeroing by the US, the Commission hopes that the US will abandon this practice and fall into line with other WTO Members," Power said.

An official from the US Trade Representative's office said Washington was "highly disappointed" with many points of the ruling.

The WTO dispute settlement bodies have repeatedly ruled against the US practice; however, panel decisions have often been at odds with decisions of the Appellate Body, creating uncertainty. The US has ended the practice in some cases but continues to argue for the legitimacy of the calculation in other situations, on the grounds that the WTO courts have exceeded their authority in ruling against zeroing.

While this decision provides guidance, the issue continues to be a major source of controversy within the multilateral trading system. Brazil, China, Egypt, India, Japan, Korea, Mexico, Norway, Taiwan, and Thailand were third parties to the EU's complaint against the US. Brazil and

Thailand initiated separate WTO consultations with Washington over zeroing last November (see BRIDGES Weekly, 10 December 2008, <http://ictsd.net/i/news/bridgesweekly/35917/>). For the foreseeable future, however, the US has not signalled a clear intent to abolish the procedure, and it is unclear what changes will result from Wednesday's decision.

"We will continue to consult with members of Congress and interested members of the public as we move forward with next steps," the US trade official said.

ICTSD Reporting; "WTO top court again condemns U.S. dumping measure," REUTERS, 5 February 2009.

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## Small, Vulnerable Economies Seek Safeguard Flexibility at the WTO

A developing country coalition that seeks stronger protection for domestic farmers in the agriculture trade negotiations at the WTO has called for countries classed as 'small, vulnerable economies' (SVEs) to be granted extra flexibility in a new proposal dated 6 February.

SVEs should be granted additional leeway to raise tariffs temporarily in the event of an import surge or price depression, the G-33 group of developing countries argued, under the new 'special safeguard mechanism' (SSM) that all developing countries would be able to use.

Treating SVEs the same as other developing countries would be "disadvantageous" for these economies and "incompatible with our level of development," the G-33 proposal claimed. The group was responding to a question posed by the chair of the agriculture negotiations in a December paper, in which he asked WTO Members whether SVEs should be subject to the same rules on the SSM as other developing countries.

The chair, Crawford Falconer of New Zealand, had suggested in December that if import volumes surge by 35 percent above the average



levels in previous years, developing countries would be allowed to impose additional safeguard duties equal to 50 percentage points, or 50 percent of the maximum permitted 'bound' tariff that would apply after the conclusion of the Doha Round – so long as these increases do not exceed the higher bound rates that currently act as ceilings for tariff increases. However, the G-33 would now like SVEs to be allowed to impose safeguard duties of this size in the event of a surge that is only 20 percent larger than average levels.

A July 2008 submission from the G-33 had not made specific proposals on the conditions under which SVEs could impose safeguards that remain below the current bound tariff levels. However, it did recommend allowing SVEs to exceed these bindings by a maximum of 75 percentage points, or 75 percent of the bound tariff that would apply at the end of the Doha Round of trade talks – a position that is reiterated in their latest proposal.

While exporting countries have sought to limit the scope for exceeding bound tariffs, the G-33 has argued that this is essential if the safeguard is to provide farmers with effective protection.

With the Doha Round negotiations effectively stalemated as negotiators await signs of engagement from the new Obama administration, there was no immediate formal response to the G-33 move from other trading partners. However, trade sources reported that the chair of the agriculture negotiations was conducting informal consultations with different negotiating groups and coalitions, with the aim of discussing how the talks should now proceed. The chair has scheduled an informal negotiating meeting open to all WTO Members for Thursday, at which he is expected to report on the results of his consultations.

ICTSD reporting.

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## Guatemala TPR Urges Focus on Competitiveness

Guatemala has continued to integrate economic liberalisation into its development strategy, a WTO review of the country's trade policies concluded last week, but major challenges remain in achieving sustainable growth in income and poverty reduction. To further raise living standards, the country should keep promoting economic expansion, with a focus on enhancing its competitiveness in global markets, the review said.

Guatemala, the largest economy in Central America, has experienced steady growth rates in recent years, the WTO's Trade Policy Review concluded. Between 2001 and 2006 the real gross domestic product expanded at 3.4 per cent, rising to 5.7 per cent in 2007. However, analysts expect that the final data for 2008 will reveal a decrease in growth largely due to the economic slowdown in the United States, Guatemala's largest trading partner.

Guatemala's single largest export is clothing, but the sector has struggled to compete with the US clothing market since the expiration in 2005 of the WTO's Agreement on Textiles and Clothing, which regulated quotas in the sector.

Agriculture also makes significant contributions to the country's productive output and is responsible for 36.1 per cent of employment in Guatemala. The country gives this sector limited support in the form of tariffs and certain subsidies, the report concluded. Coffee, sugar, and bananas continue to be Guatemala's main agriculture exports.

In the energy sector, the report noted that in 2006 Guatemala produced more than 16,000 barrels of oil per day, while consumption of petroleum and petroleum products was more than four times that amount. Fossil fuels are used to produce an average of half the energy generated in the country.

On alternative energy sources, the review noted that Guatemala produces a relatively small amount of ethanol, most of which is exported to the US. According to UNCTAD, the country has the

capacity to further develop its ethanol output for both domestic use and for export.

In the financial sector, 2006-2007 brought serious problems for the Guatemalan banking system. In October 2006, what was then the country's fourth largest bank (Banco del Café, S.A.) was forced to cease operations after the institution failed to comply with regulations. In January 2007, the government shut down operations at another bank due to over-lending.

Since then, though, the report noted that Guatemala has enacted laws and regulations to reform its financial sector. However, further such measures are needed, the review said, especially with regards to insurance and risk management procedures. The services sector contributes almost 60 per cent of GDP and generates some two thirds of total employment.

The WTO secretariat conducts periodic reviews of all of its Members' trade policies. This was Guatemala's second review; its first was conducted in 2002.

To read the full Trade Policy Review, visit [http://www.wto.org/english/tratop\\_e/tpr\\_e/s210-04\\_e.doc](http://www.wto.org/english/tratop_e/tpr_e/s210-04_e.doc)

ICTSD reporting.

## EVENTS & RESOURCES

### Events

If you would like to submit an event, please email [bridges\\_weekly@ictsd.ch](mailto:bridges_weekly@ictsd.ch).

#### Coming up this week

15-16 February, Muscat, Oman: WIPO NATIONAL SEMINAR ON OMANI TRADITIONAL VALUES IN A GLOBALISED WORLD: THE INTELLECTUAL PROPERTY CHALLENGE. This seminar will create further understanding to the legal and technical aspects of intellectual property. Organised by the World Intellectual Property Organisation, this meeting

will look at the international legal framework, along with the main substantive treaties in the field of industrial property. For further information contact WIPO, tel: (+41 22) 338 9111; Internet:

[http://www.wipo.int/meetings/en/details.jsp?meeting\\_id=7445](http://www.wipo.int/meetings/en/details.jsp?meeting_id=7445)

16-18 February, Geneva, Switzerland: MULTI-YEAR EXPERT MEETING ON TRANSPORT AND TRADE FACILITATION. The aim of this meeting, which is sponsored by UNCTAD, is to improve understanding of the implications of climate change for maritime transport and to help contribute substantively to discussions on possible regulatory options under the auspices of the International Maritime Organization (IMO) and the UNFCCC process. Related cross-cutting issues, in particular financing, technology and energy security, will also be considered. For more information please refer to <http://www.unctad.org/Templates/Meeting.aspx?iItemID=1942&lang=1&m=15862&year=2009&month=2>

#### 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.

18 + 20 February: TRADE POLICY REVIEW BODY – JAPAN

19 February: DISPUTE SETTLEMENT BODY

#### Other upcoming events

2 March, Geneva, Switzerland. SECOND ANNUAL UPDATE ON WTO DISPUTE SETTLEMENT. The Centre for Trade and Economic Integration is sponsoring a presentation and debate on cases and

developments in WTO dispute settlement during 2008. More specifically, the meeting will cover WTO dispute settlement body developments and an annual report of the appellate body. A roundtable discussion and Q&A with five experts on WTO dispute settlement, facilitated by Joost Pauwelyn of the Graduate Institute will finalise the discussion. For more information please refer to [http://ictsd.net/downloads/2009/02/annual\\_ds\\_update\\_2009\\_rev-29-jan-2.pdf](http://ictsd.net/downloads/2009/02/annual_ds_update_2009_rev-29-jan-2.pdf)

3-5 March, Geneva, Switzerland. MULTI-YEAR EXPERT MEETING ON COMMODITIES AND DEVELOPMENT. The goal of this meeting is to help commodity-dependent developing countries, in accordance with the Accra Accord, harness development gains from the current boom in commodity prices, and to deal with trade and development challenges related to commodity dependence. The meeting will also review and evaluate UNCTAD's contribution to assisting developing countries in the area of commodities. For further information please refer to <http://www.unctad.org/Templates/meeting.asp?intItemID=2068&lang=1&m=16434>.

2 March, Geneva, Switzerland. SECOND ANNUAL UPDATE ON WTO DISPUTE SETTLEMENT. The Centre for Trade and Economic Integration is sponsoring a presentation and debate on cases and developments in WTO dispute settlement during 2008. More specifically, the meeting will cover WTO dispute settlement body developments and an annual report of the appellate body. A roundtable discussion and Q&A with five experts on WTO dispute settlement, facilitated by Joost Pauwelyn of the Graduate Institute will finalise the discussion. For more information please refer to [http://ictsd.net/downloads/2009/02/annual\\_ds\\_update\\_2009\\_rev-29-jan-2.pdf](http://ictsd.net/downloads/2009/02/annual_ds_update_2009_rev-29-jan-2.pdf)

13-16 April, Ooty, India. THE GRADUATE COURSE IN INTELLECTUAL PROPERTY RIGHTS AND TECHNOLOGY TRANSFER. The central role of this four-day programme is to examine the role of Intellectual Property (IP) as a technology transfer tool using case studies, best practices, and interactive discussions. Faculty for this program is comprised of senior IP practitioners, decision makers, academicians,

drawn from prominent public research institutions and global international organisations involved in IP Management. For further information please refer to <http://www.iprsonline.org/calendar/index.htm#feb>

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## Resources

AGRICULTURAL EXPORT RESTRICTIONS: WELFARE IMPLICATIONS AND TRADE DISCIPLINES. By Siddhartha Mitra and Tim Josling, International Food and Agriculture Trade Policy Council, January 2009. This position paper, part of the Agricultural and Rural Development Policy Series, examines different factors that led to the commodity price increases in 2007 and 2008, which effectively limited global supply and undermined consumer confidence. The authors conclude that export restrictions have significant negative economic impacts and analyse alternative measures to protect food security. The authors also consider how trade rules might be improved on this front. To access this paper, please refer to [http://www.agritrade.org/documents/ExportRestrictions\\_final.pdf](http://www.agritrade.org/documents/ExportRestrictions_final.pdf)

HOW CURRENT PROPOSALS ON THE SSM IN THE DOHA IMPASSE MATTER FOR DEVELOPING COUNTRY EXPORTERS. Prepared by Harry de Gorter, Erika Kliauga, Andre Nassar, Institute for International Trade Negotiations, January 2009. The special safeguard mechanism (SSM) was proposed during the Doha Round of trade talks at the WTO as a way of helping farmers in developing countries by allowing countries to temporarily raise tariffs on products that display a pronounced increase in imports or decrease in price. The authors examine this issue and argue that the key issue with the SSM device is whether the safeguard measures should result in total duties that exceed countries' pre-Doha tariff bindings. This paper discusses the road blocks that the SSM device faces in negotiations. To access this paper please refer to <http://www.iconebrasil.org.br/arquivos/noticia/1741.pdf>

INDIA'S STAND IN THE WTO DOHA ROUND. By Atul Kaushik, CUTS Geneva Resource Centre, January 2009. Many press reports blame the failure to finalise modalities in agriculture and Non Agriculture Market Access (NAMA) on the lack of convergence between the US and India on certain issues. This paper analyses India's current position by examining the history and background of its stances in the Doha Round talks, along with their current state. To access this paper please refer to <http://www.cuts-citee.org/pdf/BP09-WTO-01.pdf>.