



Bridges Weekly Trade News Digest

Weekly trade news from a sustainable development perspective

Volume 13 · Number 7, 25 February 2009

LEAD STORIES

- Lamy Renews Calls to Resist Protectionism,
Conclude Doha Round..... 1
- India Moves to Protect Traditional Medicines 3

IN BRIEF

- EU May Soon Slap Tariffs on US Biodiesel
Imports..... 4
- Obama Looks to Dispel Canadian Fears on
Trade..... 5
- Rich Nations Have Fallen Short of Aid Goals:
OECD..... 6
- Tackling Shipping Emissions Requires Greater
International Co-operation: Experts 7
- Argentina, Brazil Clash on Import Policies..... 8

WTO IN BRIEF

- WTO Urges Japan to Bolster Productivity 9

EVENTS & RESOURCES

- Events..... 10
- Resources 11

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

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

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

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

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

LEAD STORIES

Lamy Renews Calls to Resist Protectionism, Conclude Doha Round

On a trip through Asia this week, the head of the World Trade Organization repeated his recent appeals for a swift conclusion to the Doha Round of trade talks, which he called “the best insurance policy against protectionist moves.”

WTO Director-General Pascal Lamy also urged countries to coordinate their responses to the global economic crisis and to work to re-build confidence in banks and other financial institutions.

“The future is not clear and it is still early to judge whether we are at the bottom of this recession, or this is just a beginning,” Lamy said in a speech to Korean officials in Seoul on Monday.

“But one thing is clear: the depth and scope of the crisis will be a function of the capacity of individual countries to come to global joint action and to re-inject confidence in our economic and social systems.”

That confidence, he said, will come from reforming the financial system and cleaning up banks’ balance sheets.

“This matter cannot wait,” Lamy said. “Until and unless this happens, there is no turning point in sight.”

Turning to commerce, Lamy exhorted governments to refrain from erecting new trade barriers to protect domestic industries from the full brunt of the economic downturn. Resisting such measures – whether they come in the form of tariffs, anti-dumping duties, subsidy payments, or domestic-sourcing requirements – is critical to

getting the global economy back on its feet, Lamy said.

"Rejecting these moves is not a question of ideology. Rejecting isolationist pressures is today a matter of self-interest," he said. "Does anyone believe that they can protect themselves without the others doing the same? Beggar-thy-neighbour policies bear the risk of prompting retaliation by other countries and driving down the overall level of trade - thus destroying output and jobs around the world."

Reiterating a call that he has made several times already this year, Lamy stressed the importance of wrapping up the Doha Round of trade talks, which have been struggling forward in fits and starts since they were launched in the Qatari capital in the fall of 2001. By arriving at a new deal on global trade, Lamy said, the WTO's 153 Member countries could limit the extent to which nations can increase tariffs and subsidies, thus providing an important assurance against protectionism.

"The Doha Round is a long and difficult journey. We are not there yet, but we are not far from the final destination. The last mile is understandably a difficult one, but it deserves our utmost efforts," the Director-General said.

Finally, Lamy noted the importance of ensuring that the economic crisis does not prevent countries from gaining access to sufficient levels of trade financing, the oil in the wheels of global commerce. The Director-General noted that current financing falls an estimated US\$ 25 billion short of what is needed, a fact that has already led to a drop in international trade flows (see Bridges Weekly, 18 November 2008, <http://ictsd.net/i/news/bridgesweekly/33962/>).

Falling on deaf ears?

Some observers interpreted Lamy's exhortations against protectionism, and particularly against domestic-sourcing provisions, as a negative reaction to the 'Buy American' requirements in the US stimulus package that US President Barack Obama signed into law last week (see Bridges Weekly, 18 February 2009, <http://ictsd.net/i/news/bridgesweekly/41050/>).

But speaking to journalists at a press conference the same day, the Director-General indicated that although the 'Buy American' rules send a protectionist message, they do not violate world trade law.

"The bad news is that protectionist pressures are there," Lamy said of the US' domestic-sourcing requirements, Reuters reported. But he acknowledged that "the final compromise is that this provision will be implemented in a way that is consistent with US WTO obligations."

For its part, the Obama administration seems to have put trade on the backburner, focusing instead on reviving the domestic economy. The president's pick for the post of US Trade Representative, the country's top trade post, has yet to be confirmed by the Senate; the Secretary of Commerce post also remains vacant (see Bridges Weekly, 18 February 2009, <http://ictsd.net/i/news/bridgesweekly/41032/>).

And earlier this week, the administration announced that it would delay the first comprehensive round of talks towards the establishment of a Trans-Pacific Partnership, a deal that would effectively set up bilateral free trade deals between the US and New Zealand and between the US and Brunei. The negotiations, which had been scheduled for the end of March, will be the subject of an interagency hearing next week, Inside Trade reported.

In the absence of strong leadership from the US on pushing for a global trade deal, many Geneva-based WTO delegates consider the Doha Round to be effectively on hold for the time being. Other potential political obstacles to the successful conclusion of the Round include pending changes of administration in the EU, India and Japan.

But Lamy remains ever insistent on the need to keep trade in the spotlight and conclude the Round this year. In closing his speech on Monday, the Director-General stressed that the upcoming G20 gathering of world leaders will amount to a "test of political will."

"The next G20 Summit in London will be a test of the capacity of major economies to work together, hand in hand, in searching for solutions

to pull the world economy out of a deeper recession,” he said.

“It will also be a test of whether current global mechanisms are capable of dealing with global challenges.”

ICTSD reporting; “India to oppose any US move toward protectionism,” BLOOMBERG, 20 February 2009; “WTO chief says ‘Buy American’ meets world trade rules,” REUTERS, 23 February 2009; “Obama administration delays trade negotiations for now,” INSIDE US TRADE, 25 February 2009.

India Moves to Protect Traditional Medicines

The Indian government has effectively licensed 200,000 local treatments as ‘public property’, making the local remedies free for everyone to use, but not to be branded for sale.

This initiative follows the startling discovery by scientists in Delhi of the extent of “bio-prospecting” of natural remedies by foreign companies. The UK’s Guardian newspaper reports that an investigation of government records revealed that 5,000 patents had been issued, at a cost of at least US\$ 150 million for “medical plants and traditional systems.”

“More than 2,000 of these belong to the Indian systems of medicine,” claims Vinod Kumar Gupta, head of the Traditional Knowledge Digital Library. The discovery raised the question of why multinational companies are spending millions of dollars to patent treatments that they claimed were ineffective, Gupta said.

“The problem with traditional medicines is that, yes it is known about within, say, sometimes a very small community,” legal expert Patricia Loughlan explained in an interview with Australia’s ABC News.

“So big pharma can go into, say, India...and engage in what is sometimes called ‘bio-prospecting’ or ‘bio-piracy,’” she said.

“They get this traditional knowledge and they patent it themselves and then start making monopoly profits from this patent for something that in effect they didn’t invent. They got the knowledge from someone who invented it say 500 years ago.”

In Brussels alone there have been 285 patents for medicinal plants well known in Indian medical systems, principally ayurveda, unani and siddha, the investigation revealed. Ayurveda is a traditional medical treatment. Unani is believed to have come to India from ancient Greece, whilst siddha is one of the oldest medical systems originating from the southern India. In this regard, Gupta is requesting that the Belgian government lift these patents, as they have already shown the authorities the medicinal uses of these systems were known in India.

Indian researchers have spent the last eight years meticulously translating ancient Indian texts and compiling the information into a database that details the 200,000 treatments. The resulting Traditional Knowledge Digital Library will now be used by the European Patent Office to check against ‘bio-prospectors’ -- parties interested in mining biological or genetic resources for scientific research or commercial development.

In the past India, has fought lengthy and costly legal battles to have patents revoked. Officials say that, in a legal battle that lasted almost 10 years, the Indian government spent in excess of US\$ 5 million to have patents lifted from medicines created from turmeric and neem, an Indian tree. In this case, India succeeded “because [it] proved these were part of traditional Indian knowledge. There was no innovation and therefore no patent should be granted,” Gupta said.

Another major concern of the Indian government is the billion dollar industry of yoga, an ancient Indian practice that has recently gained a large following, particularly in the US. In India, though, yoga is considered a traditional medicine and as such the Indian government has asked the US to register yoga as a ‘well-known mark’.

“We want no one to appropriate the yoga brand for themselves,” Gupta said. “There are 1,500 asanas [yogic poses] and exercises given in our

ancient texts. We are transcribing these so they too cannot be appropriated by anyone. We have had instances where people have patented a yoga technique by describing a certain temperature. This is simply wrong.”

India presents an unusual case given its seven national medical systems, of which modern medicine is but one. According to newspaper reports, traditional medicine is used by approximately four-fifths of India’s population, and there are 430,000 ayurvedic medical practitioners registered by the Indian government. Ayush, the department responsible for India’s traditional medicine industry, has a budget of 10 billion rupees (US\$ 260 million).

This initiative by the Indian government to combat bio-piracy stems from the belief that the developing world’s rich biodiversity could be the source of a vast array of new drugs and crops. Gupta argues that while it “costs the West US\$ 15 billion and 15 years to produce a blockbuster drug...traditional medicine could herald a new age of cheap drugs,” particularly “if you can take a natural remedy and isolate the active ingredient then you just need to drug trials and marketing.”

Gupta is positive that the move toward developing cheap drugs that are based on traditional knowledge has already begun. Indian researches have begun collaborating with a US pharmaceutical company to make a drug that fights psoriasis, which will be tested in clinical trials this year. According to Gupta, if the drug is successful it will reduce the cost of treatment to US\$ 50. “This is a lot less than the US\$ 10,000 current medicine costs.”

Legal expert Loughlan is convinced that the Indian scheme will serve its intended purpose.

“Yes, it will work,” she said in the ABC interview. “It is not in any way defying the patent system...It is using what is in the patent system itself and that is what it is so clever and why it will work,” she said.

Traditional Knowledge at the WTO

The move to protect traditional medicines in India mirrors a push that New Delhi, supported by

countries such as Brazil, Cuba, Kenya, the EU, Pakistan and Switzerland, has made at the WTO in recent years. Specifically, the countries have demanded that the protection of biodiversity and associated traditional knowledge be integrated into the WTO’s Agreement on Trade-Related Aspects of Intellectual Property Rights, or TRIPS Agreement.

Support for such a move grew last summer, when more than one hundred WTO Members, including the EU, Brazil, China and several African countries, indicated their support for amending the TRIPS Agreement to include language ensuring the protection of traditional knowledge. Moreover, these countries insisted that a TRIPS amendment to check bio-piracy should be included in the overall Doha Round package at the WTO, instead of being relegated to the sidelines of global trade talks. .

But the TRIPS amendment proposal had its opponents as well. The US, Japan, Singapore, Korea, New Zealand, Canada, Australia and Argentina, among others, argued that more technical discussions and empirical evidence were needed before moving forward with negotiations on an amendment.

Ultimately, there was no progress in addressing this issue in view of the deadlock in world trade talks at the end of July last year.

ICTSD reporting; “India moves to protect traditional medicines from foreign patents,” THE GUARDIAN, 22 February 2009; “Indian government moves to protect its culture,” ABC (Australia), 23 February 2009.

IN BRIEF

EU May Soon Slap Tariffs on US Biodiesel Imports

The European Union is preparing to impose temporary anti-dumping and anti-subsidy duties on US biodiesel following repeated complaints from the European Biodiesel Board, which

maintains that US subsidies for its domestic biodiesel producers unfairly undercut European competitors in their home market.

If the European Commission, the executive body of the EU, decides at its upcoming meeting on 3 March to impose the duties, the measures will take effect nine days later and will last six months, according to an EC document obtained by Dow Jones Newswire. At that point, the Commission will need to win the approval of EU national governments if it wishes to make the measures permanent.

The complaint is focused on a US subsidy that offers domestic producers a tax credit of US\$ 1 per gallon of biodiesel produced. The European Biodiesel Board, or the EBB, argues that this support has triggered a flood of under-priced US imports into the EU and caused European producers to lose market share.

The European Commission appears to agree.

“The pressure exercised by the surge of low-priced dumped/subsidised imports on the [EU] market did not allow the [EU] industry to set its sales prices in line with market conditions and the increase in costs,” the Commission document said.

But the US biodiesel industry says that US exports are in fact doing no harm to European producers. In a 147-page report issued in September, the US-based National Biodiesel Board called the EBB’s injury claims “fatally deficient,” and said that the imposition of retaliatory tariffs on US biodiesel would be at odds with the EU’s stated goal of increasing the consumption of biofuels in its 27 member nations.

US President Barack Obama promised in a speech to Congress on Tuesday night to “end direct payments to large agribusinesses that don’t need them,” but made no specific reference to biofuels producers. Indeed, Obama, a former farm-state senator, has signalled in the past that he wishes to continue to support domestic biofuels manufacturers.

The anti-dumping duties that the Commission is considering would fall between 2 euros and 19

euros per 100 kilograms of biodiesel, while the anti-subsidy duties would range from 23 euros to 26 euros per 100 kilograms, Reuters reported.

‘Dumping,’ in trade parlance, refers to the practice of exporting goods at artificially low prices. WTO rules allow Member governments to place retaliatory duties on dumped goods, so long as they can prove that dumping is indeed taking place and that it is injuring the competing domestic industry.

The EU, by far the world’s largest consumer of biodiesel, has imported more than 1 million tonnes of biodiesel from the United States over the past year, up from 50,000 tonnes in 2006.

ICTSD reporting; “EU raises stakes in biodiesel battle with US,” THE FINANCIAL TIMES, 21 February 2009; “EU exec eyes dumping duty on US biodiesel: sources,” REUTERS, 19 February 2009; “Europe considers a tariff on biofuels,” THE NEW YORK TIMES, 24 February 2009; “UPDATE: EU to put temporary duties on US biodiesel imports – document,” DOW JONES, 19 February 2009.

Obama Looks to Dispel Canadian Fears on Trade

Trade matters were front and centre at last week’s meeting between US President Barack Obama and Canadian Prime Minister Stephen Harper.

The Harper government had indicated before the visit that it was ready to express its concerns over Obama’s campaign promises to re-negotiate portions of the North American Free Trade Agreement, or NAFTA, and its unease with the ‘Buy American’ requirements in the US stimulus package that was signed into law last week (see Bridges Weekly, 18 February 2009, <http://ictsd.net/i/news/bridgesweekly/41050/>). On NAFTA, Obama wants to bolster the sections regulating workers’ rights and environmental standards, a position he reiterated to the Canadian leader during their one-day meeting on 19 February.

“With a NAFTA agreement that has labour provisions and environmental provisions as side agreements, it strikes me if those side agreements mean anything then they might as well be incorporated into the main body of the agreement so they can be effectively enforced,” Obama said at a press conference after the meeting.

“I think it is important, whether we're talking about our relationships with Canada or our relationships with Mexico, that all countries concerned are thinking about how workers are being treated,” he added.

Harper signalled that he was open to such an approach.

“Our position is that we're perfectly willing to look at ways we can address some of these concerns, which I understand...without opening the whole NAFTA and unravelling what is a very complex agreement,” Harper said.

The leaders also addressed Canadian worries about domestic-purchasing provisions in the recently enacted US economic recovery package. The new law requires the use of US-made iron, steel and manufactured goods in all stimulus-funded projects, so long as the preferencing of domestic products does not violate any of Washington's international trade commitments.

“I recognise the concerns of Canada, given how significant trade with the United States is to the Canadian economy,” Obama said of the ‘Buy American’ provisions. “I provided Prime Minister Harper an assurance that I want to grow trade and not contract it. And I don't think that there was anything in the recovery package that is adverse to that goal,” Obama said.

“Now is a time where we've got to be very careful about any signals of protectionism,” he continued, “because as the economy of the world contracts, I think there's going to be a strong impulse, on the part of constituencies in all countries, to see if they can engage in beggar-thy-neighbour policies.” Harper seemed appeased on this point as well.

“We expect the United States to adhere to its international obligations. I have every expectation, based on what the President has told me and what

he's said publicly many times in the past, that the United States will do just that,” Harper said.

The two leaders also discussed clean energy technologies, border policies, and the military situation in Afghanistan.

ICTSD reporting; “Obama reassures Canada on open trade,” THE FINANCIAL TIMES, 20 February 2009.

Rich Nations Have Fallen Short of Aid Goals: OECD

Developed countries are lapsing in their aid commitments to the developing world, according to a new study from the Organisation for Economic Co-operation and Development.

Released earlier this month, OECD's Development Co-operation Report 2009 found that although donors promised to increase funding by US \$50 billion each year by 2010 compared with 2004, they have fallen US \$30 billion short of that goal.

The findings come just months after 130 donor and developing countries signed the Accra Agenda for Action, in which they announced their commitment to eradicate poverty and pledged to make aid more predictable.

The need for aid among developing nations is critical in light of the ongoing global economic crisis, the report said, as many of the world's poorer countries have been hard hit by lower prices for natural resources, slowed investment, and reduced trade.

The report noted that foreign aid is essential to successful globalisation and benefits both donors and recipients. Indeed, many have feared that the industrialised world would scale back foreign aid to focus on pressing domestic crises. OECD Secretary General Angel Gurría echoed these concerns in the report.

“It is crucial that in the middle of the storm we don't lose our sense of direction; that we do not

weaken our efforts to address the perils of poverty, inequality and climate change; that we keep our commitments to scale up development aid," Gurría wrote.

Indeed, a January report released by the OECD showed that merchandise export volumes as well as trade in goods and services has dropped among members of the developed world (see BRIDGES Weekly, 4 February 2009, <http://ictsd.net/i/news/bridgesweekly/39752/>).

However, the OECD noted that rich nations could "deliver more money to the people who need it" through "less political motivation and waste through red tape." The report went on to note that for 24 developing countries there are 15 or more donors that combined provide less than 10 percent of that country's total aid.

However, the OECD also found areas of improvement for aid recipients themselves, noting that both parties "must assume responsibility for their share of the partnership."

"The transaction costs, both for donors and recipients, are massive," the report said.

The study specifically found that developing countries should work to increase domestic revenue through improved tax structures and enforcement efforts, and by combating corruption.

Regarding all parties, however, the report noted that global governance and co-operation were paramount in the response to the financial crisis, and that international collective action would be more effective than purely national efforts.

Incorporating data submitted by the 30 nation OECD membership up to November 2008, the report is compiled by the OECD Development Assistance Committee and available at <http://puck.sourceoecd.org/vl=412402/cl=29/nw=1/rpsv/dac09/index.htm>.

ICTSD reporting.

Tackling Shipping Emissions Requires Greater International Co- operation: Experts

Reducing greenhouse gas emissions in the shipping industry will require close cooperation between the International Maritime Organization (IMO) and the UN Framework Convention on Climate Change (UNFCCC), experts agreed at a UN meeting in Geneva last week.

Maritime transport is a major conduit for global trade. Despite the current unfavourable economic conditions, projected growth in international trade suggests that greenhouse gas (GHG) emissions from shipping will also continue to increase unless radical regulatory, technical and operational measures are implemented.

Last week's meeting, hosted by the UN Conference on Trade and Development, placed special emphasis on the potential implications for Least-Developed Countries (LDCs) and Small Islands Developing Countries (SIDS), which may struggle more than other nations to mitigate their emissions and adapt to the effects of warming.

Experts say that if the shipping industry continues business as usual, carbon dioxide emissions will increase between 125 and 220 percent by 2050. Moreover, forecasted climate change threats - such as rising sea levels, changes in ocean currents, and weather patterns - are likely to negatively impact maritime transport and infrastructure. Thus, both mitigation and adaptation measures will need to be taken.

Experts at the meeting stressed that governments and other relevant stakeholders should weigh the costs and benefits of using a market-based or a standards-based approach to lowering emissions and adapting to climate change.

In this context, the experts considered the International Maritime Emission Reduction Scheme (IMERS), which would consist of a levy imposed on fuel sold for international shipping. According to Andre Stochiol, who presented the scheme, IMERS would reconcile the 'common but differentiated responsibilities' principle under the UNFCCC with the global uniform application

of instruments adopted under the IMO. Furthermore, Stochniol suggested that revenues generated by the levy could be used to help LDCs and SIDS take action on climate change.

Regional scientific data needed

Countries should be sure to integrate climate change considerations into their transportation policies, the experts said. A study conducted by the World Association for Waterborne Transport Infrastructure in the Gulf Coast of the United States revealed that, at least in that case, the use of risk assessment helped make the region's transportation infrastructure more resilient. However, given that the level of vulnerability and adaptation requirements varies from region to region, results obtained in such studies cannot necessarily be extrapolated. Thus, experts say, local and regional scientific data analysis will be critical, and the link between science and policy-making should be strengthened.

Experts agreed that the high costs and technological barriers involved in the development of more resilient maritime infrastructure must be addressed if LDCs and SIDS, in particular, are to meet the challenges associated with climate change. They say there is a need for effective technology transfer mechanisms and additional financial resources for adaptation purposes.

With regard to finance, concerns were raised on the potential impacts of the current financial crisis on present and future overseas development assistance. Indeed, financing gaps for climate change mitigation and adaptation are already quite significant. According to the World Bank, however, its climate change assistance facility and disaster relief mechanism may have the potential to address some of those gaps.

ICTSD reporting.

Argentina, Brazil Clash on Import Policies

Leaders from Argentina and Brazil meeting in Brasilia last week failed to resolve an ongoing dispute over Argentina's import policies, measures that Brasilia says discriminate against its manufacturers.

The dispute centres on a system of licensing and minimum pricing that Buenos Aires has applied to more than 1,000 imported goods in recent months. In January, Argentina applied non-automatic licenses for imports of tires and processed food and set minimum prices for 50 kinds of steel pipes and iron. Earlier this month, Buenos Aires announced similar policies on imports of another 800 products.

Brazil introduced its own import licenses in late January for more than 60 percent of the products it imports. But the provisions were quickly revoked two days later, after Brazilian partners in the South American trading bloc Mercosur called the move protectionist.

But manufacturers in Brazil argue that the Argentinean policies unfairly discriminate against their products, especially textiles and some electronic goods, by delaying shipments for up to 60 days and effectively excluding imports that fail to meet the price requirements.

Earlier this month, the president of the Sao Paulo Federation of Industries called on the Brazilian government to take retaliatory action against the new trade policies.

But Argentina counters that the measures are necessary to mitigate its trade deficit with Brazil, a debt that has been ongoing for 70 months and that totalled more than US\$ 4.3 million last year. The policies are specifically aimed at combating tax evasion and addressing under-invoicing, Buenos Aires says.

"The import norms will remain in force," Argentine Foreign Minister Jorge Taiana said at a press conference after the meeting.

Brazilian Foreign Minister Celso Amorim acknowledged that the two countries had failed to reach an agreement but said that Brazil was “not contemplating any unilateral actions in the matter.”

“Argentina is a great trade partner,” Brazilian Trade Minister Miguel Jorge joked with reporters. “They only cause trouble on the soccer field.”

Although no resolution was reached at the two-day meeting last week, the officials did agree to establish a joint technical group to address the problem, which will meet on 4 March. The presidents of the two countries are scheduled to meet two weeks later.

Translated and adapted from “Ni Argentina ni Brasil ceden en conflicto comercial,” Puentes Quincenal, Vol. 6, No. 3, 24 February 2009; “Argentina, Brazil Fail To Reach Accord On Import Licensing,” DOW JONES NEWSWIRE, 18 February 2009.

WTO IN BRIEF

WTO Urges Japan to Bolster Productivity

Japan, having faced a 3.3 percent decline in its gross domestic product in the last quarter of 2008, may confront an unparalleled recession over the next year, a WTO review of the country’s trade policies concluded last week.

While the report praised Japan for further liberalising its trade regime over the past two years, it recommended that Tokyo continue to promote structural reforms to reduce domestic business costs and incentivise inward foreign direct investment. Increased reforms should aim to increase competition and stimulate productivity, which has fallen behind that of other major industrialised nations, the report said.

“Improving productivity is particularly important due to the downside risks from Japan’s rapidly

aging population and the associated decline in the labour force,” the WTO said.

The WTO Trade Policy Review Body, which met 18 and 20 February to discuss the report, noted that Japan’s recovery from the current downturn will largely hinge on the rate of growth in the global economy and the prices of energy and raw materials. The report also predicted that the adverse effects of the global slowdown are likely to be exacerbated by the recent appreciation of the Japanese yen.

The Japanese agriculture sector remains protected from foreign competition, a fact that is affecting the country’s growth potential, the WTO concluded. However, Tokyo has begun to shift from propping up prices to providing income support for farmers, a policy that is considered less trade distorting.

The WTO praised Tokyo for keeping its markets open amidst the ongoing economic turmoil. The report noted that Japan has not introduced any new trade measures to protect its market since the onset of the financial crisis in September. Moreover, Tokyo has recently made several high-level commitments to resist protectionism, the report said.

The WTO examines each of its Member’s trade policies at regular intervals; Japan’s last review was in 2007.

ICTSD reporting; “Japan continues trade liberalisation in financial crisis,” People’s Daily Online, 20 February 2009; “WTO urges Japan to continue structural reform,” Alibaba, 18 February 2009

EVENTS & RESOURCES

Events

If you would like to submit an event, please email bridges_weekly@ictsd.ch.

Coming up this week

26-27 February 2009, Geneva, Switzerland. **TRADE POLICY AND APPLICATION OF INTERNATIONAL LABOUR STANDARDS.** This meeting of experts aims to transform the longstanding debate about the link between liberalised trade and respect for core labour standards in two major ways: first, by starting the discussion *bottom-up*, at a technical/expert level, based on two specific examples; second, by widening the debate so as to include both the question of implementation and practical *effectiveness* and the question of *legality*, by looking at both the WTO and the ILO angles and by assessing the issues from different disciplinary perspectives including both economics and law. For more information please refer to <http://graduateinstitute.ch/corporate/cache/bypass/lang/en/news/calendarofevents.html?evenementId=54943>

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)

3-7 March, Bangalore, India. **GREEN ENERGY SUMMIT.** The renewable energy market in India is positioning itself as a major global player and offering the world's third most attractive national environment for investments. Attend GES to

understand this market better, decipher the roadmap for policy-making, and learn best practices and case studies. This summit highlights new developments in green fuel and transport, IT software, power and buildings. The summit will bring together the industry representatives, financiers, the policy-makers, scientists, decision-makers, and buyers and sellers in a bid to develop and drive new initiatives, provide insights, showcase sustainable product development and green business opportunities, and facilitate interaction among entities from all over the world and India. For more information please refer to <http://www.greenenergysummit.com/>.

2-6 March, Papua New Guinea, Samoa, Tonga. **PACIFIC DEPARTMENT COUNTRY CONSULTATIONS FOR CLIMATE CHANGE IMPLEMENTATION PLAN (CCIP).** The Asian Development Bank will hold consultations in selected Pacific developing member countries focusing on stakeholders in each country including relevant government agencies, research organisations conducting climate change research, and NGOs active in climate change. The aim of these consultations is to report and gather relevant country information for further analysis of their climate change implementation plans. For further information please refer to <http://www.adb.org/Documents/events/2009/pard-ccip-consultations/default.asp#purpose>.

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.

27 February: Working Party on the Accession of the Republic of Lebanon

3+4 March: Council for Trade-Related Aspects of Intellectual Property Rights

4 March: Committee on Regional Trade Agreements

Other upcoming events

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>.

16-22 March, Istanbul, Turkey. 5TH WORLD WATER FORUM: BRIDGING DIVIDES FOR WATER. This forum will be an open, multi-stakeholder process that aims to raise awareness and understanding of water issues and propose concrete solutions addressing global challenges. Organised every three years by the World Water Council, this forum, which was last held Mexico City in March 2006, focuses on putting water firmly on the international agenda. For more information please refer to <http://www.worldwatercouncil.org/index.php?id=1842>.

27-29 April 2009, Geneva, Switzerland. EXPERT MEETING ON TRADE AND CLIMATE CHANGE: TRADE AND INVESTMENT OPPORTUNITIES AND CHALLENGES UNDER THE CDM. Geneva, Switzerland. At its fifty-fifth session, UNCTAD's Trade and Development Board approved terms of reference for a single-year expert meeting on trade and climate change. Accordingly, the expert meeting will focus on the trade and investment opportunities and challenges under the Clean Development Mechanism (CDM). For more information contact: Lucas Assunção; fax: +41 22 917 02 47; e-mail: lucas.assuncao@unctad.org; Internet:

<http://www.unctad.org/Templates/meeting.asp?intItemID=4714&lang=1&m=15861&info=not>

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/dsd/csd/csd_csd17.shtml.

Resources

DISTORTIONS TO AGRICULTURAL INCENTIVES. February 2009, World Bank, Kym Anderson. This book provides an overview of the evolution of distortions to agricultural incentives caused by price and trade policies in the 12 largest economies of East and South Asia. Together these countries constitute more than 95 percent of the region's population, agricultural output, and overall GDP. Sectoral, trade, and exchange rate policies in the region have changed greatly since the 1950s, and there have been substantial reforms since the 1980s, most notably in China and India. Nonetheless, numerous price distortions in this region remain and others have been added in recent years. The new empirical indicators in these country studies provide a strong evidence-based foundation for assessing the successes and failures of the past and for evaluating policy options for the years ahead. To purchase this book please refer to www.worldbank.org/agdistortions.

RESOURCES, RULES AND INTERNATIONAL POLITICAL ECONOMY: THE POLITICS OF DEVELOPMENT IN THE WTO. By Kenneth C. Shadlen, 2009 January. This paper examines the contemporary politics of intellectual property (IP) and investment in the World Trade Organization (WTO). In it, the author explores the underlying and perennial conflicts that pit developing and developed countries against each other in these two areas and the nature of the two agreements reached during the Uruguay Round, the

Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) and the Agreement on Trade-Related Investment Measures (TRIMS). The author then analyses developed countries' efforts to push beyond the TRIPS and TRIMS agreements, and, critically, developing countries' success in forestalling these efforts. Developing countries have "prevailed" in the current international conflicts over IP and investment not by securing rules that they desire but rather by preventing the imposition of arrangements that they regard as worse than the WTO status quo. Shadlen explores the complex political economy of these negotiations. To access this paper please refer to <http://www.ase.tufts.edu/gdae/Pubs/wp/09-01IPinWTOJan09.pdf>.

THE DEVELOPMENT AGENDA: GLOBAL INTELLECTUAL PROPERTY AND DEVELOPING COUNTRIES. Neil Weinstock Netanel (editor), November 2008. The Development Agenda is the result of the recent campaign to ensure that the intellectual property treaty regime permits -- and, indeed, empowers -- developing countries to tailor their intellectual property laws as they deem necessary to promote development and serve the welfare of their citizens. The Agenda's adoption by the World Intellectual Property Organization (WIPO) in September 2007 was a watershed for that UN agency, which has long viewed its mandate as the unabashed promotion of greater intellectual property rights throughout the world. This compilation of articles examines the Development Agenda and the broader issues it touches upon. Contributors include scholars from economics, political science, and law, and from countries at various stages of development. They also include experts from NGO-think tanks, UNCTAD, and the two Brazilian diplomats who were the leading advocates of the Development Agenda's adoption. To purchase this book, visit <http://www.oup.com/us/catalog/general/subject/Law/ConstitutionalLaw/?view=usa&ci=9780195342109>