



Bridges Weekly Trade News Digest

Weekly trade news from a sustainable development perspective

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LEAD STORIES

Brazil, US Strike 'Framework' Deal in Cotton Dispute

Trade officials from Brazil and the United States reached a place-holder accord last week that delays until 2012 the imposition of trade sanctions in a protracted dispute over Washington's cotton subsidies.

The 'framework' deal that was announced on Friday outlines a new set of negotiations and consultations that will take place over the next two years as US lawmakers revise the Farm Bill, the omnibus legislation that governs the form and value of subsidies for US farmers. The current Farm Bill, which was passed in May 2008, will expire on 30 September 2012.

"The framework would not serve as a permanent solution to the cotton dispute," the Office of the USTR said in a statement released on Friday. "However, it would provide specific interim steps and a process for continued discussions on the programs at issue with a view to reaching a solution to the dispute."

The framework agreement obligates the US to fork over US\$147.3 million per year in the form of a "technical assistance fund" to help Brazilian farmers. Washington officials have also agreed to work toward benchmarks for specific changes to its controversial GSM-102 programme and to establish "a limit on trade-distorting cotton subsidies," according to a statement from the Office of the US Trade Representative. Officials from both sides will meet four times a year as the next Farm Bill takes shape.

"This is not a final solution, but it lays out elements that will allow for consultations and reforms to the Farm Bill that will take place by the end of 2012," said Roberto Azevedo, Brazil's

ambassador to the WTO, according to a report in The Financial Times. “Brazil doesn’t rule out taking countermeasures at any moment.”

A brief history of the dispute

The WTO has ruled on two separate occasions – the first in 2005, the second in 2008 – that Washington’s cotton subsidies were out of line with the United States’ commitments at the global trade body. Those two judgments led to an arbitration ruling published in August last year that authorised Brazil to impose trade sanctions to the tune of more than US\$800 million.

Significantly, the arbitration ruling granted Brazil the right to impose sanctions on items other than those covered by the agreement that the United States had breached in maintaining its illegal cotton subsidies. The WTO does not often grant countries the right to “cross-retaliate” in another sector; in fact, no country has ever followed through with the practice.

In April – less than one week before Brazil was to impose trade sanctions on more than 100 US goods – the two sides announced that they had agreed to negotiate a resolution to the dispute. Brasilia was also in the process of establishing sanctions that would target US intellectual property in the form of films, pharmaceutical products and the like. All of those sanctions have been put on hold pending the outcome of the negotiations, but – in theory, at least – they remain a viable threat.

The April breakthrough accord set a 60-day deadline for negotiators to agree on a process for moving the negotiations forward. Last week’s framework deal was announced one working day before that deadline expired.

Some Brazilian observers grumbled that last week’s deal does not go far enough to right the wrongs of US cotton subsidies. The framework agreement “lacked the symbolism of change” in US policy that Brazil has sought with its WTO suit, wrote Pedro de Camargo Neto, a former secretary of Brazil’s agriculture ministry, in an op-ed in Sao Paulo’s *O Estado* newspaper on Friday. Camargo Neto also lamented the fact that the Obama administration had not taken more

forceful steps to reform the aspects of the cotton subsidies that are under its control. He predicted that significant changes will become increasingly difficult to achieve the longer they are delayed.

Doha implications

The United States’ cotton subsidies have long been a sticking point in the Doha Round of world trade talks at the WTO. A number of developing countries, including Brazil, have urged the US to reform the support it offers its cotton farmers, but US officials have so far failed indicate what changes they might be willing to adopt.

Washington’s failure to overhaul its cotton programme has had important implications for cotton farmers in Brazil and other developing countries, according to [a recent study](#) conducted by Mario Jales, a graduate resident fellow at Cornell University, and commissioned by the International Centre for Trade and Sustainable Development, the publisher of Bridges Weekly.

The analysis found that world cotton prices would have jumped by 6 percent if the US had agreed to make cuts outlined in proposals that African nations have put forward in the Doha talks. Such an increase could have brought significant gains to cotton farmers in the developing world.

“There is an urgent need to rebalance existing trade rules that permit developed countries to highly subsidise domestic production, depress world prices, push farmers elsewhere out of production and impair prospects for economic advancement in the developing world,” Jales said.

ICTSD reporting; “Brazil to suspend action in US cotton dispute,” THE FINANCIAL TIMES, 18 June 2010; “Faltou o simbolismo de uma mudança concreta,” O ESTADO DE SAO PAULO, 18 June 2010.

China Loosens Hold on Currency Ahead of G20 Summit

China's central bank announced over the weekend that it would modestly relax its currency's two-year-old peg to the US dollar, in a move calculated to defuse international tension over the yuan's value ahead of the G20 summit in Toronto this week.

The surprise decision came only days after Chinese state media rejected US lawmakers' calls for the yuan to rise, deriding them as the work of "baby-kissing politicians" seeking to make political hay by "blaming everything on China."

It is unclear whether the move, which Beijing has made clear will not lead to any sudden appreciation in the yuan, will mollify Washington enough to stave off legislation targeting Chinese imports for what many US policymakers see as an artificially weak yuan that unfairly subsidises Chinese exports. Leading Congressional proponents of punitive action have vowed to press forward with sanctions legislation, but they may now find it harder to win support from their colleagues and the White House.

Beijing's announcement came in the form of a short statement that appeared on the People's Bank of China's website on Saturday. The Chinese government "decided to proceed further with reform of the RMB exchange rate and to enhance the RMB exchange rate flexibility," the statement said, using the abbreviation of the currency's other name, the renminbi. The yuan would be linked to a basket of currencies.

No large jumps in the value of the yuan are likely. In its statement, the central bank said that in light of the country's shrinking current account surplus, "the basis for large-scale appreciation of the RMB exchange rate does not exist."

A separate statement posted to the central bank's site two days later emphasised that a large fluctuation in the yuan was "not in China's fundamental interest." The statement made clear that a one-off revaluation was not in the cards, and that changes would be gradual, to minimise any negative effects on the corporate sector. The

central bank said that the exchange rate regime that saw the yuan appreciate by over 20 percent from July 2005 until it was re-pegged to the dollar in mid-2008 had been a "success." The new flexibility, it added, would be pursued for similar reasons: boosting industrial upgrading, controlling inflation and asset price bubbles, supporting the expansion of the services sector, reducing trade imbalances, and making growth less reliant on exports.

For all the emphasis on domestic motivations, the move is well timed to help China deflect scrutiny of its exchange rate policy at the Toronto summit. The US is hardly alone among G20 members in having criticised the level of the yuan; officials from other countries, including India and Brazil, have also urged Beijing to revalue.

Eswar Prasad, a Cornell University economics professor who was previously the top China expert at the International Monetary Fund, called Beijing's move "canny," since much of its effects remained to be seen.

"They're taking away the political heat, but without significantly affecting their export competitiveness," he told The Wall Street Journal. Beijing had said that the yuan would be linked to a basket of currencies, but it provided no specifics about the composition of the basket – which is what would determine how the yuan moved, he explained. If the basket were heavy on the euro, which had declined sharply against the dollar (and thus the yuan) in recent months, a newly flexible yuan might even sink against the dollar.

"If the world now says, 'Let your currency float against the dollar,'" Prasad told The Wall Street Journal, "the Chinese could say, 'Do you really want it to depreciate?'"

A study released earlier this month by two experts at the Washington-based Peterson Institute for International Economics concluded that the yuan is still undervalued, but not to the extent that it was before. The authors, William Cline and John Williamson, said that based on IMF data for May 2010, the yuan needs to appreciate by 24 percent against the dollar. Last year, they put the figure at 40 percent. The bulk of the change was attributed

to the reduction in China's current account surplus.

How Beijing will allow the yuan to move remains to be seen. The subject of worldwide scrutiny, the yuan rose by a modest 0.42 percent against the dollar on Monday, departing the RMB 6.83 level around which it had hovered for nearly two years. But the next day, it fell 0.23 percent against the dollar, as Chinese state-owned banks purchased the US currency, in what was taken as a sign that the Chinese financial authorities would manage any shifts tightly. A report in The Financial Times quoted traders and economists as saying that the government would try to avoid setting up a "one-way bet" on upward movement by the yuan that would attract inflows of speculative capital.

It is clear, however, that a decline – or even a standstill – in the value of the yuan will raise hackles in Washington. Even before the yuan turned downwards on Tuesday, Senator Charles Schumer, one of the leading Congressional proponents of punitive action, including tariffs, against China, said he did not intend to halt his work to advance sanctions legislation linked to the value of the yuan.

"We intend to move forward as quickly as possible with legislation," said Schumer, a Democrat from New York, in a statement on Sunday, reports Bloomberg. "Just a day after there was much hoopla about the Chinese finally changing their policy, they are already backing off."

Other officials, both in the US and elsewhere were less sceptical.

"We welcome China's decision to increase the flexibility of its exchange rate," said Timothy Geithner, the US treasury secretary. "Vigorous implementation would make a positive contribution to strong and balanced global growth."

The European Commission and the Japanese government also welcomed the Chinese central bank's move, expressing the hope that it would lead to more balanced growth in the global economy.

ICTSD reporting; "Global Leaders Welcome China's Yuan Plan," WALL STREET JOURNAL, 21 June 2010; "Beijing allows renminbi fall to deter speculators," FINANCIAL TIMES, 23 June 2010.

OTHER NEWS

With Compromise Deal, EU Moves Toward Illegal Timber Ban

After more than two years of negotiations, the European Council and European Parliament have signed a provisional agreement that, if approved, would ban illegal timber from entering the EU.

Finnish MEP Satu Hassi, who succeeded British MEP Caroline Lucas as the rapporteur for the regulation, called the proposed prohibition "an important precedent for taking responsibility for the external impacts of European consumption."

The European Parliament will vote on the provisional agreement on 7 July; if approved, it would then fall to the Council to formally adopt the text.

Legal timber is defined as timber that was "harvested in accordance with the relevant national legislation," along with adhering to "relevant international conventions to which that country is party," according to the text of the agreement. The European Parliament estimates that 20 to 40 percent of global industrial timber production is obtained illegally; up to one fifth of all of that illegal wood ends up in the EU.

Illegal logging exacerbates forest degradation and deforestation, releases carbon dioxide into the atmosphere, and is considered to have "social, political and economic implications," according to the agreement. It has also been linked to armed conflicts.

The compromise between the Council and the Parliament contains two key provisions: the prohibition against bringing illegally logged timber into the European market, and the obligation that

timber and timber products be traceable throughout the supply chain.

The agreement also puts into place a “due diligence” system that requires the operators who introduce the timber into the EU market to show that they have done everything possible to ensure that the timber comes from legal sources. This includes gathering all “relevant” information about the timber’s supply and source, conducting risk assessments based on that information, and then attempting to mitigate those risks.

The requirements for subsequent retailers are less stringent. They are required to know where they bought the timber and to whom they sold it; they must also be able to present that information upon request.

Difficult compromise

Though pleased with the agreement’s progress, Hassi, the Finnish MEP, mentioned her disappointment that member states “could not move closer to the Parliament’s position.”

Over the past two years, the Council and the Parliament have disagreed extensively over how stringent the final legislation should be. Until recently, the two bodies had been considering very different approaches to the issue, with the Parliament pushing for a harder stance.

For instance, prior to April’s debates on the draft proposal, Caroline Lucas - the regulation’s previous rapporteur - openly chastised the European Council’s approach in an interview with *The Parliament Magazine*.

“Several of these tough measures were deleted by the EU Council back in March, when they officially adopted a weak common position of the timber proposals, which fell far short of the progressive position backed by Parliament,” she said at the time. “For years the EU has preached against illegal timber but continued to provide one of the biggest markets for it,” she added.

Originally, the Council did not support the prohibition or the traceability obligation for subsequent actors, while Parliament wanted full-scale prohibition that would cover the subsequent

operators after the first place on the market. These two requirements are, arguably, the key tenets of the legislation, and did finally make it into the final compromise text.

Parliament also pushed for the regulation to cover a broader range of products, and for the severest cases of illegal timber trade to be punishable by criminal sanctions. However, that request did not make it into the final agreement.

Portugal and Sweden have both signalled some level of hesitation over the proposed ban, according to Greenpeace EU. The environmental advocacy group expressed its support for the agreement, while noting concerns that the sanctions and penalties are “too weak” and that the date of the agreement’s application is “too late, two years after the entry into force.”

Implications for existing VPAs

Over the past seven years, the EU has worked to establish a series of legally binding bilateral agreements – known as Voluntary Partnership Agreements (VPAs) with timber-producing countries. These VPAs, which are part of the bloc’s Forest Law Enforcement, Governance and Trade (FLEGT) Action plan, commit the two parties to only trade in legal timber.

The EU currently has VPAs in place with Ghana, the Congo-Brazzaville, and Cameroon. The EU is also in negotiations to set up VPAs with the Central African Republic, Indonesia, Liberia, and Malaysia, according to the Chatham House website on illegal logging.

The new agreement is not meant to supplant or replace the existing VPA process. Rather, proponents of the agreement hope that it will strengthen the existing FLEGT programme.

For instance, the main reason why the negotiators came up with the “due diligence” requirement was to avoid undermining the VPA process, according to Saskia Ozinga of the Brussels-based non-governmental organisation FERN, speaking to *Bridges*.

The countries with which the EU has finalised VPAs negotiated these agreements “in good

faith.” However, having this general prohibition will help assuage the concerns of these exporting countries about whether their timber will be able to thrive in the EU market, given that they had previously been competing with both illegal and legal timber from other non-VPA countries.

However, Ozinga mentioned that there is some concern that countries not willing to address other issues that come up in the VPA process, such as forest governance, might now choose to avoid the VPA process. Some African civil society organisations also expressed worry that, once this law was adopted, the EU “would simply give up on” pursuing VPAs.

Ozinga explained that one of the strengths of the VPA process is that it forces the countries involved to look more thoroughly at the entire supply chain and the forest governance system in the timber-producing country. She noted that VPAs have the potential to truly transform the forest sectors of VPA signatories. In contrast, EU laws can “only send a signal” that it will be more difficult for illegal timber to enter their market.

To that end, Ozinga clarified that the new agreement has its limitations. “EU legislation cannot do more than the Lacey Act in the US,” she said, referring to the US law that has banned all imports of illegal timber since 2008. She explained that illegal logging in itself is not so much a problem as it is a “symptom” of poor forest governance, which is what the real underlying problem is and which VPAs are better-equipped to address.

ICTSD reporting; “EU set to ban illegal timber from 2012,” BBC NEWS, 17 June 2010; “Environment MEPs get tough on illegal timber trade,” EUROPEAN PARLIAMENT, 11 May 2010; “EU parliament set to approve ban on ‘illegal’ timber trade,” THE PARLIAMENT, 13 April 2010.

IN BRIEF

US, EU Could Clash at G20 Summit

National stimulus packages, a global bank tax, and the European debt crisis will be among the issues on the table when the Group of 20 economic powers meet in Toronto this weekend. The heads of state of the 19 countries – plus the EU – that make up the G20 will come together for their fourth summit, aptly themed “Recovery and New Beginnings.”

Fearing a relapse into a global economic crisis, leaders in the US and Europe are re-evaluating their spending policies. Their analyses seem to have led them to very different conclusions as to how to proceed from here.

US President Barack Obama, in anticipation of the summit, sent a letter to the other G20 heads of state asking them to “learn from the consequential mistakes of the past” when stimulus packages were withdrawn too early. He mentioned his concerns over the potential “economic hardship” that would result from a failure to achieve the right balance between stimulus packages and fiscal consolidation.

The European debt crisis has forced many EU countries to begin consolidating their debts and impose “austerity” programmes instead, rather than continuing their stimulus packages. French President Nicolas Sarkozy and German Chancellor Angela Merkel sent a letter of their own to Canadian Prime Minister Stephen Harper, asking instead that G20 countries pursue stricter fiscal policies.

In the letter, the two heads of state asserted that “[o]ur work is not yet finished. Recent financial turbulences have shown that more needs to be done to ensure financial stability,” according to German broadcasting service Deutsche Welle.

However, an unnamed German government official attempted to dispel the concerns over US-EU conflict, according to The Wall Street Journal. The official claimed that Obama and Merkel have agreed upon a “differentiated exit” from their respective stimulus packages, and insisted that the

two countries' goals would not be at odds with each other during the meeting.

France, Germany, and the UK have also come forward on Europe's behalf to push for a tax on financial markets – more commonly referred to as a “global bank tax.” These countries argue that the tax will ensure that banks can contribute to future bank rescue packages, while also giving banks an incentive to avoid unnecessary risk. The US has come out in support of some version of a bank levy.

However, should the non-European G20 countries not wish to take on this tax, the EU will continue to pursue the tax on its own. Canada, Japan, and Australia are among those countries that have publicly opposed the tax.

Pressure off China, somewhat

China's weekend announcement that the country would allow its currency, the renminbi, to begin to appreciate took the pressure off the G20 country, which was likely to face increased scrutiny at this weekend's summit for not allowing its currency to fluctuate. However, Canadian Minister of Finance Jim Flaherty joined Harper in saying that world leaders were still likely to ask China for more information on exactly what their new currency plan will entail, according to The Montreal Gazette.

The US Congress had been planning legislation that would have imposed punitive tariffs on China if it did not allow the renminbi to appreciate. Critics had referred to the peg as an export subsidy, given that it made Chinese exports artificially cheap. For more on the renminbi's appreciation, please see the related article in this issue.

ICTSD reporting; “Top economist supports Merkel's push against Obama's criticism,” DEUTSCHE WELLE, 22 June 2010; “Merkel, Sarkozy Renew Call For Tougher Regulation Ahead Of G20,” EURASIA REVIEW, 22 June 2010; “Obama Asks G-20 States to Maintain Stimulus,” THE NEW YORK TIMES, 18, June 2010; “Bank Tax Gains Ahead of G-20,” WALL STREET JOURNAL, 23 June 2010; “UPDATE: German Official: US, Germany Agree On

‘Differentiated Exit,’ WALL STREET JOURNAL, 22 June 2010.

Australia, China Strengthen Trade Ties

A free trade agreement could be on the horizon for Australia and China, given the positive outcome of Monday's talks between Australian Prime Minister Kevin Rudd and Chinese Vice President Xi Jinping. The two officials met in the Australian capital of Canberra during Xi's 11-day tour of Australia, Bangladesh, Laos, and New Zealand.

Despite recent concerns over political tensions between the two countries – brought on by British-Australian mining company Rio Tinto's rejection of a major deal with Chinese aluminium company Chinalco, among other incidents – the two countries are now expressing their commitment to strengthening their relationship, at least in economic terms.

The two countries have been entertaining the idea of establishing an FTA since 2005; the talks are now about to enter their fifteenth round of negotiations, which will be held in Beijing at the end of this month. Xi mentioned during his visit to Canberra that the FTA would be of “strategic interest to both countries,” according to The Australian newspaper.

A study commissioned by the Australian Department of Foreign Affairs and Trade, which the Australian-based Centre of Policy Studies conducted with the help of Chinese experts, found that both countries would benefit strongly from an FTA. Their results also found that the FTA would also increase trade volume for the world as a whole.

The study suggested that the FTA would boost inflation-adjusted GDP by US\$18,000 million in Australia and US\$64,000 million in China. The study, which was published in 2005, focused on the effects of implementing the FTA in 2006, and then modelled the effects for the years 2006-2015.

Rudd announced at Monday's Australia-China Economic Trade and Co-operation Forum that the talks with Xi have already yielded a series of ten new trade pacts worth US\$8.8 billion. Many of those deals are focused on natural resources, notably Australia's minerals.

China is already Australia's largest trading partner; bilateral trade totalled US\$75,167 million in 2009 alone. Much of this trade comes from Australia's mining resources; however, Australian Trade Minister Simon Crean promised that Australia's "economic relationship with China is becoming so much more than just trade in resources," according to BusinessWeek.

Xi is viewed as the likely successor to President Hu Jintao. Meanwhile, Rudd is working to build support for his Labor Party in the upcoming Australian national election, which must be called by April 2011 and could be held within the next few months.

Should Labor win the election, the party would likely implement a 40 percent tax on mining industry prices as part of a larger overhaul of the Australian economy. Given that iron ore for China's steel mills comprises half of Australian exports to that country, the implications of the tax for Chinese investors had been cause for concern prior to this meeting.

However, China's willingness to ink resource-focused trade pacts – despite the potential tax – could help assuage fears within Australia over the levy's effects on foreign investment.

The proposed tax has already garnered substantial opposition in what promises to be a difficult election for the Australian Prime Minister. Given Australians' 55 percent dissatisfaction rate with Rudd, some speculate that the Labor Party could ask him to step down before the election, allowing Deputy Prime Minister Julia Gillard to run in his stead against Liberal leader Tony Abbott.

ICTSD reporting; "Australia, China sign major deals, push free trade," AGENCE FRANCE-PRESSE, 21 June 2010; "China's Xi visits Australia amid mining tax spat," AGENCE FRANCE-PRESSE, 19 June 2010; "Rudd forges closer ties with China's vice president Xi Jinping,"

THE AUSTRALIAN, 21 June 2010; "Abbott Narrows Gap on Australia's Rudd in Newpoll," BUSINESSWEEK, 20 June 2010; "Australia, China Sign Trade Pacts Worth \$8.8 Billion," BUSINESSWEEK, 21 June 2010; "China Official Pushes Australia Ties," WALL STREET JOURNAL, 21 June 2010.

EVENTS & RESOURCES

Events

Coming up this week

24 June, Washington, US. HOW CAN CHINA REDUCE ITS RELIANCE ON NET EXPORTS? The Carnegie Endowment for International Peace will be hosting this seminar, which will feature Michael Pettis – a Beijing-based economist. The seminar will focus on the various factors that affect China's trade surplus, including China's currency. Pettis will assess China's economic outlook, discuss what steps China should take to encourage domestic demand, and give suggestions as to how policy makers in both China and the US should respond. For more information, or to register, please visit <http://www.carnegieendowment.org/events/?fa=eventDetail&id=2945>.

25 June, Washington, US. BEYOND THE CRISIS? THINKING STRATEGICALLY ABOUT MEXICO'S FUTURE. The Latin America Initiative at the Brookings Institution and the Inter-American Development Bank (IDB) will co-host a conference featuring leading Mexican and international experts, in which they will discuss Mexico's economic future. Mexico's economy suffered substantially during the global economic crisis – however, its low growth rate even before the crisis hinted at pre-existing structural problems. The conference's objective is to discuss Mexico's development strategy, and recommend a possible economic agenda to help Mexico get past the global crisis. For more information, please see http://www.brookings.edu/events/2010/0625_mexico_economy.aspx

25 June, London, UK. THE EURO CRISIS: CAUSES AND CONSEQUENCES. Chatham House will be hosting a panel discussion on the potential implications of the European economic crisis. The panel will include experts from the Carnegie Endowment for International Peace, the University of Oxford, the European Bank for Reconstruction and Development, the UniCredit Group, and Chatham House. Along with discussing the causes and consequences of the crisis, the meeting will also highlight the key conclusions of the Carnegie Endowment's recent report 'Paradigm Lost: The Euro in Crisis.' For more information, please visit <http://www.chathamhouse.org.uk/events/view/-/id/1607/>.

26-27 June, Toronto, Canada. G20 SUMMIT. The G20 will convene in Toronto this month for its fourth summit. This meeting will provide international leaders with the opportunity to follow through on commitments made at previous summits regarding the global economic crisis and to continue the work of building a stronger and more sustainable global economy. The event's theme will be "Recovery and New Beginnings," and will focus on financial sector reform, fiscal and monetary stimulus programs, and global trade and growth. For more information, please visit <http://g20.gc.ca/home/>.

29 June-1 July, Basel, Switzerland. AFRICA ENERGY FORUM. The 12th Africa Energy Forum will focus on African power, renewable energy, biofuels, and gas. Last year's event saw over 410 events attend the forum from 40 countries. This year, the programme will include discussions on how environmental concerns, development goals, and power supply interconnect. Another major subject area will be the implications and necessary responses to adjust to the increasing pressure from consumers for clean and affordable power. For more information, please visit <http://www.energynet.co.uk/AEF/AEF2010/index.html>.

WTO events

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

28 June: Committee on Trade and Development

28 June: Committee on Trade and Development – Dedicated Session on RTAs

29-30 June: Committee on Sanitary and Phytosanitary Measures

29 June: Committee on Trade and Development – Dedicated Session on RTAs

29 June: Committee on Trade in Financial Services

30 June: Council for Trade in Services

30 June: Sub-Committee on Least-Developed Countries

Other upcoming events

7 July, Washington, US. COMMISSION HEARING – ANDEAN TRADE PREFERENCE ACT. The US International Trade Commission (USITC) will be holding a hearing on the Andean Trade Preference Act (ATPA) and its impact on the US economy and on Andean drug crop eradication. This hearing is open to both the media and the public. The ATPA requires the USITC to report biennially to Congress on the economic impact of the Act on US industries and consumers, as well as the Act's effectiveness in promoting drug-related crop eradication and substitution efforts by beneficiary countries. For more information, please visit <http://www.usitc.gov>.

8 July, Washington, US. US-CHINA TRADE FRICTION AND ITS IMPACT ON KOREA'S TRADE INTEREST. The Korea Economic Institute will be sponsoring a luncheon programme on US-China trade friction, focusing on its impact on Korea's trade interests. The

event's main speaker will be Dr. Jaemin Lee, a Professor of Law at Hanyang University Law School. Dr. Lee is an advisor to the Ministry of Foreign Affairs and Trade of the Republic of Korea. This event is part of Dr. Lee's Academic Paper Series, and will be followed by an open roundtable discussion. For more information, please visit <http://www.keia.org/event.php?id=PRG10190>.

8 July, London, UK. AFRICAN AGRICULTURE: A TIME FOR CAUTIOUS OPTIMISM? The Overseas Development Institute will be hosting a seminar on the increased agriculture growth rates in Africa. The event will focus on the new opportunities for African farmers, such as higher prices, potential markets in Asia, and underused land, along with the potential challenges – including higher energy prices and climate change. The seminar's objective is to find a balance between these issues, and discuss what strategies should be adopted as a result. For more information, please visit <http://www.odi.org.uk/events/details.asp?id=2419&title=african-agriculture-time-cautious-optimism>.

Resources

HOW WOULD A TRADE DEAL ON COTTON AFFECT EXPORTING AND IMPORTING COUNTRIES? By Mario Jales, ICTSD, May 2010. This paper assesses the likely implications for exporting and importing countries from a trade deal in cotton. The study estimates the price, production and trade effects of reforming cotton subsidies and tariffs under alternative scenarios, with a primary focus on the WTO Doha Round. The model simulates the prices and quantities that would have obtained in a base year in a variety of scenarios, had the policy reforms implied by the given scenario been retroactively applied to that year. To download the paper, please visit <http://ictsd.org/i/publications/77906/>.

FACILITATING SUSTAINABLE DEVELOPMENT IN THE DEVELOPING WORLD. CUTS Centre for International Trade, Economics & Environment, April 2010. This

briefing paper discusses the importance of developing a concept of sustainable development that embodies the linkages between the economic, environmental, and social aspects of human behaviour. It reviews the existing literature on this subject, and uses this review – along with case studies of the recent development experience of India and China – to develop an operational definition and indicators of sustainable development. To download the paper, please see http://www.cuts-citee.org/pdf/Briefing_Paper10-Facilitating_Sustainable_Development_in_the_Developing_World.pdf.

INDIA ASEAN FTA: A MOVE TOWARDS MULTILATERAL FREE TRADE AGREEMENTS? CUTS Centre for International Trade, Economics & Environment, January 2010. This briefing paper focuses on the Association of Southeast Asian Nations (ASEAN)-India FTA, also known as the AIFTA, which was signed in August of 2009 in Bangkok. The AIFTA took effect on 1 January of this year. The paper aims to examine the significance of the AIFTA for the existing trade relationships between India and the ASEAN countries, along with the modalities of the Trade in Goods Agreement. The authors also evaluate concerns and criticisms regarding the AIFTA. To download the paper, please see http://www.cuts-citee.org/pdf/Briefing_Paper10-India_ASEAN_FTA-A_Move_towards_Multilateral_FTA.pdf.

SIMULATIONS ON THE SPECIAL SAFEGUARD MECHANISM: A LOOK AT THE DECEMBER 2008 DRAFT AGRICULTURE MODALITIES. By Raul Montemayor, ICTSD, April 2010. This paper aims to provide policy-makers, negotiators and other stakeholders with a clear technical assessment of how the December 2008 draft modalities and the accompanying working document could affect the functioning of the proposed special safeguard mechanism. It places special emphasis on how these documents could affect the accessibility of the mechanism and its effectiveness. For more information, or to download the paper, please visit <http://ictsd.org/i/agriculture/77761/>.