



Bridges Weekly Trade News Digest

Weekly trade news from a sustainable development perspective

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LEAD STORIES

US-China Trade Tensions Rise Further

Trade tensions between the United States and China grew more strained over the past week, as Washington slapped trade remedies on several Chinese imports, launched two WTO complaints targeting the Asian manufacturing juggernaut, and sharpened its criticism of Chinese currency and commercial policy.

Chinese officials have also stepped up the war of words, rejecting the US allegations and warning of a trade war with retaliation against US imports if Washington does not back down.

Two new disputes

Washington last week requested consultations with China, the first step in WTO dispute settlement procedures, alleging that Beijing was violating its multilateral obligations in its treatment of US electronic payment providers, and inappropriately levying anti-dumping and countervailing duties on US exports of a high-tech steel product. Both requests were sent by the US's WTO delegation to its Chinese counterpart on 15 September.

In the first complaint ([WT/DS413/1](#)), the US accuses China of violating its market access and national treatment commitments under the Generalised Agreement on Trade in Services by allowing only one company, a Chinese entity called China UnionPay, to supply electronic payment services for payment card transactions denominated and paid in renminbi, China's currency. Suppliers of similar services from other countries – such as the US-based Visa Inc. – can only do so for payment card transactions paid in foreign currency. The document identified other policies that discriminated against China

UnionPay's foreign competitors. These included a requirement for all shops' payment-card processing devices to be compatible with China UnionPay's system, while foreign companies had to negotiate for access. In addition, China required all payment cards issued within the country for transactions paid for in renminbi to bear the China UnionPay logo.

The second complaint ([WT/DS414/1](#)) alleges that Beijing violated the WTO Anti-Dumping Agreement and the Agreement on Subsidies and Countervailing Measures when determining that US exports of "grain oriented flat-rolled electric steel" were being subsidised and dumped on its market. The US faulted China both in procedural terms, arguing that China had failed to provide adequate details about its findings and conclusions, as well as in substantive ones, rejecting, for instance, Beijing's finding that government purchases under US Buy American Laws constituted a subsidy.

Geithner more critical

The following day, US Treasury Secretary Timothy Geithner told Congress that China was keeping its currency significantly undervalued, denying the American firms the treatment enjoyed by Chinese firms in the US, and engaging in "rampant" violations of intellectual property rights.

Many lawmakers are furious about China's massive trade surplus with the United States; the gap, stubbornly high unemployment, and the upcoming congressional elections in November, have combined to heighten already angry rhetoric.

Geithner was testifying to Congress about China's currency policies and the US-China economic relationship. Employing more forceful language than he has in the past, the US treasury secretary said that the Obama administration shared the International Monetary Fund's view that the "the renminbi is significantly undervalued," given the limited movement in its value, the high rate of productivity and income growth in China compared to its trading partners, the size of its current account surplus, and the scale of intervention in exchange markets to limit the appreciation of the Chinese currency.

He criticised China for only letting the renminbi rise by 1 percent since Beijing's June announcement that it would relax a two-year-old de facto peg to the US dollar and let the currency appreciate.

"China needs to allow significant, sustained appreciation over time" to correct the undervaluation, he said. While acknowledging that China would try to avoid creating a "one-way bet" on the value of the renminbi that would encourage large inflows of speculative capital, he said there would need to be a "sustained, trend appreciation." He said that he would evaluate China's progress by examining factors including the pace of appreciation and the extent of ongoing intervention required to slow the rate of appreciation."

Geithner also pointed to potential discriminatory effects on US companies of the Chinese government's "use of industrial policies to promote what it calls 'indigenous innovation,'" including direct intervention through state-owned enterprises and the credit market. He pointed to investment barriers facing US firms and workers, and urged China to improve the protection of intellectual property rights.

The US treasury secretary assured lawmakers that the Obama administration would use all available channels to pursue US objectives, ranging from the Group of 20 leading industrialised and developing nations to WTO dispute settlement and trade remedies. He pointed to the recent WTO cases as proof of the administration's resolve.

The tougher rhetoric from Geithner was not enough for many lawmakers, reported the New York Times.

Senators Charles Schumer, Democrat of New York, and Richard Shelby, Republican of Alabama, faulted him for failing to designate China a currency "manipulator." Such a designation could set in motion a process that would ultimately include retaliatory measures, and Geithner carefully avoided using the word "manipulation" in his criticism of Chinese currency policy.

Countervailing duties announced

Bloomberg reported this week that the US Commerce Department had determined that some kinds of glossy magazine paper imported from China and Indonesia receive unfair subsidies and are dumped into the US market at prices below cost. The anti-dumping duties will range as high as 135.83 percent for China and 20.13 percent for Indonesia; countervailing duties to offset subsidies will go up to 17.94 percent for Indonesia and 178.03 percent for China. The duties will vary depending on the exporting firm. US companies had complained that debt forgiveness, cheap electricity and access to timber at below world market rates were giving their Chinese and Indonesian counterparts an unfair advantage. Preliminary duties have been imposed since April and May, according to Bloomberg, and the US International Trade Commission is to issue a separate ruling on them in November.

Last week, the Chinese state-run People's Daily newspaper said that the US Commerce Department had calculated final anti-dumping duties of 48.99 to 98.74 percent and final countervailing duties of 13.66 to 53.65 percent on seamless steel pipe imports from China.

Obama weighs in; Chinese officials counter

US President Barack Obama added some criticism of his own this week, telling a town hall discussion on CNBC television that Chinese leaders had not done "everything they said would be done" in terms of currency appreciation. China's "currency is valued lower than market conditions would say it should be," he said, "giving them an advantage in trade."

Chinese officials have not been taking the criticism lying down. Agence France Presse reported over the weekend that Li Daokui, an adviser to the Chinese central bank, responded to Geithner's comments by telling a business leaders' meeting that China "will not appreciate the yuan solely because of external pressure," and warning that protectionism against China and India would continue to increase.

Meanwhile, Huo Jianguo, director of the Chinese Academy of International Trade and Economic Cooperation, a think tank associated with the commerce ministry, said the US was pinning the blame for its economic woes on China ahead of the midterm elections, and risked facing retaliatory measures from China if it did not relax its confrontational stance.

Jiang Yu, a foreign ministry spokesperson, called the US critics of the renminbi exchange rate "unwise and short-sighted," during a 21 September press conference. She suggested that the US would contribute more to global recovery if, as the issuer of a major international reserve currency, it followed more responsible fiscal and monetary policies.

ICTSD reporting: "China central bank adviser says no to yuan pressure: report Beijing," AGENCE FRANCE PRESSE, 19 September 2010; "Stem trade disputes, China urges US," PEOPLE'S DAILY, 17 September 2010; "Chinese, Indonesian Glossy Paper to Face U.S. Import Duties Over Subsidies," BLOOMBERG, 21 September 2010; "U.S. Steps Up Criticism of China's Practices," NEW YORK TIMES, 16 September 2010.

EU Members Agree to Give Pakistan Trade Concessions, Specifics Remain Unclear

EU member states have agreed to temporarily waive tariffs on imports from Pakistan, in an attempt to support economic recovery in the flood-stricken country. But the duration, coverage, and depth of the proposed trade concessions remain to be determined.

The European Council agreed on 16 September "to grant exclusively to Pakistan increased market access to the EU through the immediate and time-limited reduction of duties on key imports from Pakistan," to be implemented "as soon as possible." It asked the European Commission, the EU's executive body, to present a proposal for specific concessions in October.

Two caveats in the Council's decision are potentially significant for Pakistani exporters.

First, the Commission was asked to account for industrial sensitivities in the EU when formulating its proposal. Second, the tariff cuts are to be “in conformity with WTO rules.” Strictly speaking, granting tariff concessions to Pakistan while denying them to other developing countries would require a WTO waiver, which, in turn, would need the assent of geopolitical and commercial rivals such as India and China. (The EU could, however, cut its MFN tariffs on a basket of products in which Pakistan is particularly competitive, such as textiles, although this would also benefit exporters in other countries.)

The Council, which had been meeting to review the European Union’s collective foreign policy, also called for the EU to make Pakistan eligible for trade preferences under Europe’s “GSP-plus” scheme from 2014, provided it meets the necessary conditions. Under that scheme, the EU grants expanded trade concessions to developing countries that ratify and implement certain international conventions on human rights, core labour standards, sustainable development and good governance.

Unimpressed with the lack of concrete details in the European Council’s decision, Dawn, an influential Pakistani daily, editorialised that the proposal could “prima facie be described as a case of ‘too little, too late’.” The EU has in recent years repeatedly rejected Pakistan’s requests for GSP-plus tariff cuts citing human rights and governance grounds as well as the size of its economy, the newspaper observed.

While any increase in exports would create welcome jobs and bring in export revenue, Dawn argued that “Europe and America should give Pakistani textiles duty-free access for a longer period, say for 10 years, if they want to help the country’s people and economy.”

Asked about the coverage and timing of EU trade concessions for Pakistan, John Clancy, the EU’s trade spokesperson, told Bridges that “the European Commission’s Trade Department is now talking to key partners at the WTO and will make a proposal in due time, taking into account both the ambitious tone set by the Council declaration and the industrial sensitivities in the EU. For the time being, we are still looking into

the economic options: the scope and size and sectors of the measures have not been decided on yet.” Pressed on whether the EU would be prepared to implement Pakistan-specific tariff cuts before it can secure a WTO waiver allowing such discrimination, Commission officials said that whatever option they choose would be consistent with WTO rules.

There are clear precedents for using trade concessions to help places hit by natural disasters. Following the Indian Ocean tsunami in 2004, the EU and the US extended trade benefits under their respective Generalised System of Preferences schemes to affected countries, in some cases relaxing rules of origin requirements to make it easier for goods to qualify for low-tariff or duty-free treatment.

On the other hand, the grounds for granting countries “GSP-plus” concessions more generous than those available to all developing countries under the Generalised System of Preferences have proved contentious in the past. In 2004, India successfully secured a WTO ruling against the EU’s granting of GSP-plus treatment to Pakistan and 11 other countries as a reward for fighting drug production and trafficking. The Appellate Body found that unlike the ratification and implementation of labour and environmental agreements, the EU’s “drug arrangements” had not created an “objective standard” that other countries could try to meet.

Manzoor Ahmad, Pakistan’s former ambassador to the WTO, told Bridges that the easiest way for the EU to grant Pakistan better market access would be to make a small adjustment to its GSP-plus eligibility criteria. Currently, countries cannot receive GSP-plus tariff treatment if they represent over 1 percent of total EU imports under the GSP scheme. Pakistan is barely over this threshold, Ahmad noted, representing some 1.1 percent of the EU’s GSP-covered imports. Raising this to 1.5 or 2 percent would give Pakistani textile exporters substantially improved market access. The threshold would be an objective measure, applicable to all countries that qualify, and thus would provide less scope for complications at the WTO. Ahmad said that Pakistan had implemented the international conventions that are the other requirements for GSP-plus qualification.

A bill pending before the US Senate proposes granting duty-free access to exports from designated areas in Afghanistan and Pakistan's border regions, with the goal of stimulating economic activity and discouraging violent extremism. Writing in *The News* – a Pakistani newspaper – last month, Ahmad, the former senior trade official, called for flood-affected areas to be included in these 'reconstruction opportunity zones'. The House of Representatives passed a bill with similar provisions in 2009, but it has gotten bogged down in Congress's upper chamber.

According to the United Nations, the floods triggered by heavy rains at the end of July, have covered an area larger than England, affecting more than 20 million people in Pakistan, and causing immense damage to crucial economic infrastructure and livelihoods.

ICTSD reporting; "EU concessions," DAWN, 19 September 2010; "Market access and the rehabilitation of flood victims," THE NEWS, 28 August 2010.

Doha Accord Would Help WTO Contribute to MDGs, Says Lamy

Concluding a Doha Round agreement and increasing aid for trade are the contributions the WTO can make to ongoing global efforts to reduce the problems afflicting the world's poor, Director-General Pascal Lamy told world leaders at the UN Millennium Development Goals Summit in New York this week.

The purpose of the high-level meeting is to assess progress towards the MDGs, a set of eight objectives for 2015 adopted ten years ago by UN members to reduce poverty, hunger, and disease; increase access to health, education, and jobs; and promote environmental sustainability and global cooperation in support of development.

The achievements over the past decade have been real, but uneven. The goal of halving the number of people living on less than \$1.25 a day is within reach, but driven largely by China and other Asian

countries. On the other hand, detailed analysis has shown that broad pessimism about Africa's progress on the MDGs is unwarranted. One report showed that Ethiopia had made dramatic progress on reducing extreme poverty and increasing primary enrolment, and that even Angola and Niger had made meaningful progress on reducing under-five mortality. Another demonstrates that that countries not generally thought of as developmental miracles, such as Honduras, Kyrgyz Republic, Laos, Nepal, Burkina Faso, Bolivia, Nicaragua, Ghana, Malawi, Mongolia, and Uganda had been MDG 'trailblazers' that had made substantial progress towards meeting the objectives.

As the world emerges from a deep and widespread economic crisis, Lamy said in his 20 September address, "we should be asking ourselves: How has the World Trade Organization contributed to achieving the Millennium Goals?"

The WTO chief noted that poverty reduction was strongly correlated with countries' trade volumes and their integration into the trading system. He contended that the multilateral trading system and its monitoring of WTO members' trade policies had served as a bulwark against immiserating protectionism during the recent crisis. "It is because international trade remained open that it is now a leading force in the recovery," he added, citing recent WTO estimates that the volume of global trade should grow by 13.5 per cent this year, 11 per cent for developed countries and 17 per cent for developing countries.

MDG 8, "developing a global partnership for development," calls for an "open, rules based, predictable and non discriminatory trading and financial system." Lamy said that "ensur[ing] a level playing field for all its Members, big or small, rich or poor... ensuring a 'pro-development' trading environment" was at the very heart of the WTO's *raison d'être*.

"Positive as the multilateral trading system's contribution to poverty reduction may have been," Lamy said, "we can and must do better." This, he said, would be accomplished by a rapid conclusion of the long-running Doha Round negotiations. A global trade accord would, he said,

generate new growth opportunities, but also bolster multilateralism in general.

Lamy called for duty- and quota-free market access for exports from least-developed countries (LDCs), along with serious moves to address cotton subsidies – both issues have been priorities for some of the WTO's poorest members in the Doha Round talks. He also urged countries to maintain their efforts on aid for trade, saying that "helping poor countries to develop their productive capacities and to participate in international trade today is about enabling them to move forward more quickly on the path of growth tomorrow."

ADB chief: Export-led growth model is dead

Meanwhile, the head of the Asian Development Bank said that the export-led growth model that has underpinned unprecedented poverty reduction in East Asia will no longer be a vehicle for breakneck growth.

Speaking to Reuters on the sidelines of the summit in New York, ADB President Haruhiko Kuroda said that as US and European consumers shore up household balance sheets that were damaged during the financial crisis, they will no longer be in a position to purchase large quantities of Asian exports.

"Asian countries should pursue another development model based on domestic demand and regional demand, rather than external demand," Kuroda told Reuters.

Kuroda singled out China, saying that while smaller economies might be able to expand exports without upsetting global trade balances, this was "simply impossible" for China. "For the Chinese economy, rebalancing the source of growth from external demand to domestic sources is absolutely necessary," he said. Kuroda said that allowing the exchange rate to appreciate could help smooth the expansion of China's domestic sector at the expense of its export sector. (See related story, this issue).

In Geneva, WTO ambassadors still identifying differences

Despite Lamy's insistence about its importance for global development, the Doha Round has largely been at an impasse since 2008, when high-profile talks broke down despite coming closer than ever to an agreement.

Since May, WTO members have been meeting in a variety of formats in an effort to find ways forward in the negotiations: bilateral meetings, groups of different sizes, and multilateral settings. Early meetings left many participants "dumbfounded" by the depth of the gaps separating central players such as the US and large developing countries like Brazil, China, and India. But by July, Lamy said that what he dubbed the "cocktail approach" had yielded emergent "signs of a new dynamic" in the deadlocked talks.

Senior trade diplomats report that a group of 15 to 20 WTO ambassadors held informal gatherings in July and September (the precise composition varied depending on the issue being discussed). One said that the meetings were useful "given the overall situation," since they afforded ambassadors an opportunity to discuss issues other than the agriculture and industrial goods talks that have dominated centre stage. Leaving issues to specialists without political supervision for too long can allow positions to become needlessly entrenched over technical minutiae, the official explained. "Fresh eyes can ask 'how important is this?'" the source said. "If the technical official can't explain to his ambassador why something is important, it probably isn't."

The engagement among ambassadors was simply about "getting a common understanding of the gaps," added the official, who spoke to Bridges on condition of anonymity. "The problem is that this does not substitute for the big thing – the fact that there is no sign of progress on the main sticking point in the talks."

This sticking point, in the official's view, was "the attitude of one country – the US – which thinks it can reopen the negotiations and get all sorts of new concessions without giving up anything in return."

Sources say that the talks have addressed issues including LDC concerns, fisheries subsidies, rules, dispute settlement, services, agriculture, non-

agricultural market access, and the trade and environment negotiations.

A more hopeful view came from another delegate, who suggested that the ambassadorial talks could clarify potential tradeoffs and ultimately set the stage for real negotiations “when the time is right.” The process meant that “we’re spending our time in a meaningful way” in the run-up to the November congressional elections in the US – before which few believe any significant movement on trade is likely.

One long-time trade hand suggested to Bridges that negotiators were in “bicycle mode”: “they keep pedalling, just to prevent it from falling over.”

Optimists believe that late 2010 and early 2011 may provide a small window of opportunity for a long-delayed breakthrough in the Doha Round.

ICTSD reporting; “INTERVIEW-Export-led growth no longer open for Asia - ADB head,” REUTERS, 21 September 2010.

OTHER NEWS

Costa Rica, Ukraine Submit Papers on Special Safeguard Mechanism

The controversial debate at the WTO over a “special safeguard mechanism” - which a Doha Round agreement would create for developing countries to use in the event of sudden import surges or price depressions – has sparked new submissions from Costa Rica and Ukraine.

Developing countries in the G-33 coalition have argued that they need a simple-to-use special safeguard mechanism (SSM) that would allow them to protect domestic farmers by temporarily imposing additional duties when import volumes surge or prices fall suddenly.

Competitive agricultural producers, including both developed and developing countries, have been wary of the import-sensitive G-33’s demands,

fearing choked off export opportunities and threats to normal trade growth.

The new paper from Costa Rica, which is a member of the Cairns Group of agricultural exporters, calls for the proposed SSM to take into account “the view of developing country exporters” and “its potential effect on South-South trade.” Similar arguments have been previously voiced by Argentina, Paraguay and Uruguay, as well as some Asian countries such as Malaysia.

The Costa Rican submission examines how the country’s exports might have been affected by a simple volume-based safeguard, by projecting how some 69 different products would have been affected by such measures in different developing country markets, mostly between 2000 and 2009. The simulation assumed that other developing countries would impose additional safeguard duties once import volumes exceeded trigger levels that were between ten and forty percent higher than a three-year moving average, with no other restrictions on the use of the safeguard.

The paper reports that in 98 percent of the 223 cases analysed, these trigger levels were reached at least once. In over fifty percent of cases, countries could have applied the safeguard to Costa Rican exports in at least half of the years for which data was available. The submission also notes that there were nine cases in which the safeguard could have been triggered in every year for which data was available.

Data from 2009 suggest that almost a quarter of Costa Rica’s exports to developing countries could have been affected by the imposition of safeguard duties, according to the paper.

Costa Rica proposes that developing countries should only be allowed to apply safeguard duties to products that are produced domestically. G-33 officials warn that such a provision would exclude from SSM applicability close substitutes that would undermine domestic producers in the event of an import surge.

Costa Rica also proposes that SSM duties should only be triggered when import volumes are so far above average levels that the additional duties

could not affect normal trade growth. Trade under preferential agreements should be excluded from the calculation of an import surge, and should also be exempted from the safeguard.

The paper argued that countries should only be allowed to apply the new safeguard when volume surges were accompanied by a drop in prices, and should notify their data and calculations on import levels to the WTO's Committee on Agriculture.

Even when countries do apply safeguard duties, Costa Rica said that they should not be allowed to breach their current, pre-Doha accord 'bound' tariff ceilings. However, one observer warned that this requirement could completely destroy the utility of the new proposed safeguard. "We do not need complicated studies to see that capping SSM duties at bound levels will render the SSM useless and ineffective," the source noted.

Ukraine seeks right to apply safeguards too

Arguing that "livelihoods of millions of poor agricultural small-holdings in Ukraine need to be supported by the SSM against unpredictable levels of imports and volatile world prices," Kiev's new proposal calls for the new safeguard to be available to countries that recently acceded to the WTO.

The 'recently acceded members' (RAMs), a group that includes China, have repeatedly argued that they should be granted additional flexibility in the trade talks on the basis of the onerous liberalisation commitments they undertook as the price for joining the global trade body. Many have brought tariffs to particularly low levels, or accepted rigorous constraints on subsidy spending. A sub-group, the very recently acceded members (VRAMs) – of which Ukraine is a member – are due to be granted further flexibility in several areas of the Doha Round talks.

Ukraine's paper notes that, even if it is allowed to use the special safeguard mechanism, Ukraine would be seriously constrained by the low tariffs it has agreed to at the WTO – unless countries are allowed to impose safeguards that go above their current commitments. These low ceilings would make it "impossible" for Ukraine to use the safeguard "in view of the fact that the accession

process for RAMs has substantially reduced their bound rates", the submission argues.

The paper concludes by calling for the draft negotiating text on agriculture to be amended so as "to ensure the application of the new SSM for Ukraine and all other recently acceded members (RAMs and VRAMs)".

Farm talks chair to convene further meetings

Agriculture negotiators in Geneva are preparing to attend a meeting of the 'regular' Committee on Agriculture on Thursday, expected to address the customary questions about countries' official notifications to the WTO on issues such as subsidy spending.

A meeting of the negotiating body – the committee's 'special session' – is scheduled for Monday and Tuesday next week, to discuss the data that countries will need to provide once an outline Doha trade deal has been finalised, and the 'templates' or format in which this information should be provided.

However, trade sources speculated that the chair of the farm talks may also call a further meeting to discuss the two new submissions on the SSM.

Many agriculture delegates also plan to attend the trade policy review of the US, which is scheduled for next Wednesday and Friday. While these discussions are considered unlikely to have any direct impact on the Doha talks, meetings on the margins might. "It depends who comes from Washington, and who they have dinner with while they're here," one source observed wryly.

Delegates remain largely pessimistic about prospects for movement in the Doha discussions ahead of the US congressional midterm elections in November, although one suggested that the Seoul summit of the Group of 20 leading industrialized and developing nations might give a fresh boost to the talks.

In the meantime, one official suggested that negotiators' discussions around data and templates would probably "keep going... until they die of boredom". Some delegates nonetheless remain keen to broaden the chair's discussions on

unresolved questions, with Argentina, China and India reportedly re-circulating an unofficial room document that lists some three dozen negotiating issues that still “require clarification.”

ICTSD reporting.

IN BRIEF

Stevie Wonder Urges WIPO Summit to Sign, Seal, Deliver Print Access for the Blind

The World Intellectual Property Organisation kicked off its annual summit on Monday, with policymakers from its 184 member states focusing on the theme of promoting growth and development through innovation.

Meanwhile, the blind US music star Stevie Wonder called on the 70-odd ministers in attendance to modify international copyright rules to make protected works more accessible to the visually impaired.

“Innovation is central to economic growth and to the creation of new and better jobs. It is the key to competitiveness for countries, for industries and for individual firms. It is the process by which solutions are developed to social and economic challenges,” said Francis Gurry, WIPO’s director-general, in his opening statement to the assemblies. Innovation, he added, is “the reason why we have intellectual property.” Intellectual property provides the incentive for the “investment of time, effort and human and financial resources,” necessary for innovation. Gurry noted that the changing geography of innovation within the dynamic global innovation landscape has increased the importance of “WIPO’s role in developing and coordinating global infrastructure.”

Many ministers spoke about their national experiences in promoting innovation and economic development. Many also underscored the need for a balanced IP system to secure a suitable environment for investment in innovation

while also making a meaningful contribution to the achievement of global development objectives. Stevie Wonder used his address to launch a “Declaration of freedom for people with disabilities.” He challenged delegates “to put ideological differences aside” and conclude an agreement improving access to copyrighted works for visually impaired persons. “We must declare a state of emergency, and end the information deprivation that continues to keep the visually impaired in the dark”, he said.

Despite several years of discussion in WIPO’s Standing Committee on Copyright and Related Rights (SCCR), talks on a proposal for a ‘blind treaty’ supported by several developing countries and the World Blind Union broke down in June, dashing hopes for a quick accord.

“We must develop a protocol that allows the easy import and export of copyright materials so that people with print disabilities can join the mainstream of the literate world,” Wonder said, interrupting himself at the keyboard to observe to officials that the reason they could sing along to his music was that it was accessible to them.

He urged them to make the printed word accessible to everybody, while also ensuring that copyright protections enable artists to “take care of our families.”

“Please work it out or I’ll have to write a song about what you didn’t do,” Wonder added.

Other items on the agenda of WIPO’s annual meeting are the protection of traditional knowledge, genetic resources and folklore, improving the functioning of the Patent Cooperation Treaty, and the continuing implementation of the WIPO Development Agenda

ICTSD reporting; “Musician Stevie Wonder Just Calls On WIPO To Improve Books Access ,” INTELLECTUAL PROPERTY WATCH, 20 September 2010; “WIPO Director General highlights Link between Innovation and Development”, WIPO PRESS RELEASE, 20 September 2010; “Ministers share national experiences on innovation, growth and

development”, WIPO PRESS RELEASE, 20 September 2010.

WTO IN BRIEF

EU Will Not Appeal WTO High-Tech Ruling, Calls for Negotiations to Update ITA

The EU has decided not to appeal a WTO dispute ruling against import duties levied by Brussels on high-tech electronic products like flat-panel computer monitors and multi-function printers.

That ruling – a victory for Japan, Taiwan, and the US – held that the EU tariffs violated the Information Technology Agreement (ITA), an accord within the WTO framework that lowered tariffs to zero on nearly all IT products among participating countries, a group that includes all major traders.

The EU had attempted to justify the duties by arguing that the “new generation” high-tech products, which were developed after the ITA’s 1997 entry into force, were consumer goods rather than IT products.

The EU’s decision paved the way for the WTO Dispute Settlement Body to adopt the panel’s August ruling at a meeting on 21 September. The offending duties, which Brussels will now remove, were estimated to be costing exporters in the three countries hundreds of millions of dollars.

Brussels has long called for formal negotiations to update the ITA, arguing that the evolution of the agreement should not be left to the WTO’s dispute settle mechanism. It also contends that with non-tariff barriers having supplanted duties as the foremost burden facing the producers of high-tech goods, new rules are necessary to facilitate expanded trade.

“As in any dispute, there are certain aspects where we would have preferred the panel to rule differently,” said John Clancy, the EU’s trade spokesperson, in a 21 September statement. “On balance, however, the EU has decided it was

preferable not to appeal this report and will instead focus its efforts on implementation and – in the hope other WTO Members will now engage – negotiations of an updated ITA which will be fit for the 21st century.”

Although the ITA contains provisions for reviewing product coverage and addressing non-tariff barriers, these processes have been fruitless to date.

ICTSD reporting.

EVENTS & RESOURCES

Events

Coming up this week

23-24 September, London, England. THE CHATHAM HOUSE CONFERENCE ON CLIMATE CHANGE 2010. This conference will look at whether an international deal on climate will be reached in the next year. If not, it will look at what alternative forms of governance will emerge and what practical steps governments and business can take. For more information, please refer to the Chatham House website at <http://www.chathamhouse.org.uk/Climatechange10/>

24 September, Copenhagen, Denmark. CONFERENCE ON UNDERSTANDING THE POSSIBILITIES AND LIMITATIONS FOR AFRICA TO ACCESS INTERNATIONAL MARKETS: A GOOD BASIS FOR REAL DEVELOPMENT. This conference will bring together private companies from Europe and Africa to spur growth through the private sector rather than through government. Experts from Denmark and Africa will come together to discuss the rules of international trade and their consequences for African producers’ access to European Markets. For more information, please refer to The Danish Development Research Network’s website at [http://www.ddrn.dk/file/forum/File/Conference African Producers International Markets.pdf](http://www.ddrn.dk/file/forum/File/Conference%20African%20Producers%20International%20Markets.pdf)

28-30 September, Tokyo, Japan. ADBI-OECD CONFERENCE ON SKILLS DEVELOPMENT IN THE POST-CRISIS CONTEXT. The Asian Development Bank Institute and the Organization for Economic Co-Operation and Development's joint conference will look at how skill sets will need to be developed and changed in export oriented countries as world consumption (US consumption) remains sluggish over the years to come. The conference will look at skills development as a national rebalancing aspect, as well as at the local level with integration of employment, skills and economic development. For more information, please refer to the Asian Development Bank Institute's website at <http://www.adb.org/News/calendar.asp>

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.

23 September: Committee on Agriculture

24 September: Working Party on the Accession of the Lao People's Democratic Republic

27-28 September: Committee on Regional Trade Agreements

28 September: Working Party on GATS Rules

29 September + 1 October: Trade Policy Review Body – United States of America

Other upcoming events

4-5 October, Rome, Italy. EIGHTH ANNUAL WIPO FORUM ON INTELLECTUAL PROPERTY AND SMALL AND MEDIUM-SIZED ENTERPRISES (SMEs). The World Intellectual Property Organization (WIPO) is

organizing this forum for IP offices and relevant institutions to discuss and share experiences on the effective use of IP system by innovators, creators, entrepreneurs and SMEs. The aim of the forum is to provide an open and interactive platform to raise questions and share experiences and views on matters concerning intellectual property for industry and business. For more information, please refer to the WIPO website at http://www.wipo.int/meetings/en/2010/wipo_symposium10/index.html

7-8 October, Geneva, Switzerland. UNCTAD AD HOC EXPERT MEETING ON THE GREEN ECONOMY: TRADE AND SUSTAINABLE DEVELOPMENT IMPLICATIONS. This ad hoc meeting is being organized in close collaboration with the United Nations Department of Economic and Social Affairs and the United Nations Environment Programme. It aims to explore ways in which the green economy, through trade-led growth, could become a pro-development income-generating instrument that will directly contribute to meeting the sustainable development imperative universally adopted in Rio de Janeiro in 1992. For more information, please refer to the UNCTAD website at <http://www.unctad.org/Templates/meeting.asp?intItemID=2068&lang=1&m=20265>

9-11 October, Washington D.C., United States of America. 2010 ANNUAL MEETING OF THE INTERNATIONAL MONETARY FUND AND THE WORLD BANK GROUP. The annual meeting each year of the World Bank Group and the International Monetary Fund (IMF) brings together central bankers, ministers of finance and development, and academics to discuss issues of global concern, including the world economic outlook, poverty eradication, economic development, and aid effectiveness. For more information, please refer to the IMF's website at <http://www.imf.org/external/am/2010/index.htm>

Resources

INVESTMENT CONTRACTS AND SUSTAINABLE DEVELOPMENT: HOW TO MAKE CONTRACTS FOR FAIRER AND

MORE SUSTAINABLE NATURAL RESOURCE INVESTMENTS. By Lorenzo Cotula (International Institute for Environment and Development, 2010). This guide discusses options to structure investment contracts in ways that maximise the investment's contribution to sustainable development. The focus is on foreign investment in the natural resource sector and on lower- and middle income countries. The guide draws on test trainings in Ghana and Central Asia and aims to provide up-to-date and comprehensive learning material for both host governments and civil society. It can be used as a background document for training sessions, but it may also be used by readers accessing the material on their own. To access this report, please refer to <http://www.iied.org/pubs/display.php?o=17507> **IIED**

TRADE CRISIS AND RECOVERY: RESTRUCTURING OF GLOBAL VALUE CHAINS. By William Milberg and Deborah Winkler (The World Bank, May 2010). This paper examines the effects of recent large and rapid slowdown in economic activity that has resulted in even larger and more rapid declines in international trade. As world trade is set to rebound, this paper addresses three questions: (i) Will trade volumes rebound in a symmetric fashion as world economic growth rebounds? (ii) Will the crisis result in a change in the structure of trade, and in particular will it lead to a reversal of the pattern of more diversified sourcing and thus to a consolidation of global value chains? (iii) What policies can improve the prospects for developing country growth in the event that trade volumes do not rebound symmetrically and there is a consolidation of some global value chains? To access this report, please refer to http://www-wds.worldbank.org/external/default/WDSPContentServer/WDSP/IB/2010/05/07/000158349_20100507080428/Rendered/PDF/WPS5294.pdf

TRADE AND REGIONAL INEQUALITY. By Andres Rodriguez-Pose (The World Bank, June 2010). This paper examines the relationship between openness and within-country regional inequality across 28 countries over the period 1975-2005, paying special attention to whether increases in global trade affect the developed and developing world differently. Using a combination of static and dynamic panel data analysis, the

paper finds that while increases in trade per se do not lead to greater territorial polarization, in combination with certain country-specific conditions, trade has a positive and significant association with regional inequality. In particular, states with higher inter-regional differences in sector endowments, a lower share of government expenditure, and a combination of high internal transaction costs with a higher degree of coincidence between the regional income distribution and regional foreign market access positions have experienced the greatest rise in territorial inequality when exposed to greater trade flows. This claims that this means that changes in trade regimes have had a more polarizing effect in low and middle-income countries, whose structural features tend to potentiate the trade effect and whose levels of internal spatial inequality are, on average, significantly higher than in high-income countries. To access this report, please refer to http://www-wds.worldbank.org/external/default/WDSPContentServer/WDSP/IB/2010/06/24/000158349_20100624092218/Rendered/PDF/WPS5347.pdf

ENVIRONMENTAL GOODS AND SERVICE NEGOTIATIONS AT THE WTO: LESSONS FROM MULTILATERAL ENVIRONMENTAL AGREEMENTS AND ECOLABELS FOR BREAKING THE IMPASSE. By Aaron Cosbey, Soledad Aguilar, Melanie Ashton and Stefano Ponte (International Institute for Sustainable Development, March 2010). This report seeks to analyze paths to progress in the environmental goods and services (EGS) negotiations area of the WTO Doha discussions, which the report describes as currently “deadlocked, in part due to disagreements on the definition of EGS and the scope of goods and services to be liberalized [in terms of free trade].” The report deals only with environmental goods, and not with services, sticking to those parts of the current Doha discussions that have been at once the most controversial, and the most laden with potential. To access this report, please refer to http://www.iisd.org/pdf/2009/bali_2_copenhagen_egs_lessons.pdf
