



Bridges Weekly Trade News Digest

Weekly trade news from a sustainable development perspective

Volume 15 · Number 18, 18 May 2011

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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.

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LEAD STORIES

UN LDC Conference Endorses 10-Year Plan, But Criticised for Lack of Accountability Mechanisms

After several months of negotiations and five days of talks in Istanbul last week, the UN conference on Least Developed Countries (LDCs) adopted a plan of action on 13 May aimed at helping the world's poorest countries combat poverty during the upcoming decade.

The discussions had promised a “paradigm shift” from the traditional development approach, but many expressed disappointment with the final ‘plan of action’, since it lacks binding implementation and monitoring mechanisms. The Finnish official who chaired the ‘Committee of the Whole’, the body in charge of the negotiating process, described the deliberations as “difficult and strenuous.”

The plan's main goal is to halve the number of LDCs by 2020, through a combination of strong economic growth, greater gender equality, decreased vulnerability to economic shocks and natural disasters, and better governance. Since the 1970s, the United Nations has identified LDCs as states which, for reasons of very low income, poor human development, and high economic vulnerability, face more structural handicaps than other countries in rising out of poverty. But the increased focus on LDCs' challenges has not been matched by solutions. In the three decades since the first UNLDC conference in 1981, the number of LDCs has almost doubled from 25 to 48. Only three countries have graduated from LDC status: Botswana, Cap Verde and the Maldives. Despite substantial progress in recent years as compared to the 1990s, with more growth and exports, and fewer macroeconomic imbalances, LDCs remain home to more than 800 million people, and

represent the poorest and weakest segment of the international community. The Istanbul Plan of Action sets out specific objectives: 7 percent annual growth, driven by strengthened productive and human capacities, reduced vulnerability, increased financial aid, and better governance.

Cheikh Sidi Diarra, the UN High Representative for the LDCs, says that the picture for LDC graduation is looking better. He foresees Samoa, Tuvalu, Vanuatu passing the threshold in the coming years, along with Equatorial Guinea, Angola and East Timor, Nepal and Bangladesh.

Participants agreed that the development strategy adopted at the last UNLDC conference, in Brussels in 2001, had not been fully achieved. Known as the the Brussels Plan of Action (BPoA), that strategy focused mainly on social, human and environmental issues. In contrast, the Istanbul Plan of Action (IPoA) emphasises the strengthening of productive capacities in agriculture, manufacturing and services to allow LDCs to integrate effectively into global trade markets. "It is the best way to achieve sustained growth in LDCs" said Cheick Sidi Diarra, referring productive capacities.

The Istanbul plan calls on LDCs to assume the responsibility for their own development, and stresses the role of the state in stimulating the private sector for the purposes of "[...] generating employment and investment and enabling high, sustained and inclusive economic growth [...]" At the opening ceremony of the Istanbul summit, UN Secretary-General Ban Ki-moon called the "enthusiastic engagement" of the business community "one of the most significant aspects of this conference." Some civil society groups, however, disapproved of the summit's focus on the private sector, viewing it as a pretext for developed countries to shirk their responsibilities on providing additional aid.

With regards to agriculture, the text calls for fulfilling the pledge made by governments during the WTO's Doha Round negotiations to ensure the elimination of all forms of agricultural export subsidies, which are especially trade-distorting. To that end, Stephen O'Brien, the UK minister of international development, called for a successful conclusion to the Doha Round, stressing that the

conference must send a strong signal that the opportunity to reach an accord in the long-struggling talks could not be missed. He also urged all members of the Group of 20 leading developed and developing economies to extend duty-free, quota-free (DFQF) market access to all LDC exports, without any exceptions.

Trade proved to be the most controversial issue of the negotiations. The final plan of action calls only for a "timely implementation of duty and quota free market access, on a lasting basis for all LDCs" in line with the Hong Kong Ministerial Declaration, and "the abolition or reduction of arbitrary or unjustified trade barriers."

The EU, along with Canada, Australia and New Zealand (collectively dubbed CANZ) expressed support for giving LDCs unrestricted market access (as they already do for most products), and urged all countries to do so. Prior to the conference, there had been hopes that the US and Japan, both of which still maintain significant trade barriers on exports from many LDCs, would announce new concessions under their respective Generalised System of Preference (GSP) schemes for LDCs. But no such promises were made by the two industrialised countries during the talks in Istanbul. In general, developing countries did not make any concrete proposals to advance the WTO Hong Kong decision of 2005 on on market access for LDC exports, which mandated all developed countries, and "developing-country members declaring themselves in a position to do so" to grant DFQF access to LDC products covering at least 97 percent of all tariff lines. LDCs argue that the 3 percent exception is enough to cover the limited handful of tariff lines in which they are internationally competitive, rendering the 97% DFQF scheme useless.

The plan of action's section dealing with preferential treatment for LDC services exports – provisions that had been eagerly awaited by LDCs, particularly with regard to 'Mode 4', which covers temporary cross-border movement by workers -- was struck from the draft for want of consensus: the EU, Canada, Australia, New Zealand, and the US refused. One source close to the negotiations said the issue had been controversial throughout the negotiations, since tradable services are important to LDCs, in particular to small island

LDCs that have a limited capacity for merchandise production.

The final text, like earlier drafts, did not reflect the request made by LDCs for increased and predictable Aid for Trade funding, despite the potential for such assistance to increase exports and diversification.

Another source of dissatisfaction for the LDC group are the unchanged provisions on rules of origin, despite their push to obtain preferential, simplified rules of origin that would have enabled their products to qualify more easily for access to key markets.

On technology transfer to LDCs – which is mandatory under Article 66.2 of the WTO Agreement on Trade-related Aspects of Intellectual Property Rights (TRIPS) – the US refused any form of binding commitment. The text therefore remains vague, only calling for development partners to provide enterprises with incentives to encourage technology transfer.

The low level of LDCs' exports as a percentage of international trade – a mere 1 percent of world trade -- and their relatively undiversified export baskets were echoed by many speakers during the conference. "Aid can alleviate poverty but only trade can allow LDCs leave poverty behind" said Peter Lilley, a UK member of parliament, during one of the high level debate organized during the conference.

In terms of climate change, there was no new progress in Istanbul on mobilising finances for climate change adaptation. Nor did the plan of action feature any mention of commitments from developed countries to undertake greenhouse gas emissions cuts. LDCs are asked to "mainstream and implement national adaption programmes of action [...] and national mitigation actions, and integrate these into national plans."

Turning to development assistance, the plan articulates different modalities according to donors' existing aid levels: donor countries providing more than 0.20 percent of their GNP as Official Development Assistance (ODA) to LDCs will "continue to do so"; and donors which have met an earlier 0.15 percent target will "undertake

to reach 0.20 per cent expeditiously." All other donor countries that have committed themselves to the 0.15 percent target undertook to try to achieve the target by 2015. Developed countries highlighted the need for better governance and accountability for the use of the funds allocated to LDCs, resulting in a section requiring LDCs to enhance "aid transparency and combat corruption."

An additional respect in which the Istanbul Plan of Action differed substantially from the Brussels plan of ten years before was its emphasis on the importance of South-South cooperation. The text specifies that "South-South cooperation is not a substitute to North-South cooperation", but that support from developing countries to LDCs should play a "complementary role in the implementation of the plan". About \$9.6 billion in ODA was granted through South-South cooperation in 2008, according to the Paris-based Organisation for Economic Co-operation and Development.

According to Debapriya Bhattacharya, Bangladesh's former ambassador to the WTO and a distinguished fellow at the Centre for Policy Dialogue in Dhaka, the Istanbul strategy replicated one of the chief failings of the Brussels plan by failing to include improved mechanisms for implementation and monitoring. "What is lacking is some serious political will to support the targets set in the Istanbul Plan," he said.

Representatives of several civil society organisations expressed frustration during the closing ceremony, stating that the plan of action has been "undermined by the developed countries systematically having removed any targets, timetables and delivery mechanisms that may have been used to hold them to account."

UNLDC IV brought together more than 7000 participants including government delegates, UN officials and representatives from other international organisations and NGOs. A comprehensive mid-term review is scheduled for 2015 in Istanbul.

ICTSD reporting.

Govts Divided over Disclosure at WIPO Talks on Genetic Resources, Traditional Knowledge

Intergovernmental negotiations on protecting traditional knowledge, traditional cultural expressions (TCEs), and genetic resources from misappropriation hit a roadblock last week, when talks at the World Intellectual Property Organisation were marred by considerable disagreement over the negotiating process and the contribution of indigenous peoples.

Discussions in the 9-13 May session of the WIPO Intergovernmental Committee on Intellectual Property and Genetic Resources, Traditional Knowledge and Folklore (IGC) also saw sharp disagreement over whether inventors should be required, when applying for a patent, to disclose the use of any genetically codified information of biological resources (genetic resources) and associated traditional knowledge

The IGC's penultimate meeting before WIPO's annual General Assembly in September was meant to move ahead with text-based negotiations on an "international legal instrument (or instruments)" to protect traditional knowledge and TCEs, as well as to speed up talks on genetic resources, where divisions over the aim and objectives of an agreement have prevented members from producing a draft negotiation text.

WIPO members had agreed to launch the text-based negotiations at their General Assembly in 2009, following difficult negotiations in which developed countries pushed back against calls by several Latin American and Asian nations for negotiations on a treaty (see [Bridges Weekly, 7 October 2009](#)). This autumn's assembly was to determine whether to proceed to a "diplomatic conference" to adopt any agreements.

Genetic resources: split over mandatory disclosure

From the outset, the talks on genetic resources have witnessed disagreement over a key potential objective of an international legal instrument: mandatory requirements in patent applications for the disclosure of origin of any genetic resources

used in an invention. Developing countries have sought the introduction of such requirements, arguing that it is necessary to prevent biopiracy, that is, seeking patents on inventions that incorporate genetic resources or associated traditional knowledge without the prior consent of the traditional knowledge holders, as Nestlé has allegedly done with regard to the healing characteristics of rooibos, a plant from South Africa (see [Bridges Weekly, 2 June 2010](#)).

In March of this year, experts discussed options for intellectual property and genetic resources on the basis of three clusters: A) defensive protection, B) disclosure requirements, C) options in mutually agreed terms.

Last Thursday, members clashed over disclosure once again. South Africa, speaking on behalf of the African Group and supported by Brazil, made clear that they were "not prepared to discuss cluster A and C if it did not come with a strong disclosure proposal." India later backed this assertion, arguing that "mandatory disclosure is a must – everything else can follow."

The US expressed great "concern and sadness" about the debate, underlining that in their view the objective was not a "mandatory disclosure requirement up front" but rules ensuring that the "system does not grant erroneous patents."

"If an exclusive focus on mandatory disclosure is what some countries are proposing, then maybe we should take a break," the US delegate said.

This prompted angry responses from several countries. "If we cannot agree that a mandatory disclosure requirement [...] is necessary for ensuring fair benefit sharing, then maybe we should take a break," said the delegate from Namibia.

Australia and New Zealand received a similar reaction when they suggested further studies on national disclosure systems.

The African Group and Zimbabwe countered that there was no need for further studies and South Africa argued that the necessity of disclosure requirements had been "proven."

Zimbabwe added that talks in the IGC were “about preventing misappropriation.” Preventing patents from being granted erroneously was the work of WIPO Standing Committee on Patents. “In the [Nagoya Protocol] negotiations you objected to discussing disclosure there. Now we are at WIPO – and you cannot object to it again.”

Disagreement over the role of the “Nagoya Protocol on Access to Genetic Resources and the Fair and Equitable Sharing of Benefits Arising from their Utilization,” which parties to the Convention on Biological Diversity adopted last October, affected last week’s talks. While developing countries expressed hope that the agreement on the protocol would speed up talks at WIPO (in particular on issues such as definitions and scope), a number of developed countries object to any direct reference to the Nagoya Protocol in favour of a more narrow substantive scope at WIPO. This is particularly true for the definition of genetic resources, which lies at the heart of the misappropriation discussion.

Traditional knowledge: ‘Who, ‘what’, and ‘how’ debated

In three additional late-night sessions of informal (*ad hoc*) drafting groups, countries moved ahead on draft text concerning traditional knowledge, which refers to the know-how, skills, innovations and practices of indigenous peoples and local communities passed on from generation to generation, as well as TCEs or folklore, which refer to tangible and intangible ways in which culture is expressed. Traditional knowledge is often used in the cosmetics and pharmaceutical sectors. TCEs, meanwhile, can be valuable for the creative industries – such as the replication of traditional signs on clothing. The importance of their protection for indigenous peoples and local communities in a context where their economic value has been growing has shaped the dynamics of WIPO negotiations on the two issues.

The main focus of discussions on traditional knowledge, which are proceeding based on a draft text that still contains multiple options for most of the articles for the potential future agreement, rested on who “holds” traditional knowledge.

The discussion was coloured by different national experiences and concepts. Barbados, supported by other small island states and India, asked for “nations” to be added to the list of “holders,” explaining that their traditional knowledge was held by the whole nation which did not qualify as either “local community” or “indigenous peoples.”

Iran, on the other hand, suggested including individuals and families, although it noted that the state should be a “place holder” where the original holder could not be identified.

The protection of “secret knowledge” was also disputed by several states articulating concern over guaranteeing the protection of something that is unknown.

Finally, in the context of patent applications, the United States suggested protecting “independent discovery” of what might be traditional knowledge to some communities.

The current text continues to provide for various alternative options for most provisions. For the next IGC meeting, a number of countries requested a joint session on traditional knowledge and TCEs, since various controversial issues are relevant for both. They also noted that TCEs had moved less than expected and that further plenary sessions on TCEs were required – as this IGC had seen none beyond the informal drafting groups.

Indigenous peoples: No collaboration, no consent

Thursday’s talks were also marked by anger from indigenous peoples’ groups, after proposals they made with backing from Venezuela and others were deleted from a working document during a Tuesday night meeting of the informal drafting group on traditional knowledge that had only been supposed to “clean text.”

Under the protection of “simplifying text,” indigenous peoples have been made mere observers, one representative said.

“Our continued presence in IGC-18 in no way can be taken to say that Indigenous Peoples have collaborated in the drafting of these documents in

this session,” indigenous peoples’ representatives said in a joint statement. “Nor can our observation of this process be inferred as giving any consent to the results of any process in which Indigenous Peoples have not been actively involved.”

Venezuela, Bolivia and Guatemala likewise criticised the process, noting that limited numbers of delegates made it impossible for developing countries to participate in all meetings. It was therefore unacceptable, they argued, that countries present would simply delete text proposed by others.

Way ahead

As the genetic resources negotiations continue to lag behind, the question is now whether members split the process and move ahead with TCEs and potentially traditional knowledge or continue with the three parallel tracks. Sri Lanka and the African Group requested more effort – reflected in time allocation – on genetic resources on this regard.

In July, the IGC will meet one last time before WIPO’s General Assembly. It remains charged with submitting a draft text to WIPO’s top decision-making forum, which will then decide on convening a diplomatic conference. It remains to be decided whether any instrument – or instruments – produced would be legally binding agreements or simple declarations, although most countries favour the former option.

ICTSD reporting.

OTHER NEWS

Brazil Calls for WTO to Discuss Relationship between Trade and Exchange Rates

A Brazilian proposal for the WTO to examine the impact of currency exchange rates on international trade met with a mostly favourable response from WTO members last week, sources report.

Arguing that the relationship between trade and exchange rates risked falling into a “no man’s land” between different international institutions, Brazil is calling for a two-year ‘work programme’ in the WTO’s Working Group on Trade, Debt, and Finance (WGTDF) consisting of analysis and debate on economic theory and case studies, as well as possible reform measures.

Brazil has struggled to cope with the value of its currency, the real, which has soared by almost 50 percent in real terms since the late 2008, causing the country’s exports, particularly of manufactured goods, to become less competitive overseas in overseas markets, while imports continue to rise. Exchange rates, linked as they are to countries’ fiscal and monetary policies, are sensitive issues for several governments, and declarations from the Group of 20 leading economies have yielded little more than anodyne remarks about pursuing “more market-determined exchange rate systems” and “refraining from competitive devaluation.”

Last year, Brazilian Finance Minister Guido Mantega made international headlines by warning of an international “currency war” that he blamed on ultra-loose monetary policies in rich countries, as well as an undervalued currency in China, which he argued were distorting trade and capital flows. At the WTO, Brazil’s ambassador, Roberto Azevedo, has argued that the real’s appreciation has “wiped out” much of the protection afforded by Brazil’s tariffs to its manufacturing sector, preventing Brazil from making additional concessions of the sort sought by the US in the struggling Doha Round trade talks.

Azevedo’s remarks to the 10 May meeting of the Working Group did not focus on Brazil’s particular situation, stressing simply that “the time is ripe for an open-minded debate” on how ahistorical exchange rate fluctuations in the wake of the global financial crisis have affected trade.

The Brazilian ambassador sought to pre-empt any concerns about discussing the issue, stressing that his government was “not seeking to negotiate new WTO disciplines or review existing ones,” but simply to foster debate and analysis on the trade aspects of exchange rate behaviour. In fact, he said, Brazil had deliberately chosen the Working Group for Trade, Debt and Finance because it

was not a negotiating forum. Azevedo emphasised that Brazil did not wish to “hijack” the exchange rate issue from other fora – particularly the International Monetary Fund, which has a mandate to monitor exchange rates – and did not want to focus on the policies of any specific countries.

Proposal outlines two-pillared work programme

Brazil outlined the work programme it was seeking in a proposal it submitted to the Working Group last month (WT/WGTDF/W/53). Laying out the rationale for the programme, it noted that the fiscal and monetary policies that countries had adopted in response to the financial and economic crisis of 2008/09 had “caused relative exchange rates among major trading partners to fluctuate frequently, with potentially different long-term impacts on their respective trade balances.”

“The more specific macroeconomic dynamics between exchange rate and foreign trade is an issue that is yet to be better understood and addressed in international forums, against the background of the international crisis triggered in 2008,” it argued. “The time has come to do so in an institutional and structured way.”

The proposal outlines a two-pronged work programme for 2011-12. The first ‘pillar’ would focus on economic analysis of the theoretical literature and individual case studies to shed light on the trade implications of exchange rate policy. Brazil suggested that the WTO secretariat prepare an updated literature review similar to one it carried out in 2002 following financial crises in several developing countries. This would be followed by an expert workshop with economists approved by WTO members. In addition, Brazil urged countries that want to do so to make presentations in the Working Group on their own experiences. Members would also be able to commission studies or discussion papers that they feel might be a useful input into the debate.

The second pillar draws on a Uruguay Round ministerial “Declaration on the Contribution of the World Trade Organization to Achieving Greater Coherence in Global Economic Policymaking.” That declaration pointed to the

desirability of “greater exchange rate stability” for expanding trade, sustainable growth and development, and macroeconomic balance. Stating that the “interlinkages between the different aspects of economic policy require that the international institutions with responsibilities in each of these areas follow consistent and mutually supportive policies,” it said that “the World Trade Organization should therefore pursue and develop cooperation with the international organizations responsible for monetary and financial matters.”

Brazil’s proposal says that the Working Group on Trade, Debt, and Finance should commission two discussion papers – one by independent experts after consulting with members, the other jointly by the WTO, the IMF, and the World Bank – on how this “coherence mandate” is “being implemented with respect to the relationship between exchange rate and international trade.” The discussions papers, it said, would “be encouraged to propose measures, if any, that might contribute to strengthening the ‘coherence mandate’.” A workshop in the Working Group would be organised for debate on the papers.

Sources report that the first pillar was broadly accepted by most members. The second pillar was more contentious, with the US and China expressing reservations, along with Korea, Chile, and Turkey. Some suggested that the first pillar should be completed before starting on the second. The EU and Canada backed both pillars.

A Brazilian trade official told Bridges that Brazil simply wished to start a debate on the issue, and was very flexible about how specifically to proceed.

Martin Glass (Hong Kong), the chair of the WGTDF, will consult with members on how to move forward on the Brazilian proposal. The group’s next session is scheduled for October.

ICTSD reporting.

IN BRIEF

Obama Wants Agreement on Trade Adjustment Aid Before Sending FTAs to Congress

The Obama administration is refusing to submit bills to Congress for the implementation of pending trade agreements with Colombia, Panama and Korea until Republican lawmakers agree to expand aid for US workers who lose their jobs because of trade.

“This administration believes that just as we should be excited about the prospect of selling more of what we make around the world we have to be equally firm about keeping faith with America’s workers,” said US trade representative Ron Kirk in a conference call with reporters. Aides to the president called it an “economic and moral obligation” to help workers who stood to be affected by far reaching liberalisation of the US marketplace.

This is the latest in a series of political manoeuvres that have prevented the three free trade agreements (FTAs) from receiving Congressional approval. (See [Bridges Weekly](#), 10 February 2011).

While the Obama administration was eager to pass the Korea FTA after renegotiating some provisions with Seoul late last year, Congressional Republicans demanded that the Korea deal be bundled together with the long-awaited Colombia and Panama FTAs.

Republicans, who are unenthusiastic about the Trade Adjustment Assistance (TAA) programme and helped part of it expire in February – may now have to make some concessions of their own.. All three agreements were first negotiated by the George W. Bush administration; they were subsequently amended, under the previous and current administrations, to reflect some Democratic party concerns, particularly on labour. Trade adjustment aid, which is popular among Democrats, goes to workers displaced by imported goods or the migration overseas of industry - and more recently, services such as call centres. Benefits help workers maintain wages, re-train, and search for new jobs. Many trade experts

believe that adjustment can help build political support for liberalisation by easing its sting.

Republicans believe the cost of the programme outweighs its benefits for Americans.

The TAA totalled USD1.1 billion in the previous fiscal year, and provided aid for 280,000 people, according to the US Department of Labor.

ICTSD reporting; “Obama wants help for workers before S. Korea deal”, AFP, 17 May 2011; “White House holds trade pacts until deal struck on aid program”, THE HILL, 16 May 2011.

EU Slaps Anti-Dumping, Countervailing Duties on Chinese Paper

The EU last week decided to levy anti-subsidy and anti-dumping duties on imports of certain types of paper from China, after a 15-month investigation found the industry heavily subsidised by the Chinese government, and deemed export prices to be below the cost of production.

Although Brussels has often slapped Chinese goods with anti-dumping duties, the measures being applied to coated fine paper mark the first time that the EU is levying countervailing duties, which are meant to offset the effects of subsidies, on products from China.

“These measures will restore effective and fair trade conditions on the EU market,” said EU trade spokesperson John Clancy, arguing that the subsidies provided to the paper industry “are not in line with the obligations China has signed up to when joining in 2001 the World Trade Organisation.”

China immediately launched a vehement rebuttal to the EU’s decision. Within hours of the European Commission’s announcement on 14 May, China’s ministry of commerce announced it would defend the interests of local companies, citing WTO rules prohibiting anti-dumping and countervailing duties from being applied to the same product.

“The Chinese side is strongly discontent with the EU’s wrong decision and will firmly oppose it,” Chinese commerce spokesman, Yao Jian, stated in a post on the ministry website.

The EU investigation of coated fine paper, used primarily for magazines and catalogues, found that the Chinese government was issuing cheap loans, allocating land below market value and granting tax incentives to the industry. According to the report, these mechanisms were used to subsidize the Chinese fine paper industry and put undue pressure on European prices. Furthermore, Chinese producers of coated fine paper were found by the investigation to be engaging in ‘dumping’, or exporting their products to the EU at below market-level prices.

Hosuk Lee-Makiyama, a trade expert at the European Centre for International Political Economy (ECIPE), expressed concern that the EU decision could mark the start of a series tit-for-tat retaliation between the two giant economies. “A trade war with China on subsidies seems now unavoidable,” he said in a press release.

The countervailing duties announced will range between 4 to 12 percent, while anti-dumping duties will be set at 8 to 35.1 percent depending on the producer. Both duties will be in place for 5 years with possible extension.

ICTSD reporting; “EU imposes first ever anti-subsidy tariffs against imports from China”, EUROPEAN COMMISSION PRESS RELEASE, 14 May 2011; “Paper Industry Hits Out Against EU Anti-Subsidy Duties on Chinese Products”, BERNAMA, 18 May 2011; “Paper tariffs spark EU-China ‘trade war’”, EUOBSERVER, 16 May 2011.

WTO IN BRIEF

As Elsewhere In Doha Talks, NAMA Negotiators Searching for Way Forward

As with the Doha Round negotiations in general, WTO members are searching for a way forward in the talks on liberalising trade in industrial goods, the chair of the negotiating committee said this week.

In a brief meeting on 16 May, the chair, Swiss Ambassador Luzius Wasescha said that governments are unwilling to give up after what has been nearly a decade of negotiations. Nor are they saying – at least openly – that they are willing to give up on the idea of the ‘single undertaking’, which they would need to do in order to conclude stand-alone accords on any of the several individual topics within the Doha Round talks where agreements are within reach.

Wasescha said that he would wait to see whether indications on how to proceed on non-agricultural market access (NAMA) emerge from an end-May session of the Trade Negotiations Committee, the WTO body that oversees the Doha Round negotiations. WTO Director-General Pascal Lamy, who chairs the TNC, is expected to use the 31 May gathering to share with members his assessment of the state of the talks, based on his own consultations with governments.

Lamy will have ample opportunity to sound out ministers on the struggling multilateral talks over the coming week. Trade ministers from across the Pacific Rim region are set to meet in the US state of Montana from 18-21 May during the Asia-Pacific Economic Cooperation forum meetings. Ministers from many leading economies are also set to meet in Paris next week at the Organisation for Economic Co-operation and Development (OECD). In Geneva, meanwhile, ambassadors have been meeting in different groups in an attempt to find a way forward, although sources report their talks have thus far been inconclusive.

The WTO chief has called the NAMA negotiations the single biggest obstacle to a Doha Round accord, with members’ positions currently unbridgeable. At the heart of the divide has been the extent to which large developing countries like China, Brazil, and India participate in initiatives to eliminate or deeply cut tariffs across entire industrial sectors. They have resisted accepting the far-reaching sectoral tariff cuts sought by the US and the EU, as well as other developed countries.

Given the impasse on tariff reduction, the NAMA chair's April report to members focused on non-tariff barriers (NTBs), where he said that differences were more bridgeable. That report included new draft agreement language on three NTB-related issues : a proposed "horizontal mechanism" for the swift mediation of trade irritants arising from non-tariff measures; general rules concerning transparency in the adoption of new technical regulations; and the labelling of textiles, clothing, footwear and travel goods.

During the NAMA negotiating group meeting, the EU and Hong Kong urged members to continue working on NTBs, which Hong Kong described as the "rule-making" component of the committee's work. The US reiterated its longstanding concerns regarding the 'horizontal mechanism' – Washington has long questioned how such mediation would relate to standard WTO dispute settlement – and called for a focus on specific policies affecting specific industries.

Japan, for its part, appealed for a "serious discussion" on the divisive issue of sectorals. Switzerland said the NAMA negotiations needed a "political push" to move forward.

ICTSD reporting.

EVENTS & RESOURCES

Events

Coming soon

18 May, Geneva, Switzerland. IMPROVING ACCESS TO MEDICINES IN DEVELOPING COUNTRIES THROUGH LOCAL PRODUCTION AND RELATED TECHNOLOGY TRANSFER. The event will present and discuss key findings of the first phase of a project jointly carried out by the World Health Organisation (WHO), the UN Conference on Trade and Development (UNCTAD), and the International Centre for Trade and Sustainable Development (ICTSD). The organisations will present country case studies, findings of landscaping and mapping exercises on technology

transfer and hold a discussion on future activities on local production and access to medical technologies. Further information can be found on the [website](#).

19 May, New York, NY. NAFTA-THE AGENDA FOR SUSTAINABLE GROWTH AND COMPETITIVENESS. As part of World Trade Week 2011 in the US, the US-Mexico Chamber of Commerce Northeast Chapter along with the Consulate General of Canada in New York are hosting a discussion on sustainable growth and competitiveness in the NAFTA agreement. More information can be found [here](#).

23-27 May, Geneva, Switzerland. FOURTEENTH SESSION OF THE UN CONFERENCE ON TRADE AND DEVELOPMENT (UNCTAD) COMMISSION ON SCIENCE AND TECHNOLOGY DEVELOPMENT. This meeting, organised by UNCTAD, will bring together government representatives, civil society, international organisations, and the private sector to review the progress made in the implementation of the World Summit on the Information Society (WSIS) at the regional and national levels. The commission will focus on the themes of measuring the impact of information and communications technology for development and technologies that can address challenges in areas such as water and agriculture. For more information, visit the [event website](#).

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.

24 May: Committee of Participants on the Expansion of Trade in Information Technology Products

24 May: Dispute Settlement Body

26 May: Council for Trade in Goods

31 May: Informal Trade Negotiations Committee

Other upcoming events

30 May–3 June, Kathmandu, Nepal. BIOTRADE AND GREEN ECONOMY WEEK IN NEPAL. The UN Environment Programme (UNEP), in cooperation with German cooperation agency GIZ and UNCTAD, will organise a biotrade and green economy week, as part of the Nepal Capacity Building for Biotrade project (CBBT). Organisers say the event will bring together participants from the private and public sectors as well as representatives from a variety of development cooperation agencies to discuss the potential for biotrade and green economy in Nepal and options to support the country in realising this potential. For more information, [click here](#).

6-10 June, Geneva. THIRD SESSION OF THE TRADE AND DEVELOPMENT COMMISSION. As countries struggle to place their economies onto sustained growth and development paths in the post-global economic crisis period, trade unquestionably remains an important instrument for economic recovery, growth and development. This session of UNCTAD's Trade and Development Commission will address the themes of: assessing the evolution of the international trading system and enhancing its contribution to development and economic recovery, as well as the integration of developing countries in global supply chains, including through adding value to their exports. More information can be found [here](#).

Resources

REFORMING US FTAs FOR ENVIRONMENTAL PROTECTION. By Mario Arana, Kevin Gallagher et al. Woodrow Wilson International Center, 2011. The authors examine the relationship between trade and the environment and draws from past trade

agreements as a means of putting forth recommendations as to what role environmental issues should play within future FTAs. The entire report is available [here](#).

REGIONAL TRADE AGREEMENTS: TREATMENT OF AGRICULTURE. By Linda Fulponi, Matthew Shearer, and Juliana Almeida. OECD Food, Agriculture and Fisheries Working Papers No. 44, May 2011. The authors of the report find that South-South and Latin American regional trade agreements (RTAs) have made the most progress in eliminating agricultural trade tariffs, according to their study of over 50 such agreements. Agricultural export subsidies are banned in over half the agreements under examination, signaling greater trade liberalization in conformity with Article XXIV of the General Agreement on Tariffs and Trade (GATT). However, they find that traditionally sensitive sectors such as dairy, meat, sugar and cereals are still covered by numerous exemptions and tariff rate quotas (TRQs). Their study develops earlier work on the treatment of agriculture in regional trade agreements for Latin America by extending the geographic coverage to Asia Pacific and selected agreements in Africa. It analyses these agreements with respect to market access, subsidies, trade remedies, and requirements relating to sanitary and phytosanitary measures (SPS) and technical barriers to trade (TBT). The report is can be found [here](#).

REGIONAL ECONOMIC OUTLOOK, SUB-SAHARAN AFRICA. International Monetary Fund, 3 May 2011. Sub-Saharan Africa's economic recovery is well under way, albeit with variation among country groups. In most of the region's low-income countries and among the seven oil exporters growth is almost back to pre-crisis levels. However, in the region's middle-income countries, including South Africa, the recovery has been more gradual. This Regional Economic Outlook describes the impact of recent economic developments – sharp increases in food and fuel prices will need fiscal interventions targeting the poor, while higher oil prices will be a boon to some countries while adversely affecting others. Policy adjustments are needed to move away from the supportive stance of the last few years but should be balanced against the need to alleviate the impact of rising food prices on poor

households. The entire report is available on the [website](#).

UNFCCC COP17 DURBAN WEBSITE. The city of Durban, South Africa has overhauled and re-launched its website for the Seventeenth UN Framework Convention on Climate Change Conference of the Parties (UNFCCC COP 17). The website has regular updates leading up to the meeting as well as a increased information regarding the historical accomplishments of the convention, its agenda for the upcoming meeting, and information about Durban itself. The website can be accessed [here](#).
