



# Bridges Weekly Trade News Digest

*Weekly trade news from a sustainable development perspective*

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## LEAD STORIES

### Contemplating Doha Failure, WTO Members Look to Paris Meeting for Way Forward

As WTO members contemplate the real prospect of failure in the decade-long Doha Round of global trade talks, they are looking to a meeting of trade ministers in Paris on Thursday for signs of a way forward.

Ambassadors to the WTO in Geneva have been exploring – thus far without success – potential options for salvaging agreements on individual issues within the wide-ranging negotiations, instead of the comprehensive accord that had originally been planned for. The woes of the Doha Round featured prominently in discussions last week among trade ministers from Asia-Pacific Economic Cooperation (APEC) countries in the US state of Montana last week.

The APEC ministers held back from giving up on the Doha Round negotiations. But a statement they adopted went beyond the forum's standard ritual call for concluding a Doha agreement within the year. Ministers expressed “collective deep concern regarding the difficulties confronting the Doha Development Agenda,” and agreed that since gaps were “unbridgeable” in many key areas of the talks, “only a major substantive breakthrough in the negotiation” could break the deadlock. They appeared to open the door to possible ‘Plan B’ approaches that fall short of a comprehensive Doha accord, directing “negotiators to review urgently all options, in light of the development dimension as mandated, and to work with all WTO Members to find a path forward.”

The ministers also went out of their way to praise the WTO and the rules it embodies as a bulwark against protectionism and a source of growth and

development. They agreed to “uphold the primacy of the multilateral trading system and reaffirm that this strong, rules-based system is an essential source of sustainable economic growth, development, and stability.”

WTO Director-General Pascal Lamy went to Big Sky, the Montana ski resort where the APEC meeting took place, to brief ministers on the status of the Doha Round and discuss possible next steps. He informed them of his plan to hold a Trade Negotiations Committee (TNC) session on 31 May to take stock of his consultations with governments and “chart a path forward.” Lamy said that signals from APEC and the upcoming Paris meeting of ministers on the sidelines of an Organisation for Economic Cooperation and Development (OECD) summit would be “key inputs into that process.” The Paris ‘mini-ministerial’, on 26 May, will be hosted by Australia, and attended by dozens of influential WTO members. Geneva-based trade diplomats from several governments are reportedly travelling to the French capital for the meeting.

Summing up the discussions at the APEC meeting, US Trade Representative Ron Kirk said that “all ministers agreed that we cannot simply keep doing what we have been doing in the Doha talks if we mean to move forward. At the same time, not one minister said we should throw in the towel. We should, instead, start a sober assessment of next steps.”

Earlier, in his opening remarks to the conference, Kirk had argued that “without abandoning our commitment to the success of the Round, we need to begin a hard-nosed discussion of what can be done. We need to explore what ‘next steps’ we can take to find a more productive path – and, if we find that path, to take it as quickly as possible.”

He suggested that this process would require “deep reflection,” and could be linked to a WTO Ministerial Conference planned for December in Geneva. He said that governments faced “three possible paths: keep doing what we have been doing, give up, or start thinking of something different that will lead us in a better direction.”

The US trade chief said that optimism early this year about prospects for a Doha agreement had

“not been borne out,” and intensive discussions had served mainly to clarify “just how far apart we are on the core question of market access ambition – certainly in NAMA [non-agricultural market access], but also with regard to services and agriculture.”

The main obstacle in the negotiations is a deep divide between the US and large developing countries over the depth of tariff cuts to result from a Doha accord. China, India, and Brazil have consistently rejected Washington’s demands for substantial new concessions in terms of access to their markets, particularly for industrial products, as unrealistic and disproportionate to the tariff and subsidy reforms rich nations have offered. The US, on the other hand, feels that the terms on the table in the Doha Round negotiations are biased against its interests.

The Wall Street Journal reported from Big Sky that US business leaders attending the conference had started to suggest that the Doha Round talks could be “put on ice,” while the Obama administration pursues more promising deals on specific sectors or with individual countries or small blocs. It quoted a senior US official as saying that ministers had privately acknowledged the need to end efforts to reach a comprehensive multilateral agreement and focus instead on “alternatives.” However, they were far from deciding which areas to pursue – a choice that some trade officials and observers in Geneva have suggested might prove as contentious as concluding a comprehensive deal. Possible candidates for stand-alone accords include trade facilitation and duty- and quota-free access for products from least-developed countries (LDCs).

The spotlight on the Doha Round negotiations for the past decade has obscured the WTO’s other functions, such as administering existing multilateral trade rules, resolving disputes, and monitoring countries’ trade policies. Faced with the possibility that the talks could end without an agreement, ministers took pains to emphasise that the global trade body was much more than an interminable negotiation.

“Wherever we go next, I think it’s critical to emphasize one point – the WTO is strong, as it has shown itself to be in the past three years,”

Kirk said to the conference. “We have confidence in it. And we need to be very careful about absolutely equating ‘the WTO’ and ‘the Doha Round.’”

ICTSD reporting; “APEC Ministers Discuss Future of Doha Trade Talks,” WALL STREET JOURNAL, 20 May 2011.

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### **Protectionist Pressures Rising Among G-20 Members, Says New WTO Report**

Protectionist pressures are increasing in the world’s leading economies, as members of the Group of 20 introduced more trade-restricting policies over the past six months than in any comparable period since April 2009, according to a new report from the WTO.

“The G-20 collective resolve and political courage to resist protectionism in the context of the global crisis which was a positive characteristic over the previous years may now be under stress,” said the report, dated 24 May.

The report is part of a joint exercise by the WTO, the Organisation for Economic Cooperation and Development (OECD), and the UN Conference on Trade and Development (UNCTAD) to monitor G-20 countries’ adherence to their pledges to refrain from trade and investment protectionism in the financial crisis and its aftermath. The three organisations have issued reports monitoring new trade and investment measures, both restrictive and liberalising, at roughly six-month intervals since September 2009. According to the new report, between mid-October 2010 and the end of April 2011, WTO members introduced some 122 measures with the potential to restrict or distort trade. The measures included tariff increases, new non-tariff policies, trade remedy investigation initiations, and export restrictions. Despite the group’s reiteration in November 2010 that it was committed to resisting protectionism, this number was substantially higher than the 95 such measures introduced between September 2009 and February 2010, the next highest period. The use of export restrictions, particularly on food and minerals, increased, with the past six months seeing the introduction of

almost as many restricting measures as the preceding year.

On the other hand, the report found that measures to liberalise trade were also on the rise over the past six months – some 100 measures were trade facilitating, from import tariff reductions to the streamlining of customs procedures. Nevertheless, new import restrictive measures taken by G-20 economies between October 2010 and April 2011 covered around 0.6 percent of the group’s total imports, an increase over the prior six months, when the figure was 0.3 percent (although lower than the 1 percent of G-20 imports affected over the year following October 2008).

“The recent official report is right to issue a note of caution,” said Simon Evenett, an economics professor at the University of St. Gallen in Switzerland. Evenett, who also directs Global Trade Alert, a service that provides real-time monitoring of protectionist policies along with their likely victims, said that the new WTO-OECD-UNCTAD report matched his own group’s findings. “With slower-than-expected recoveries in much of the industrialised world, more firms and farmers are turning to their governments for support rather than undertaking the difficult task of upgrading and product development. Taken seriously, this report should counter France’s attempts to demote trade and protectionism during its G-20 presidency.”

Over the past six months, the new trade restrictions most frequently affected sectors including organic chemicals, meat, iron and steel, plastic, machinery, dairy products, electrical machinery and equipment, and vehicles. The bulk of the measures took the shape of tariff increases or non-tariff measures such as non-automatic import licensing requirements, as well as trade remedy investigations.

The report includes an annex with specific details on new trade measures, whether restricting or liberalising, from the EU’s initiation of anti-dumping investigations into Chinese steel fasteners and vinyl acetate from the US, to India’s elimination of import tariffs on onions in December 2008.

Robert Wolfe, a professor at Queen's University in Kingston, Canada, noted that the increase in the number of protectionist measures said little about how trade-restricting a given measure was. For instance, a tariff increase could be small or large, or a trade remedy investigation could affect one firm, or one hundred. He observed that the total share of trade potentially affected by new trade restricting measures remained very small.

### **Dark clouds on horizon, despite recovery in trade volumes**

Despite a rebound in world trade following the financial crisis – world merchandise exports grew by 14.5 percent in 2010 and are projected to expand by 6.5 percent in 2011 in volume terms – and the fact that the global economy has thus far avoided a ‘double-dip’ recession, the report pointed to clouds on the horizon for world trade. “The persistence of high levels of unemployment, macroeconomic imbalances, rising food prices and geopolitical tensions create conditions that are favourable to growing protectionist sentiment,” it warned, calling for “increased vigilance in the coming months to prevent protectionism from gaining ground.” Other sources of uncertainty it pointed to included sovereign debt problems, unrest in major oil exporting countries, and the recent earthquake and tsunami in Japan.

In a joint statement accompanying the reports on trade and investment, the WTO, OECD, and UNCTAD leaders said that keeping trade and investment open remained crucial for economic recovery and development. “In the current difficult circumstances, the WTO, OECD and UNCTAD must and will continue to act as a catalyst of global co-operation.” They argued that the multilateral trading system was “instrumental in helping governments successfully resist intense protectionist pressures during the recent global crisis,” and that “it is vital to preserve and strengthen this system in order to be able to face future crises.” They bemoaned the deadlock in the Doha Round negotiations, and said “it is time to start looking for a way forward which preserves the objectives and values of the Doha mandate and delivers for all members by the 8th WTO Ministerial Conference in December 2011.”

“Any weakening of the multilateral system and the insurance policy that represents the WTO would provide grounds for renewed calls to retreat into protectionism,” warned the introduction of the trade-focused report, which was issued under the responsibility of WTO Director-General Pascal Lamy.

### **Export restrictions highlighted**

The report pointed to an increasing trend in the use of export restrictions – export taxes, export quotas, and in some cases, outright export bans – imposed mainly on food products and some minerals, in response to rising prices and concerns about resource depletion and adequate domestic supplies.

Noting that WTO disciplines on export restrictions were limited, it warned of “a risk that in the absence of clearer multilateral disciplines, governments may be tempted to use export restrictions to alter to their advantage the relative price of their exports or to expand production of domestic industries at the expense of foreign production.” It urged “more self-imposed discipline along the lines of the G-20 standstill commitment, and closer multilateral co-operation and action among all countries” in order to minimise harm to net food importers and countries highly dependent on imported industrial inputs.

The report provided a list of export restrictive measures dating back to October 2008. Restrictions introduced over the past six months include Chinese export quotas on rare earth minerals and coal, the extension of an Indian export ban on pulses, and temporary export bans on wheat imposed by Macedonia, Moldova, and Serbia.

### **No spike in use of trade remedies**

Fears that the financial and economic crisis would spark a sharp rise in the use of trade remedies have not been borne out. “To the contrary, initiations of new trade remedy investigations dropped significantly between 2008 and 2010,” the report concluded. Comparing October 2010 – April 2011 to the same period from a year earlier, the number of anti-dumping investigations

initiated declined from 83 to 78, while the number of safeguard investigations remained constant. Notably, Brazil, which has struggled to deal with the dramatic appreciation of its currency, the real, nearly tripled its initiations over that period – but other countries more than made up for the change.

The previous WTO monitoring report for the G-20 had reported that the total number of anti-dumping investigations initiated by members of the bloc had dropped by 20 percent from January-September 2010 compared with the same period the year before.

The report also reviewed changes in the environment for services trade, as well as the continuing phase out of government support measures implemented during the worst of the financial crisis.

While trade flows may be subject to increased protectionist pressures, the majority of new investment measures taken by G-20 governments over the past six months eliminated restrictions to international capital flows and improved clarity for investors, the OECD-UNCTAD report on investment said. Nevertheless, global FDI inflows have not recovered to pre-crisis levels, and macroeconomic imbalances, weak fiscal positions, and commodity price volatility may weaken governments' commitments to openness to international investment.

ICTSD reporting.

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## WIPO Patent Committee Looks at Public Health, Tech Transfer

Intergovernmental talks at the World Intellectual Property Organisation (WIPO) plodded forward last week as countries debated patents and public health, technology transfer, and exceptions and limitations to patents. The 16-20 May meeting of WIPO's Standing Committee on the Law of Patents (SCP) often saw developed countries and developing countries at odds; nevertheless, some compromise was reached and most countries felt "optimistic about the way forward".

The SCP session, the last before WIPO's annual General Assembly in September, was chaired by Albert Tramosch, from the US Patent and Trademark Office. His election caused some controversy after a number of developing countries alleged that Tramosch was favouring developed countries in the negotiations while being quick to dismiss developing country proposals.

### Patents and public health proposal makes some headway

One of the most important topics addressed during the week-long session was a proposal by the African Group and the Development Agenda Group (DAG)'s for a work programme on patents and health aimed at boosting the capacities of member states to take full advantage of flexibilities in international intellectual property rules.

The DAG, which consists of around 20 developing country members including Brazil, Egypt, India, and Indonesia, aims to mainstream development concerns into all aspects of WIPO's work.

Arguing that "the patent system should be consistent with fundamental public policy priorities and in particular the promotion and protection of public health," the 20-point proposal comprises three main elements: commissioning of studies by independent experts, increasing information exchange, and enhancing technical assistance (especially to developing countries and LDCs). The work programme would enable them to "adapt their patent regimes to make full use of the flexibilities available in the international patent system."

International intellectual property rules typically include built-in measures affording governments latitude to deviate from standard protections under a variety of situations. One flexibility in WTO rules, for instance, gives countries the right to effectively break patents for public health and other purposes. However, very few developing countries make full use of such flexibilities, because they lack the national policy infrastructure to implement these measures. And many bilateral and regional trade agreements include intellectual property provisions that go far beyond those in

the WTO's Agreement on Trade-related Aspects of Intellectual Property Rights (TRIPS), such as exclusive protection for clinical test data for drugs that delay the entry of generic competitors into the market.

The proposal affirms that bilateral and regional trade agreements should not restrict the use of TRIPS flexibilities if public health is to be protected.

Brazil, who forms a part of the DAG, noted that the proposal is "very much in line with WIPO Development Agenda Recommendation 22", which states that WIPO should address in its norm-setting activities issues such as "potential flexibilities, exceptions and limitations for Member States" and "the possibility of additional special provisions for developing countries and LDCs."

South Africa, speaking on behalf of the African Group, made clear that "underpinning the Development Agenda recommendations is the need to address the asymmetrical relations between IPR holders and public use."

Chair Trampusch referred to the proposal as "comprehensive and well thought out."

Hungary, on behalf of the EU, argued it was important to avoid duplication of work already done in other UN agencies like the WHO or the WTO in the areas of public health and patents and within WIPO itself. Representatives from all three organizations presented work already undertaken, including a WIPO patent-scoping study on patents in relation to pandemic influenza.

Developing countries, however, countered that existing work was not taking place in an "intergovernmental format," as their project proposed.

In a statement, Knowledge Economy International, an NGO, supported the African Group/ DAG proposal, and stressed that "there can be no realistic expectation of universal access to life saving medicines and other medical technologies unless governments can issue or threaten to issue compulsory licenses to patents, and take other steps to enable competition for products."

### **Consensus on technology transfer study reached after unforeseen challenge**

Last week's talks were marked by surprise as India, on behalf of the Development Agenda Group, proposed unexpected changes to an updated study on technology transfer, claiming that it had failed to address patents as barriers to technology transfer. In India's view, the report was therefore biased towards only the positive elements of patents.

The study's intention, as stated in the WIPO document presented to member states, had been "to contextualize various issues relating to transfer of technology in a holistic matter, and contains no conclusions."

India proposed that a team of experts evaluate obstacles to technology transfer beyond those covered in the initial study. However, this proposal sparked substantial resistance from the US and other developed countries, which argued that framing the issue in such a way was "not neutral and presupposes the outcome of the study."

Countries later agreed to the WIPO Secretariat hosting a seminar on the issue on margins of the next SCP, as part of WIPO's seminar series on economics. Trampusch assured countries that "a couple of days after the seminar a summary of the proceedings would be posted on the website of WIPO's chief economist."

In the end, India said it was content with the compromise reached and was glad that "the SCP has started an important and necessary discussion," but reiterated that "the issue of technology transfer is at the heart of the fundamental trade-off inherent in the patent system."

Similarly, other developing countries said they "looked forward to translating these discussions into meaningful efforts," while developed countries accepted the consensus but cautioned to avoid the duplication of efforts in all areas of WIPO.



### Patent quality and exceptions and limitations discussed

Earlier in the week, Canada and the United Kingdom put forth a proposal on patent quality, focusing on technical infrastructure development, information exchanges, and process improvement. According to the proposal, enforcing patent quality means that patent offices would ensure that the patents they grant “meet the standards that foster the policy objectives of the patent system.” It contends that focusing on patent quality will further the aims of the Development Agenda, and that patent quality is “a key aspect of how the patent system functions in order to deliver economic and social policy objectives.”

Many developing countries fear that this may mean efforts towards global patent system harmonisation, which could adversely affect countries without the same level of infrastructure as some developed countries. South Africa highlighted this point and asked “the SCP to take into account the different levels of development among Member States.”

Another subject of debate last week was exceptions and limitations to patent rights. Discussions focused particularly on a draft questionnaire prepared by the WIPO Secretariat intended “to facilitate the exchange of information on exceptions and limitations provided in national and regional laws.”

The questionnaire arose from a proposal made by Brazil at an earlier SCP session, and was meant to survey different policies as a first step towards understanding exceptions and limitations at the national and regional levels. The questionnaire included questions relating to private and/or non-commercial use, preparation of medicines, use of articles on foreign vessels, and compulsory licensing among others.

Many developing countries view exceptions and limitations as a powerful tool to further access to knowledge in particular, enriching human resources and facilitating economic growth.

In addition to the questionnaire, countries considered a summary of an experts’ study on exclusions, exceptions and limitations

commissioned by the WIPO Secretariat in 2009. The study provided further basis for the discussion, though some developed countries felt that there was a need to better define possible exceptions before carrying on with the questionnaire exercise.

Brazil stated that they felt that the study and the draft questionnaire were both “very positive first steps,” but urged countries to keep in mind that these are only preliminary steps towards exploring the issue of exceptions and limitations.

ICTSD reporting. “The Use of Flexibilities in TRIPS by Developing Countries: Can They Promote Access to Medicines?” WORLD HEALTH ORGANIZATION COMMISSION ON INTELLECTUAL PROPERTY RIGHTS, INNOVATION AND PUBLIC HEALTH, August 2005; “WIPO Members Discuss Patent Quality, Public Health, Exceptions” IP WATCH, 17 May 2011.

## OTHER NEWS

### World Health Assembly Kicks Off WHO Reform Process, Moves Forward on IP-related Issues

The World Health Organisation’s annual assembly kicked off last week with discussions on the organization’s work over the past year, the challenges it faces in a changing global economy, and a spirited debate on the future shape and finances of the institution itself.

The meeting also addressed issues such as pandemic influenza preparedness, vaccines, fake medicines, communicable and non-communicable diseases and HIV/AIDS, among others.

The purpose of the World Health Assembly, the WHO’s top decision-making body, is to supervise financial policies, review programmatic goals, and determine organizational practices. Christos Patsalides, Cypriot health minister, was elected president of this assembly.

A day-by-day summary of the proceedings of the 64th World Health Assembly can be found [here](#).

### DG initiates reform discussions

In her opening address, WHO Director-General Margaret Chan highlighted the organisation's accomplishments of the past five years, but also recalled the challenges posed by the financial crisis together with skyrocketing food and fuel prices. She urged member states to "remember the people" because "all of our debates and discussion have meaning only when we improve the health of people and relieve their suffering."

Chan also opened talks on a proposal for WHO reform, which she described as the "largest in its 63 year history." The proposed reforms, she suggested, would provide the organization the opportunity to be more effective, responsive, transparent and accountable in its activities. Member states showed strong support for the proposal, paying special notice to the issue of financing reform for WHO.

One of the major changes would be an independent evaluation of the WHO's work, which would then be used to gauge where the institution stands. More immediately, the organisation will undergo drastic budget cuts, including the need to let go 300 staff members. The assembly approved a revised WHO program budget of US\$3.959 billion for 2012-2013, as compared to US\$4.54 billion in 2010-11. In addition to declining contributions by governments, the WHO will continue to receive funding from other UN agencies, foundations and the private sector.

The WHO has secured some funding from the Bill & Melinda Gates Foundation for the implementation of the reform plan, though the exact amount remains unclear. On Tuesday, Bill Gates addressed the assembly and emphasised his commitment to eradicate polio, while thanking member states for their continued leadership in fighting disease.

#### **NGOs concerned about private sector influence**

Some groups feel that the proposal for reforming WHO financing could result in conflicts of interest among the organisation and its private funders.

In a joint statement, a handful of NGOs argued

that the reform package "does not adequately address the management of conflicts of interest, and presents an unrealistic and empirically unsupported assumption that all stakeholders will collaborate to advance the public interest." They also found it "entirely inappropriate that the blueprint for reform of a UN institution is funded by a private entity." In their view, "a clear separation between WHO and the interests of private actors must be maintained".

Also figuring in the reform proposal was a multi-stakeholder platform called the World Health Forum which would allow WHO observers from civil society groups, the private sector and academia to be a part of decision-making at WHO. Some member states and civil society groups were wary of this measure, again fearing "it may push the agency too far into the hands of its financial supporters."

#### **Intellectual property features prominently**

Intellectual property-related matters figured prominently during discussions at the World Health Assembly. Governments considered the issue of "bad medicines," with members discussing a report on improving access to quality and affordable medical products. The report was prepared by the WHO's working group on substandard/spurious/falsely-labelled/falsified/counterfeit medical products.

Though all member states seemed to agree that "bad medicines" are a serious public health issue, some argued that the WHO has delved too deeply into intellectual property concerns instead of focusing on public health. Ultimately, member states agreed to give the working group more time to complete its work before taking any action.

In a public health milestone, the assembly's Committee A, which is charged with technical and health matters, agreed on a framework for pandemic influenza preparedness that includes provisions for benefit sharing and would ensure access to vaccines for developing countries. The "landmark agreement" had been long in the making after recent years had shown a rise in influenza viruses of pandemic potential, such as the H1N1 (swine flu) or H5N1 (avian flu) viruses.



Though the framework had been nearly finalized earlier in the year, some amendments were made to it this time around, including the deletion of a clause mentioning the Nagoya Protocol on Access to Genetic Resources and the Fair and Equitable Sharing of Benefits Arising from their Utilization to the Convention on Biological Diversity. Other amendments to the framework were additions, such as the reference to Article 23 of the WHO Constitution, which states “The Health Assembly shall have authority to make recommendations to members with respect to any matter within the competence of the Organization.” Another addition is the mention of a biannual reporting system for the work completed under the framework.

The framework agreement, as well as other resolutions approved in the committees, was formally adopted at the final plenary of the WHA on 24 May.

ICTSD reporting. “WHO Reform Mandate, Pandemic Report Clear Hurdles” IP WATCH 20 May 2011.

## WTO IN BRIEF

### Appellate Body Says EU Subsidies to Airbus Were Not Export Support; Both Sides Claim Victory

The WTO Appellate Body last week confirmed that the EU was paying billions of dollars worth of illegal subsidies to aircraft manufacturer Airbus, but overturned the earlier panel’s finding that these payments were export subsidies, which WTO subsidy rules punish most strongly.

EU Trade Commissioner Karel De Gucht applauded the ruling as a great success. “I am particularly pleased with this important result. The US central claim that Airbus received prohibited export subsidies has been dismissed in its entirety,” he said in a statement.

While the panel had determined the amount of EU subsidisation to be \$20 billion, the Appellate Body reduced the amount to \$18 billion, finding

some research and development and infrastructure subsidies to be legal.

US Trade Representative Ron Kirk also claimed victory, saying that “the WTO Appellate Body has confirmed without a doubt that Airbus received massive subsidies for more than 40 years and that these subsidies have greatly harmed the United States, including causing [US aircraft maker] Boeing to lose sales and market share in key markets throughout the world.”

A separate panel ruled earlier this year that the US had been providing \$5.3 billion in illegal subsidies to Boeing – mainly export subsidies. While Washington still argues that the Boeing subsidies are ‘dwarfed’ by the billions paid to Airbus, the EU now contends that its Airbus subsidies, though higher, are less harmful in terms of distorting production and trade. A press release from the European Commission acknowledged that “certain ‘actionable subsidy’ findings do remain,” but stressed that economic impact of the support on the aircraft market “has been found to be very limited.”

The distinction between export subsidies and other subsidies found to cause injury to overseas competitors is critical: WTO rules require export subsidies to be withdrawn immediately, while actionable subsidies may be maintained for up to six months.

The EU is uneasy about the fact that its own case is running several months behind Washington’s case against European aid to Airbus, which means it could potentially be ordered to suspend aid to its aircraft maker – or face retaliatory sanctions – months before its US rival.

While the long-running case has generated considerable employment for trade lawyers, the parties may yet opt to limit its ramifications for the airline industry by resolving the dispute at the negotiation table. In any such negotiation, however, the WTO’s findings would be critical for either side’s bargaining power.

The recent Appellate Body process underscored a limitation in WTO dispute settlement rules. The Appellate Body found that the panel had failed to collect certain factual information related to export subsidies. However, the WTO’s lack of

'remand rules' made it impossible for the appeals court, though notoriously overloaded, to send the case back to the panel with specific instructions. And since appeals are limited to judicial review, the Appellate Body was unable to conduct the search itself. 'Remand' rules are part of negotiations on dispute settlement reform taking place alongside the broader Doha Round talks.

ICTSD reporting. "Billion in Illegal European Subsidies to Airbus WTO Appellate Body Confirms U.S. Win in Airbus Case: \$18 Billion in Illegal European Subsidies to Airbus," Office OF THE US TRADE REPRESENTATIVE, 18 May 2011; "All sides claim victory in WTO Airbus ruling", EURACTIV AND REUTERS, 24 May 2011.

## EVENTS & RESOURCES

### Events

#### Coming soon

30 May-1 June, Paris, France. ANNUAL BANK CONFERENCE ON DEVELOPMENT ECONOMICS 2011: BROADENING OPPORTUNITIES FOR DEVELOPMENT. The World Bank's annual conference on development economics will be focused around development opportunities and recognising the inequalities that lie at the heart of inequitable growth processes in developing countries. More information about the conference and its theme is available on the [website](#).

2-3 June, Hong Kong, China. ADBI-PECC CONFERENCE ON ENHANCING COMPETITIVENESS AND FACILITATING REGIONAL TRADE AND INVESTMENT IN SERVICES. The project, jointly run by the Asian Development Bank Institute along with the Pacific Economic Cooperation Council (PECC) and the Chinese University of Hong Kong, aims to help clarify the factors essential to competitiveness in services to enable regional businesses and governments to build appropriate strategies to develop and internationalise their services industries. It also aims to address and propose ways to meet key services trade policy

challenges facing the regional and multilateral trading systems in the coming years, and to contribute to the development of an agenda for regional services integration that responds to the changing environment and needs of the region. Further information can be found [here](#).

6-10 June, Geneva, Switzerland. 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. The 2011 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 and integration of developing countries in global supply chains, including through adding value to their exports. More information is available via the [UNCTAD website](#).

#### WTO events

An updated list of forthcoming WTO meetings is posted at: [http://www.wto.org/meets\\_public/meets\\_e.pdf](http://www.wto.org/meets_public/meets_e.pdf). Please bear in mind that dates and times of WTO meetings are often changed, and that the WTO does not always announce the important informal meetings of the different bodies. Unless otherwise indicated, all WTO meetings are held at the WTO, Centre William Rappard, rue de Lausanne 154, 1211 Geneva, Switzerland, and are open to WTO Members and accredited observers only.

26 May: Council for Trade in Goods

31 May: Informal Trade Negotiations Committee

1 June: Dispute Settlement Body

#### Other upcoming events

30 June – 1 July, Geneva, Switzerland. UNCTAD MEETING OF THE JOINT ADVISORY GROUP ON THE INTERNATIONAL TRADE CENTRE. The Joint Advisory Group will

examine the activities of the ITC and make recommendations to the UNCTAD Trade and Development Board and the World Trade Organisation (WTO) General Council. Discussions will focus on the Annual Report on the Activities of ITC in 2010. One session will be set aside for a presentation of one aspect of ITC's work. More information available on the [website](#).

timely and practical guidance to policy makers on what reforms they need to unlock the productive and employment potential of a green economy. The entire report can be downloaded from the [website](#).

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## Resources

GOVERNING THE WORLD TRADE ORGANISATION. Edited by Thomas Cottier and Manfred Elsig. Cambridge University Press, May 2011. Like many other international organisations, the World Trade Organisation stands at a crossroads. The volume of essays contends that there is an obvious imbalance between the organisation's dispute settlement arm and its negotiation platform. While its current rules, supported by a strong dispute settlement system, have provided some buffering against the negative effects of the financial crises, its negotiation machinery has not produced any substantial outcomes since the late 1990s. Based on rigorous scholarship, the essays offer critical readings on the functioning of the system and provide policy-relevant ideas. More information on the book is available at [http://www.cambridge.org/gb/knowledge/isbn/item5989709/?site\\_locale=en\\_GB](http://www.cambridge.org/gb/knowledge/isbn/item5989709/?site_locale=en_GB).

FOR THE GLOBAL GOOD: INDIA'S DEVELOPING INTERNATIONAL ROLE. By Gareth Price. Chatham House, May 2011. The report analyses India's international role in development, trade and investment, security and democracy, and the environment. It assesses current thinking within India towards these global challenges and examines how policy is evolving. The report can be accessed [here](#).

TOWARDS A GREEN ECONOMY: PATHWAYS TO SUSTAINABLE DEVELOPMENT AND POVERTY ERADICATION. United Nations Environment Programme, 2011. The authors of the Green Economy Report aim to debunk several myths and misconceptions about the economics of "greening" the global economy, and provides