



Bridges Weekly Trade News Digest

Weekly trade news from a sustainable development perspective

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LEAD STORIES

G-20 Proposal Seeks to Prevent Extreme Hunger in West Africa

A [leaked proposal](#) on a regional system of reserves, which was prepared by a UN agency for the Group of 20 leading economies, has laid out how West Africa could react to prevent the worst cases of hunger. Finance and development co-operation ministers from the G-20 economies discussed the document this past week on the margins of the World Bank and International Monetary Fund (IMF) Annual Meetings in Washington.

Scale

The UN World Food Programme's (WFP) proposed reserves would be strategically planted in four locations - Burkina Faso, Ghana, Mali, and Senegal - with a mix of inland and sea port placement. The system could supply Economic Community Of West African States (ECOWAS) with physical reserves for 30 days, or 67,000 metric tons of grains, and would be supplemented with an additional 60 days of virtual reserves for a 90 day total. The WFP estimates an initial US\$44 million in setup costs and US\$16 million per year in upkeep.

In a [communiqué](#) released by G-20 finance ministers and ministers in charge of development and co-operation, the WFP and ECOWAS proposal was listed among a number of measures that "aim at improving protection for the most vulnerable against excessive price volatility." An NGO source close to the talks in Washington told Bridges that it seems unclear how supportive ministers actually were of the proposal.

A June declaration from G-20 agriculture ministers called for such a proposal, along with pilot studies on a regional system of humanitarian

reserves, to be issued in September, springing from an earlier expert [recommendation](#) (see Bridges Weekly, [29 June 2011](#)). The WFP responded rapidly, sharing initial drafts of the final 112 page report with others as early as mid-August.

The proposal emerges from a tussle between those arguing for an expansive food reserves system that stabilises prices and those in favour of a small and targeted system used only for humanitarian ends with a minimal impact on markets. Calling the proposal a “remarkable tour de force,” Stuart Clark of the Canadian Foodgrains Bank told Bridges that there was “pressure on designers to keep the reserve as small as possible.”

Echoing the concerns of many NGOs in a recent [blog post](#), Sophia Murphy of the Institute for Agricultural Trade Policy welcomed the proposal but found the G-20 agriculture ministers mandate too narrow. Others, such as Christopher Gilbert, in a recent ICTSD [paper](#), have expressed a preference for targeted reserves programmes that are designed to have minimal impact on market prices – principles that were reflected in the WFP proposal.

Clark argued that the scale of the reserves might not be “up to the task.” The WFP authors of the report used a ten year average of food supply over a period that included shortages, he warned, suggesting that this average might therefore be too conservative an estimate.

Trigger for releasing food

Initial reactions of experts, such as Benoit Daviron of the Centre de coopération internationale en recherche agronomique pour le développement (CIRAD), were of concern about the complexity of the trigger mechanism used for releasing food from the reserves, particularly regarding the use of international price volatility in place of domestic. “Prices in New York or New Orleans are very far from West Africa,” he said, adding that the trigger also used daily measures of prices that are currently unavailable in the region for its leading food commodity, rice.

The proposal uses a measure of food price volatility developed by the International Food Policy Research Institute in Washington called the Non-parametric Extreme Quantile (NEXQ). The measure uses daily price data from 1970 onwards to estimate when prices have moved from their expected normal prices and requires 60 days of post-hoc data. Several experts, however, have stressed that this would be too long a delay.

Daviron cautioned that strong domestic sources of volatility exist for local prices and have little relationship to international prices. He gave the example of a minor Nigerian shortage that led traders to buy up supplies in neighbouring Niger in 2005, quickly creating a crisis. He noted that was a specific dynamic in the market for local goods in West Africa and that a reserves system tied to international prices should “try not to destabilise domestic prices.”

The proposed regional reserves system was prepared in co-operation with ECOWAS governments and with WFP’s Washington office taking the lead. Development NGOs, such as Oxfam and ActionAid, were also consulted in the process. Speaking to Bridges, an Oxfam representative, Ruth Kelly, commented that the development NGO “very strongly supports the use of emergency and strategic reserves as an element of a response to food price volatility.”

Trade and funding

Experts worried that the stocks were not integrated into reserves that were in the region already and that the current proposal is weak on ensuring the purchasing of food from local small holders. “Is it cognizant of trade in the region?” Kelly asked.

Others also wondered if the WFP had consulted sufficiently with experts on trade ahead of the finalised report, considering that African countries have in the past imposed export restrictions. The report does make compliance with Annex 2 of the Agreement on Agriculture – the WTO ‘Green Box’ of unlimited but minimally trade distorting subsidies – a condition for the pilot project.

Funding for the reserves system will be a critical issue. Neither the G-20 ministerial declarations

nor the WFP proposal explain how or where the resources required will be gathered. Clark of the Canadian Foodgrains Bank noted that US\$33 million out of the US\$44 million setup cost was for food commodities and speculated that G-20 member food aid programmes, such as the American USPL 480 or others, would be able to contribute in kind or financially.

ECOWAS will be bringing together experts on reserves in Dakar, Senegal next week to discuss the technical details of the already extensive proposal.

ICTSD reporting.

WTO, World Bank Chiefs Caution against Protectionism amid Reports of Slowing Trade Growth

On Friday 23 September, WTO economists announced that their April trade forecasts would have to be adjusted downward, with trade growth proving slower than their already conservative estimates from five months ago. The scaled back estimates – and resulting calls to countries to withstand protectionist pressures – come amid widespread fears of a global financial slowdown, a topic that has dominated discussions from the World Bank-International Monetary Fund (IMF) Annual Meetings to the Group of 20 finance ministers' gatherings during the past week.

The new estimates released by the WTO predict that 2011 will see a 5.8 percent growth in trade, down from the original 6.5 percent forecast (see Bridges Weekly, [14 April 2011](#)). This marks a sharp slowdown from the record numbers seen in 2010 of 14.1 percent growth in world exports.

Broken down by developed versus developing countries, the global trade body indicated that the developed economy exports will likely rise by 3.7 percent – down from the April estimate of 4.5 percent – while developing economy exports are estimated to increase by 8.5 percent – down from April's forecast of 9.5 percent.

The 23 September report cites the tsunami and earthquake in Japan, budget impasse and credit

downgrade in US, and euro area sovereign debt crisis as “strong headwinds” that have contributed to the slow in growth. The WTO statement also made a special note of exports in the case of Germany and France turning “ominously downward.”

Numbers from the International Monetary Fund that were released last week as part of their [World Economic Outlook](#) provided a similarly stark picture, forecasting global trade in both goods and services to slow to 7.5 percent this year, from 12.8 percent last year.

The WTO report adds that, in the 2008-2009 crisis, the global trade body's members were able to resist protectionism for the most part – however, “another downturn in the global economy could strain their resolve to the breaking point and trigger a descent into self-destructive protectionism.”

Protectionist pressures have already been seen in the world's leading economies, according to a May WTO report on recent trade measures being taken by Group of 20 members (see Bridges Weekly, [25 May 2011](#)).

WTO Director-General Pascal Lamy, in the global trade body's official [statement](#) on the figures, warned the organisation's members to “remain vigilant.” He cautioned that “this is not the time for go-it-alone measures. This is the time to strengthen and preserve the global trading system so that it keeps performing this vital function in the future.”

Meetings in Washington underscore fears of global slowdown, protectionism

Speaking to reporters at the opening of the World Bank-IMF meetings, which took place in Washington from 23 to 25 September, World Bank Chief Robert Zoellick also asked for countries to be watchful of protectionist pressures. “I think it will be tempting for some countries to start to protect their manufacturing sectors, and in that environment, you could start to get a cycle of policies that become disruptive.”

He added that the World Bank is working with the WTO and other outside parties to monitor and

report instances of protectionism, to “in a sense get the information out there and, if we can, ‘name and shame,’ so if people take these actions, they have to explain them to their international counterparts.”

Last week’s annual meetings of the World Bank and IMF saw the two organisations gather to discuss how to confront the European debt crisis and pledge to take stronger, co-ordinated action in that regard.

Similar pledges came in a communiqué from the G-20 Finance Ministers and Central Bank Governors, who also met in Washington last week. They stressed that they are “working together to put in place for the Cannes Summit such an action plan of co-ordinated policies, with both short term decisions and a medium-long term perspective.”

The ministers and central bank officials added that achieving the necessary growth needed to combat the crisis would require a “collective and bold action plan, with everyone doing their part.”

Despite these pledges, fear over the future of the financial system was pervasive in both settings, and throughout media reports. Lamy, who attended the World Bank-IMF meetings, stressed that “we are in a red zone... We are at a risk of repeating what happened in 2008 occurring again for different reasons but through the same channel, the financial system.”

Spotlight on upcoming G-20 summit

With the G-20 heads of state meeting set for November of this year, pressure is mounting on the Group of 20 leading economies to stem the economic downturn before it further damages prospects for financial markets and world trade. In a 22 September letter to French President Nicolas Sarkozy – France currently holds the presidency of the G-20 – signed by prime ministers from Australia, Canada, Indonesia, South Korea, and the United Kingdom, the heads of state called for “decisive action” to help fight the crisis.

They further urged that heads of state at the upcoming November summit “agree the hard policy decisions we should each take, validating

our actions against strong objective analysis and recommendations from the relevant international institutions.”

The six leaders also alluded to the struggling Doha talks at the WTO, telling Sarkozy that the “failure to date to conclude a global trade deal is robbing the world of a much-needed economic stimulus.”

The letter comes shortly after an 18 September op-ed by former UK Prime Minister Gordon Brown, former Spanish Prime Minister Felipe González, and former Mexican President Ernesto Zedillo sharply criticised the G-20’s effectiveness in recent years. They cautioned that, “unless a significant rectification happens soon, the [2009] Pittsburgh announcement [calling for a framework for strong, sustainable, and balanced global growth] could go down in history as the beginning of the G-20’s journey toward sheer irrelevance.”

Developed country crisis could bring down developing countries, many fear

Echoing some of the statements made in the WTO trade forecast, Zoellick cautioned at the World-Bank IMF meetings that the developed world crisis could soon become one for the developing world as well, urging the EU, US, and Japan to address their problems swiftly.

Zoellick warned that falling exports, falling markets, and decreasing confidence could have a negative impact on developing countries’ domestic demand – a result that would mean losing their “economic engines as drivers of global growth.” He stressed that developing countries might not be able to withstand a second shock like the one seen in 2008-2009. Volatile and rising food prices could worsen developing country struggles, he added.

ICTSD reporting; “WTO cuts 2011 world trade growth forecast to 5.8%,” AFP, 25 September 2011; “World powers seek to contain Europe debt crisis,” ASSOCIATED PRESS, 24 September 2011; “Debt talks fail to agree solution,” FINANCIAL TIMES, 25 September 2011; “Global trade growth slows sharply,” FINANCIAL TIMES, 23 September 2011; “Economic Leaders Warn of a ‘Red Zone,’” WALL STREET JOURNAL, 24 September 2011;

“WTO Chief Warns Against Protectionism,”
WALL STREET JOURNAL, 23 September 2011.

OTHER NEWS

Brazil Pushes Forward with Currency Discussion at WTO

The long-running debate over the impact of currency exchange rates on international trade took another turn last week, as Brazil submitted a proposal to the WTO asking for the examination of possible trade tools for responding to currency fluctuations. The submission comes in the midst of Brasilia's efforts to stem the growing flow of imports into the Brazilian economy.

The 20 September proposal (WT/WFTDF/W/56) was submitted to the WTO's Working Group on Trade, Debt and Finance, and asks for a workshop to take place in 2012 to examine “available tools and trade remedies in the existing multilateral system, if any, to compensate for or otherwise redress those currency fluctuations that may impair commitments undertaken by Members in successive rounds of negotiations.”

The proposal is set to be discussed at the next meeting of the working group, which will be held in late October; the date for the working group had not been set at the time Bridges went to press.

Details of what such tools might be were not made specific in the proposal. However, the proposal strongly pushed for currency and trade to be treated as linked issues, citing as support both the WTO's General Agreement on Tariffs and Trade (GATT) and draft texts from a 1947 United Nations Conference on Trade and Employment.

Provisions in those documents, Brazil suggested, confirm that “the willingness to tackle certain currency practices and their consequences for international trade is at the origin of the multilateral trading system and... those practices

may warrant trade remedies and measures to countervail their adverse impact.”

A Brazilian trade official, speaking to Bridges, explained that the proposal's aim is to “promote a debate that is not taking place anywhere.”

He added that, with regards to the linkages between currency and trade, “there is a kind of no man's land, kind of a void... the interchange between these two issues is not being addressed properly in our perception, so we are proposing that this discussion take place here.”

The official stressed that, as in the case of the first submission Brazil made on the subject in May, Brazil is very open to opinions from other delegations on this issue. “We are not proposing any discipline, we are proposing a debate,” he clarified, adding that any inputs are more than welcome.

Anti-dumping measures in response to currency fluctuations?

The 20 September development on the currency front was first foreshadowed in an interview the previous day between Brazilian Development Minister Fernando Pimentel and Brazilian newspaper O Estado de São Paulo. Pimentel suggested that Brasilia would like to impose an import tax on products from countries whose currencies are devalued past a certain threshold.

“This discussion is mature enough to be had now,” Pimentel told O Estado. “All countries face the same problem, which is the devaluation of the dollar.”

Anti-dumping measures are usually used in response to countries selling their products at lower prices abroad than they do domestically.

His statement was later clarified by Secretary of Foreign Trade Tatiana Prazeres, who told Dow Jones Newswires that this was just one of a few possibilities under discussion.

“We're saying it's necessary to address [the effect of exchange rates on trade] in the WTO and to try to neutralise the effects of exchange rate

fluctuations. The [WTO] proposal doesn't include suggestions on how to do this," she explained.

Real fluctuation a continued source of stress

Brazil's currency, the real, has faced difficulties in recent years, with Bloomberg estimates showing that the real has gained 40 percent against the dollar since the end of 2008. The Brazilian currency's appreciation has caused the country's exports, particularly of manufactured goods, to struggle against their foreign counterparts in overseas markets.

The ongoing struggles of the real prompted Brazilian Finance Minister Guido Mantega to warn of an "international currency war" in September of last year, claiming that rich countries were using excessively loose monetary policies that were, as a result, harming the real (see Bridges Weekly, [29 September 2010](#)). Since that headline-grabbing announcement, Mantega has continued to press for those countries to change their policies.

Earlier this month, Mantega promised to keep fighting the "currency war" should the US attempt any more quantitative easing, telling reporters that another round of this would "mean a continuation of the devaluation of the dollar and too much international liquidity, which will probably lead to appreciation of the real and a continuation of the currency war."

While the real's appreciation has dominated headlines, this past month saw the real fall sharply against the dollar after the Brazilian central bank cut its benchmark interest rate by half a percentage point on 31 August. The fall of the real led the central bank to intervene swiftly last week, selling US\$2.75 billion on Thursday in currency swaps to stem the real's fall.

While a strong real, which has been blamed for the import surge, has lately been a key source of worry, a weak real could lead to problems of its own by contributing to inflation, observers have noted.

Import surge spurring response from Brasilia

Meanwhile, imports into Brazil continue to rise, causing Brazilian President Dilma Rousseff to promise on 6 September that her government would take measures to defend her country's markets (see Bridges Weekly, [14 September 2011](#)).

The WTO submission comes less than two weeks after Brazil announced that it would be imposing anti-dumping measures on Chinese steel imports and increasing tariffs on select products coming from its Mercosur partners (see Bridges Weekly, [14 September 2011](#)).

Brazil also recently announced increases in tariffs on foreign-built automobiles, according to the Financial Times. Brazil's industrialised products tax for vehicles would rise by 30 percent, including those trucks with less than 65 percent local content and those made outside South American customs union Mercosur or Mexico.

Continuation of May proposal

Tuesday's WTO submission follows from a plan that Brazil presented to the global trade body in May to examine the impact of currency exchange rates on international trade; the May submission had garnered a mostly positive response from many members (see Bridges Weekly, [18 May 2011](#)).

The May plan had asked for a literature review and expert workshop on the currency-trade subject. The proposal had also included a request that the working group commission two discussion papers: one from independent experts in consultation with members; the other jointly by the WTO, International Monetary Fund (IMF) and World Bank on how co-operation between the three organisations is being implemented with respect to the currency-trade topic.

The first part of the May proposal has since been approved; the second part will be considered in the upcoming session of the working group, as will the 20 September submission.

Brazil's latest submission reaffirms its earlier statement in May that the WTO's main role in the currency issue should centre on the subject's

trade-related elements, leaving the finance and exchange rate issues to international institutions such as the IMF.

ICTSD reporting; “Brazil Calls on WTO to Take Action on Currency Fluctuations,” BLOOMBERG, 19 September 2011; “Brazil to Propose Measure to Offset Currency Devaluation, O Estado Says,” BLOOMBERG, 19 September 2011; “2nd UPDATE: Brazil Government Says WTO Proposal Should Spur Discussion,” DOW JONES NEWSWIRES, 19 September 2011; “Brazil hits imported cars with tax increase,” FINANCIAL TIMES, 16 September 2011; “Brazil levies imports of Chinese steel tubes,” FINANCIAL TIMES, 7 September 2011; “Brazil to seek new arms for currency battle,” FINANCIAL TIMES, 19 September 2011; “Brazil sponsors ‘forex anti-dumping’ import barriers to compensate US dollar devaluation,” MERCOPRESS, 20 September 2011; “Brazil to the rescue of the Real which is down 17% against the dollar in 4 weeks,” MERCOPRESS, 22 September 2011; “Brasil propõe barreira para compensar perda cambial,” O ESTADO DE SÃO PAULO, 19 September 2011; “EMERGING MARKETS-Brazil real gains after FX swap; Latam rebounds,” REUTERS, 23 September 2011.

WTO Disputes Roundup: White House Surprises by Challenging Chinese Poultry Duties

WTO dispute settlement stays high on the trade agenda as members introduce new cases, panels, and appeals. After two years of tit-for-tat anti-dumping politics by the US and China, Washington surprised the trade community last week when announcing a formal dispute on Chinese poultry duties. Meanwhile the Philippines confirmed expert predictions when appealing a panel decision on spirits taxes issued earlier this summer.

Chinese duties on American chicken

Last Tuesday, in a rather unexpected move, Washington called upon the WTO to rule on Chinese punitive duties against American chicken

products ([DS427](#)). The conflict has been looming since China started investigations on US chicken imports in September 2009 and subsequently imposed high duties in 2010.

“Today’s action pertains to what we believe is China’s wrongful imposition of trade remedies against US chicken products,” United States Trade Representative (USTR) Ron Kirk said when announcing the decision to request WTO consultations on 20 September. “As with every enforcement action, our goal here is to get real results for American exporters and support American jobs that depend on trade.”

Until 2009, the US was China’s largest chicken-broiler products supplier. Since the imposition of the duties in 2010, exports have crashed by around 90 percent, adversely affecting around 300,000 producers in the US.

The US poultry industry, which has lobbied for a WTO case for months, welcomed Kirk’s decision. “The Chinese methodology was seriously flawed and the anti-dumping proceeding did not comply with international rules,” the USA Poultry & Egg Export Council and the National Chicken Council said in a joint statement.

“It is unfortunate that this dispute has to be addressed through the formal WTO process, but we believe that it was necessary so that US trading rights guaranteed by WTO agreements be protected,” they added.

Beijing imposed the duties in response to what it saw as the subsidisation of US chicken production and related dumping of the product in the Chinese market.

Washington has consistently denied these allegations. In the official WTO request from last week, the USTR argued that China has incorrectly calculated the dumping margins and subsidy rates, and that there is insufficient support for China’s claim that US imports have caused injury to the domestic industry – which is one of the requirements under WTO law for imposing such duties.

Washington also claims that Beijing has failed to observe various transparency and due process requirements.

The joint industry statement explains the claims as follows: “China used the ‘average cost of production’ to determine the *normal value of products* [emphasis added] rather than using domestic US market prices as is customary in anti-dumping actions. The use of ‘average cost of production’ reflects neither market realities nor the way in which companies in the industry commonly keep their accounts.” The normal value of production is needed to determine whether dumping has occurred – that is whether the products have been sold abroad for less than their value.

Beijing had concluded its anti-dumping and countervailing measures investigations in 2010, finding that the chicken products had been subsidised and dumped and that the US subsidisation of soybeans and corn for the poultry industry was hurting Chinese competitors.

The conflict has played a prominent role in a “tit-for-tat” trade measures series between China and the US. Beijing had started its investigations in direct response to an imposition of anti-dumping duties on Chinese tyres. A dispute in which China claimed these duties to be WTO illegal ([DS399](#)) was concluded only a few weeks ago, with China losing all claims (see Bridges Weekly [7 September 2011](#)).

In 2010, when the two mega powers disputed over Google’s Sino-investments and currency manipulation, China announced an increase in duties up to 105.4 percent. Current antidumping and countervailing duties range from 50.3 to 105.4 percent and 4 to 30.3 percent, respectively.

A request for consultations is the first step in formal WTO dispute settlement proceedings. If parties fail to reach agreement within 60 days, the complaining party may request the establishment of a panel to hear the case.

Philippines confirms spirits appeal

In a less surprising turn of events, the Philippines decided to [appeal](#) a panel report in a dispute regarding on its taxation system for foreign

distilled spirits ([DS396](#), 403). The panel report, which had been circulated in August, had sided with the EU and US in finding that Manila’s tax system was discriminatory (see Bridges Weekly [7 September 2011](#)).

Manila’s oligopoly-organised spirits industry currently pays lower taxes than foreign producers, on the basis of using different feedstock for production. While Philippine spirits are usually based on local resources such as coconut or sugar cane, foreign spirits use predominantly wheat, potato, and other sources. Nonetheless both groups use identification names such as “whiskey,” “bourbon,” “tequila,” and “vodka.”

Manila’s argument that the different input permitted different taxation was dismissed by the panel, which viewed the two groups of products as “like-products,” mainly due to their being in direct competition with one another. WTO requires non-discriminatory treatment for like domestic and foreign products.

An appeals decision could be circulated early next year. The Appellate Body will be able to revise aspects of law – such as legal interpretation – but may not revisit the facts of the case.

Other developments

Meanwhile, other cases at the WTO Dispute Settlement Body also moved forward, though with much less public attention. In another “zeroing case” against the US ([DS420](#)), this time over corrosion-resistant carbon steel flat products, Korea requested that a panel to be established to hear the case. “Zeroing” is a controversial methodology used by the US in anti-dumping investigations (see Bridges Weekly [19 January 2011](#)). The Appellate Body, as well as several panels, has consistently ruled this practice WTO illegal.

As is tradition at the WTO, the responding party – the US – blocked the panel establishment. It will not be able to block the second request, which will presumably be made in one month’s time.

Finally, in a much observed dispute ([DS406](#)) concerning a US ban of flavoured cigarettes, including clove cigarettes from Indonesia (see

Bridges Weekly 7 September 2011), the two parties asked the DSB to extend the deadline for appeal until 20 January 2012. Such requests are increasingly made. Indonesia and the US cited the “current workload of the Appellate Body” as the reason for their request; indeed, the standing committee of appeal “judges” is notoriously overworked, as appeals have increased in number and depths over the last few years.

ICTSD reporting; “US challenges China on poultry restrictions,” FINANCIAL TIMES, 21 September 2011.

IP Reform Can Spur Growth, Innovation in Digital Age, Says Author of UK Government- Commissioned Study

On Friday 23 September, Ian Hargreaves, author of a recent government-commissioned UK Intellectual Property Review that has received significant attention in UK media and economic circles, addressed a WIPO Symposium of Intellectual Property Authorities to outline the benefits of a plan for intellectual property reform that could have major national – and possibly international – implications. The session, moderated by WIPO’s Director General Francis Gurry, also featured John Alty, Contoller General of the UK Intellectual Property Office.

The discussion centred on Hargreaves’ report, “Digital Opportunity: A Review of Intellectual Property and Growth,” that was published last May; Hargreaves’ presentation was followed by the official UK government reaction, presented by Alty.

Hargreaves’ review was commissioned by UK Prime Minister David Cameron in order to analyse the country’s existing intellectual property (IP) framework from a growth perspective and examine whether this framework acts as a barrier to innovation. Hargreaves – a professor of Digital Economy at the Cardiff School of Journalism, Media and Cultural Studies – was given six months to complete the independent review.

Gurry had welcomed the UK IP Review when it was released last May, pointing out that it was “both thought-provoking and realistic,” and that it would “be influential well beyond the United Kingdom in developing responses to the many challenges confronting intellectual property.”

At the outset of his presentation, Hargreaves highlighted that one of the key messages flowing from his review was the importance of basing IP policymaking on evidence. He noted that, for a long time, this had not been the case, as IP had not acquired the central place it occupies today in the knowledge economy. The Review underlines that such an approach should also extend to the international realm as the “deployment of evidence-based positions in global negotiations can move parties further from entrenched positions, towards an overriding objective of developing a mutually beneficial world trade in intangibles.”

In this regard, he indicated that he and his team worked under the assumptions that the world currently operates within a digital economy mostly based on intangible assets and that the reach of IP law has extended beyond the domain for which it was originally intended.

Room for improvement in digital markets

The real issue, he found, is that “digital content markets in the UK are not working as well as they should: consumers are confused and uncertain about what they are allowed to do, new products and services are difficult to launch, and there are signs of unsatisfactory behaviour in competition law terms.”

He said that the digital economy has brought rights holders greater opportunities for global market reach but has also made it difficult to control the abuse of their rights. Because of this, “market players have not yet succeeded in sorting out the optimal framework for running their businesses.”

In the review, Hargreaves sets forth ten recommendations for the reform of the UK IP system. Among his most salient proposals is a “digital copyright exchange” that would establish a network of databases to simplify licensing

transactions. Hargreaves noted that such an exchange would be created by the UK government in co-operation with the private sector but would also reflect “necessary public values.” The exchange, he said, would be “the UK’s contribution to breaking the international digital deadlock.”

He also recommended the “updating of UK law to make it comprehensible by ordinary people,” taking advantage of fair-dealing exceptions to copyright law, and making copyright law more flexible and adaptable.

An economic impact assessment conducted by Hargreaves’ team concluded that if all reforms were to be adopted, the UK’s annual economic growth would increase by roughly 0.3 - 0.6 percent. This would account for about £5 to £8 billion, or €5.75 billion to €9.20 billion at today’s exchange rates, added to the UK economy by 2020.

UK government looks to act on recommendations

Alty, in response to the presentation, made clear that the UK government is not taking these projections lightly. In his presentation, he assured the audience that his government is already on its way to implementing many of Hargreaves’ recommendations. The UK government announced in early August various reforms in response to Hargreaves’ report, particularly with regards to copyright liberalisation.

Alty added that the UK government is taking the recommendation for transparency and evidence-based decision making seriously and praised Hargreaves for focusing on “win-win recommendations” that can make this possible.

He also drew attention to the digital copyright exchange in particular, noting that it “has the potential to create a bigger market for content makers and make content cheaper for users. It would not just be a registry, but an exchange where valuable transactions will take place.”

Yet Alty stated that the review was not without controversy, as some critics have taken issue with the liberalisation of the copyright regime. He

stressed, however, that while some of the recommendations may be slightly controversial, “they will definitely lead to increased innovation and growth.”

The reforms proposed by the UK government in August include a provision that would allow companies to develop online content storage systems for UK consumers; current UK law makes the transfer of content from CDs or DVDs to other formats, such as music files on a computer, illegal.

International implications

In August, the UK IP office also released an [International Strategy for Intellectual Property](#) as a response to the IP Review. The strategy aims to carry out some of the Review’s recommendations at the international level, with the purpose of achieving an “efficient, respected international intellectual property system that encourages innovation and creativity while enabling the economy and society to benefit from knowledge and ideas.”

Noticeably, the new strategy calls for an extension to the transition period by when all least developed countries (LDCs) should have made their national IP laws compliant with the WTO’s Trade-Related Aspects of Intellectual Property Rights (TRIPS) Agreement, “given that for some LDCs TRIPS compliance will have little economic benefit and may be damaging.” The current deadline is 2013.

Hargreaves ended the discussion at WIPO by noting that the review aims for a strategic, but not dramatic, course correction that is quite achievable but will “require significant engagement on the international level ... It is up to the UK government to respond.”

ICTSD reporting; “Copyright law overhaul ‘will allow fans to copy music to iPods,’” TELEGRAPH, 3 August 2011; “WIPO Director General Francis Gurry welcomes the UK Independent Review of Intellectual Property and Growth,” WIPO NEWS, 18 May 2011.

IN BRIEF

**US Senate Passes Worker Aid
Programme Deemed Essential for
FTA Ratification**

On 22 September, the US Senate took a step forward toward ratifying their long-awaited three free trade agreements (FTAs) with South Korea, Colombia, and Panama by approving an extension to a controversial worker aid programme. An attempt to attach an amendment that would make it easier for the US to negotiate new trade pacts, however, was rejected by the Senate in a 55 to 45 vote.

Thursday's vote on the worker aid programme was one step in a complicated legislative process designed to ensure both the FTAs and the aid programme receive the necessary votes in the US Congress to pass (see Bridges Weekly [7 September 2011](#)). US President Barack Obama insisted in May that he would only submit the FTAs to a vote once Congress renews the 2009 extensions to the Trade Adjustment Assistance (TAA) programme, designed to help workers displaced by foreign competition; much of the summer was then spent trying to resolve differences between Republicans, Democrats, and the White House on the programme.

While TAA is popular among Democrats, Republicans have traditionally opposed it, disagreeing both with the spending required and with the concept of singling out workers adversely affected by foreign competition from those affected by domestic competition. However, in recent months, many have publicly stated that they would vote for the measure in order to pass these three FTAs, which were originally signed in 2007 under the administration of former US President George W. Bush.

Thursday's renewal of a scaled back version of the 2009 TAA reforms, which had expanded benefits to cover workers displaced by services competition and provided more health insurance benefits, was included as part of legislation to renew the lapsed Generalized System of

Preferences (GSP). The latter programme provides preferential duty free access for up to 4800 products from 129 designated beneficiary countries and territories. GSP as a stand-alone bill has already received approval in the US House of Representatives.

The Senate's combined TAA-GSP bill must now move back to the House. Speaker of the House John Boehner, a Republican, has expressed confidence "that all four bills can be signed into law by mid-October," referring to TAA-GSP and the three free trade deals; however, Boehner made clear that the House would only consider the TAA-GSP package for a vote once Obama submits the FTAs for consideration.

Senate Minority Leader Mitch McConnell, also a Republican, joined Boehner in calling for the prompt submission of the FTAs to Congress before the House has voted on the TAA bill. "The Senate today will have acted on trust in passing TAA even before we received the agreements. But the White House has refused to show the same trust in Congressional Republicans who've assured them that TAA will move along with the FTAs," McConnell said on the Senate floor, according to Reuters.

**"Fast track" trade bill fails to make headway
in the Senate**

Two days prior to the Senate vote on TAA-GSP, an amendment submitted by McConnell to the bill failed to receive the 60 votes necessary to be attached to the legislation. Senate leadership had agreed on the 60-vote threshold to facilitate the process of passing TAA in that chamber.

McConnell's amendment, which would revive Trade Promotion Authority (TPA) – otherwise known as "fast track" – would allow the US president to negotiate trade deals with foreign nations and then submit the agreements to Congress for a simple yes-or-no vote, with a 90 day period. TPA would preclude the possibility of any amendments being added to FTAs negotiated under the statute.

In his argument for bringing back TPA, McConnell urged fellow senators that more trade

agreements are necessary “in order to create the kind of jobs we need.”

Obama had not requested that this “fast track” power be granted, which had expired in 2007. The FTAs with Colombia, Panama, and South Korea were all negotiated and signed a few months prior to TPA’s lapsing in July 2007.

Although several Democrats, including Senate Finance Committee Chair Max Baucus, admitted to agreeing with the principle behind the “fast track” power, they expressed concern over whether the language and context of the statute needed updating before becoming law.

Senator Ron Wyden, a Democrat who chairs the Senate Finance Committee’s subcommittee on trade, spoke on similar lines about renewing “fast track” authority for the US president. He felt that changes would need to be made that would account for recent changes in labour and environmental standards, digital goods and services, and intellectual property rights with regards to pharmaceuticals, among new trends.

The failure to add TPA to the combined TAA-GSP package in the Senate, McConnell insisted, would have long-lasting implications for the US’ trade agenda. “Without [TPA], the US will likely never agree to another deal again... the unions will make sure of it,” he said.

Senator Rob Portman, a Republican who served as US Trade Representative under former US President George W. Bush, echoed that sentiment, noting that without TPA, the US would have a weak bargaining position when trying to establish trade pacts with other countries.

ICTSD reporting; “Obama urged to seek power for free-trade deals by ally Daschle,” BLOOMBERG, 19 September 2011; “Senate defeats amendment to increase Obama’s trade power,” THE HILL, 20 September 2011; “Rival parties clash again over KORUS FTA,” KOREA TIMES, 20 September 2011; “Boehner urges Obama send trade deals before TAA vote,” REUTERS, 22 September 2011; “Senate OKs retraining program key to trade deals,” REUTERS, 22 September 2011; “Senate rejects trade promotion authority for Obama,”

REUTERS, 20 September 2011; “Senator McConnell urges new trade authority for Obama,” REUTERS 20 September 2011; “Senate rejects attempt to revive authority for president to move trade deals quickly,” WASHINGTON POST, 21 September 2011.

China to Continue Global Expansion despite Economic Contraction: Official

China expects exports to slow over the last quarter of 2011 in the face of “grim challenges” posed by the world’s economy, according to a senior Chinese official. Speaking on the side-lines of a high-level conference in Geneva, Switzerland, China’s Vice Commerce Minister Chen Jian also confirmed that Beijing would continue to pursue its goal of globalising the national economy by increasing outward investment to regions such as Europe.

“In recent years, the outward investment of Chinese companies has made some headway,” Chen told the conference. “By 2010, Chinese business’ direct outward investment hit US\$68 billion, bringing the stock of the investment up to \$310 billion.”

Over the past decade, China has emerged as the world’s number one exporter, as well as the second biggest importer and destination of foreign direct investment. Outward-bound investment has seen particularly spectacular growth, up from US\$1 billion in 2001 to some US\$60 billion a year today.

But while Chinese investment in the developing world – particularly Africa and Latin America – has expanded dramatically in recent years, Chen suggested that initiatives in the developed can be expected to expand in the near future as Chinese businesses become more familiar with markets.

“Europe-bound investment shows a momentum of rapid growth in recent years, reaching \$6.8 billion in 2010, up 102 percent and accounting for 10 percent of China’s total outbound investment in the same year,” he said. “China’s development

represents an opportunity for companies across the world.”

While there has been criticism in some circles of the value of Chinese overseas investments – with some projects being slammed for importing a Chinese work force – Chen emphasised the positive role that his country’s investments play in the world. Last year, overseas Chinese companies generated 780,000 jobs and US\$11.7 billion in tax revenues for host governments, he said, adding that the investments of Chinese companies were “well-received by local people” due to their contributions to infrastructure development, adherence to corporate social responsibility, and improvements to local living conditions.

In response to growing fears over China’s assertive push into outward investment, the vice minister called for those still harbouring doubts about the role of Chinese companies to “scrap unwarranted old thinking” and regard the country’s overseas investments in an “objective and fair light.” He insisted that co-operation with the China’s “going global” strategy would produce mutual benefits for investors and recipients alike.

In its newest Five Year Plan (FYP), which was passed in March 2011, Beijing announced a shift in economic development from export-orientation – a key factor in its growth strategy for the past 30 years – to a pattern that relies more heavily on domestic consumption. Over the next five years, China will focus on scientific development, “vigorous” expansion of domestic demand, more balanced regional development, as well as “speed up the building of an energy-conservative and environment-friendly society.” Retail sales of consumer goods are projected to reach US\$31 trillion by 2015, while imports would rise to US\$8 trillion.

Chen acknowledged that it appears China and, indeed, the world will continue to face economic uncertainty in coming months. However, he insisted that Beijing would not use shrinking demand for exports as an excuse to devalue the yuan, its currency, also known as the renminbi.

“I don’t think it’s related to the situation,” he said. “I think that since China embarked upon the path of renminbi value related to a basket of currencies

it’s more the market that decides the value of the renminbi.”

The meeting – which was convened by the International Centre for Trade and Sustainable Development, the publisher of Bridges – drew an array of Chinese and other global business leaders and policymakers.

On multilateral trade issues, Chen suggested that the “next WTO round should be on sustainable development.”

China WTO Ambassador Yi Xiaozhun, who was also present at the meeting, also commented on the possibility of China’s participation in the Trans-Pacific Partnership (TPP), a regional trade deal currently being negotiated by the Australia, Brunei, Chile, Malaysia, New Zealand, Peru, Singapore, the United States, and Vietnam.

The nine countries involved in the proposed accord held negotiations earlier this month, and will meet again in October in the hopes of preparing an outline for the November Asia-Pacific Economic Cooperation Leader’s Meeting (see Bridges Weekly, [21 September 2011](#)). Yi said that China welcomed “all trading arrangements” but expressed some doubt over whether the deal was “open,” as well as whether China would be welcome to participate.

Yi acknowledged that China was currently in talks with countries involved in the deal about the possible benefits that could come from China’s participation. However, the ambassador insisted that they would have to consider the implications of such a deal on their WTO obligations and stressed that WTO commitments would trump any commitments under such a deal.

ICTSD reporting.

WIPO Assemblies Kick Off, With Focus on Changing IP, Innovation Landscape

The World Intellectual Property Organization (WIPO) launched its annual high level meetings – otherwise known as Assemblies – on Monday 25

September, against the backdrop of a changing global intellectual property (IP) regime and heightened focus on how it can better serve innovation. Demand for intellectual property rights (IPRs) are on the rise, particularly in emerging economies such as China, which are calling for more globalised IP regimes. At the same time, many countries are insisting on the need for country-specific IP systems that take into account differences in levels of development.

Policymakers from WIPO's 184 states are coming together from 26 September to October 5 to discuss a wide range of issues under the chairmanship of Ambassador Uglješa Zvekić from Serbia.

In his opening address, WIPO Director General Francis Gurry presented [a report](#) on WIPO's activities during the past year and highlighted the most pressing future challenges facing the IP system: the management of the increasing demand of IP applications; the migration of cultural expressions to digital formats; and the need to improve the capacity of developing countries and least developed countries, or LDCs, for using the IP system for innovation and cultural creativity.

"Challenges arise not just from difficulties, but also from change, most notably, for IP, the broad transition to economic systems in which intangible assets are increasingly the target of investment and the source of wealth generation," he stated.

In their opening statements, many countries underscored the growing importance of IP in promoting innovation and creativity while also pointing to the need for balance in IP. "There is a growing need to have IP laws be properly calibrated to balance the needs of all stakeholders," said Australia.

Implications of IP for development a salient issue

Many developing countries in their opening statements emphasised that a 'one size fits all' approach to IP has already shown its limits and that IP regimes need to be tailored to levels of development and specific socio-economic circumstances.

Reinforcing that point, the African Group suggested that WIPO could play a role "in enhancing the understanding and adoption of national intellectual property policies and laws suited for Member States in respect to their different levels of development as well as enforcing IP flexibilities in order to advance public policy objectives."

Referring to the fact that WIPO's proposed budget included a 1.9 percent increase in development-related expenditures, India on behalf of the Development Agenda Group, a group of like minded developing countries, stressed that an objective assessment of the precise extent of the resources being spent on development-oriented initiatives and activities requires a fine tuning of what exactly constitutes a development-oriented activity.

Audiovisual performances recommendation also under consideration

In the area of copyright, the Assemblies might endorse a recommendation by the WIPO copyright body towards holding a diplomatic conference on the protection of audiovisual performances, a matter some countries consider needs to take place alongside an agreement to hold a diplomatic conference on an international instrument to facilitate access to copyrighted works by visually impaired persons (see Bridges Weekly, [29 June 2011](#)).

Other notable issues on the Assemblies' agenda include the adoption of the biennial programme and budget for 2012-2013 that were agreed upon by a meeting of the organisation's Programme and Budget Committee earlier this month, the implementation of the WIPO agenda recommendations adopted in 2007 that aim to mainstream the development dimension in WIPO's activities, and the renewal of the mandate of the Intergovernmental Committee on Genetic Resources, Traditional Knowledge and Folklore (IGC).

An update on the results of the WIPO Assemblies will be included in the upcoming issue of Bridges Weekly.

ICTSD reporting.

India Proposes Discussion of Trade Issues for Durban Climate Meet

On 21 September, the Secretariat of the United Nations Framework Convention on Climate Change (UNFCCC) added three items to the provisional agenda for the 17th session of the Conference of the Parties (COP 17), being held in Durban, South Africa from 28 November to 9 December. This move was sparked by India's request on 26 May to include 'intellectual property rights,' 'equitable access to sustainable development,' and 'unilateral trade measures' as additional issues for discussion at this year's climate conference – a suggestion that has already caused tension between some developed and developing countries.

All countries will need to agree during the opening session of the COP whether to keep the issues on the agenda and thus give them a formal space for discussion during the meetings.

India has made clear that it would like to see these issues addressed under broader headings within the current COP agenda. In its request, India suggested including the subtheme 'Accelerated access to critical mitigation and adaptation technologies and related intellectual property rights,' which would fall under the topic of 'Development and transfer of technologies.' In addition, India proposed that 'Equitable access to sustainable development' as well as 'Unilateral trade measures' come under the topic of 'Review of implementation of commitments and other provisions of the Convention.'

IP, trade, sustainable development issues spur debate

The agreement to create a new Technology Mechanism at last year's COP in Cancun, Mexico raises the question of how or whether such a mechanism will address the intellectual property rights (IPRs) developing countries need to access technologies that will help them address climate change. India suggested that the Technology Mechanism should include the removal of constraints on the development and availability of climate friendly technologies. These technologies and their IPRs should be treated as public goods,

India said, to help countries reach the Convention's climate change goals.

On the issue of equitable access to sustainable development, India highlighted the decision under the Cancun agreement to limit the rise in world temperatures to 2 degrees Celsius above pre-industrial levels. According to India, the principle of equity contained in the Convention implies that the sustainable development of developing countries should not be compromised by the global goal for climate stabilisation. A formal discussion could consider possible means and measures to ensure, through the multilateral system or beyond, a country's sustainable development in practice.

Another issue on the table is the question of the use of unilateral trade measures (UTMs) by rich countries in the name of climate mitigation. The climate Convention and last year's Cancun agreement both stress "that measures taken to combat climate change including unilateral ones should not constitute a means of arbitrary or unjustifiable discrimination or a disguised restriction on international trade." India urged Parties to prohibit UTMs on any grounds related to climate change. Such measures, it said, would simply pass the mitigation burden onto developing countries.

Several developed countries have opposed the inclusion of such topics in the Durban agenda, claiming that they have been sufficiently addressed at the 2010 climate talks in Cancun. The US has stressed that there has been no agreement on these issues in the past and that there is no prospect for any agreement on them in Durban, according to reports from the Third World Network, a development-focused NGO.

However, the majority of developing countries believe that the suggested items remain unresolved and therefore see a need to allocate time for discussion during the Durban meetings.

Parties will meet for a final round of negotiations prior to the Durban COP next week in Panama City, Panama. These final talks will provide a temperature reading on what to expect in Durban, including on the increasingly contentious trade

topics. Bridges will report on the meetings in next week's issue.

ICTSD reporting; "Proposals by India for the inclusion of additional agenda items in the provisional agenda of the seventeenth session of the Conference of the Parties," UNFCCC, 21 September 2011; "India proposal on neglected issues for Durban discussions raises controversy," THIRD WORLD NETWORK, 22 June 2011.

US Congressmen Expected to Propose Biofuel Reforms

Talks are underway to reduce the federal mandate on fuel ethanol during times of low corn stocks, according to Reuters reports from 23 September. The proposed legislation, which reports say was confirmed by an unnamed congressional staff worker, would supposedly lower the share of corn set aside for the ethanol-blending industry. The guaranteed amounts were set up in the Renewable Fuels Standard (RFS), part of the Energy Policy Act of 2005.

Domestic dairy and livestock producers have complained that artificially increasing the demand for blended ethanol drives up corn prices across the board.

The likely sponsors of this bill, Representatives Bob Goodlatte and Bob Costa – a Virginia Republican and California Democrat, respectively, are both from districts where livestock is a key industry.

"This legislation would provide a mechanism that when the [US Department of Agriculture] reports that US corn supplies are tight, based upon corn stocks-to-expected-use, there would be a reduction made to the RFS," a spokeswoman for Goodlatte explained, according to the Dow Jones Newswires.

The MF Global consulting firm has found that the legislation would "reduce the ethanol mandate by 25 percent when the corn [stocks](#)-to-use ratio is projected to be less than 7 percent and reduce it by 50 percent when the ratio would be 5 percent or less," Reuters reported.

This year has already seen efforts to change legislation surrounding ethanol blending. The Senate voted on 7 July to cut the 45 cent a gallon ethanol tax break and the 54 cent a gallon ethanol import tariff (see Bridges Weekly [13 July 2011](#)); however, the amendment was not expected to actually pass into law. Procedurally, all tax-related legislation must originate in the House of Representatives.

New subsidies were subsequently enacted for ethanol infrastructure.

Potential RFS changes spark responses on both sides

These possible changes to the RFS sparked a 23 September [statement](#) from the Renewable Fuels Association (RFA). The organisation's CEO and President, Bob Dineen, insisted that "seeking to relegislate the RFS in this manner would do nothing to address the concerns raised by livestock constituents." He warned that a "knee-jerk policy" could cause a loss in fuel supply that "would hammer American consumers at the pump."

Conversely, at a 14 September public hearing in the House Agriculture Committee's Subcommittee on Livestock, Dairy, and Poultry, various Congressmen and panelists directly asked for a change in ethanol legislation.

Dennis Cardoza, a ranking member in the subcommittee and a Democrat from the US state of California, [urged](#) Congress "to stop picking winners and losers, which is causing a shortage of feed in our country."

Some panelists pointed directly to changing the RFS, including Michael Welch who spoke on behalf of the National Chicken Council. In his [statement](#) he suggested either a full or partial waiver of the RFS, along with asking that states be allowed to "opt-out of the federal ethanol mandate and/or legislation mandating a stocks-to-use trigger mechanism for the RFS."

ICTSD reporting. "Ethanol critics target mandates as subsidy ends," DESMOINES REGISTER, 10 September 2011; "Ethanol industry sees threat to fuel mandate in proposed bill," DOW JONES

NEWSWIRES, 26 September 2011; “Ethanol Industry Is Unruffled by Senate Vote Against Tax Breaks,” NEW YORK TIMES, 17 June 2011; “House bill would lower mandate to use ethanol,” REUTERS, 23 September 2011.

EVENTS & RESOURCES

Events

29 September, Paris, France. CHINA’S GROWING PRESENCE IN LATIN AMERICA. This event, organized by the Ifri Center for Asian Studies, will focus on the relationship between China and Latin America that has developed over the last several years. With two-way trade having increased by nearly fifteen-fold in the past decade – from US\$12.6 billion in 2000 to US\$183 billion in 2010, and expanding relations between the two being heralded as an opportunity for South-South co-operation, event organizers hope to address questions about the future of this relationship, and the impact it has had to date. More information is available at the event [website](#).

29-30 September, Geneva, Switzerland. AD HOC EXPERT MEETING ON CLIMATE CHANGE IMPACTS AND ADAPTATION: A CHALLENGE FOR GLOBAL PORTS. Organised by the United Nations Conference on Trade and Development (UNCTAD), this event aims to foster a discussion and an improved understanding of how climatic changes will affect trading ports. Ports are likely to be both directly and indirectly affected by climate change, such as by rising sea levels and extreme weather events, with broad implications for both international trade and for the development prospects of least developed countries (LDCs), small island developing states (SIDS), and other nations. Given the global, economic importance of international shipping, with over 80 percent of world trade carried by sea, the process of adapting ports and transport systems to the impacts of climate changes is of vital importance. This meeting aims to advance the debate on how to move forward in the face of these challenges, bringing together policymakers, international

organisations, scientists, private and public sector stakeholders, and engineers to share strategies for effective collaboration and insights on best practices. More information is available [here](#).

3-4 October, Paris, France. ELEVENTH ANNUAL WORKSHOP ON GREENHOUSE GAS EMISSION TRADING. Since 2000, this annual workshop – organised by the International Energy Agency (IEA), the International Emissions Trading Association (IETA), and the Electric Power Research Institute (EPRI) has focused on the developments in greenhouse gas (GHG) emissions trading around the world at the international, national, and sub-national level. This year, topics for discussion include the development of global, national, and sub-national carbon markets; nationally appropriate mitigation action (NAMA) and sectoral crediting policies; measurement, reporting, and verification (MRV) and international GHG accounting; and second-best trading programmes. Representatives from government, business and independent research organisations will gather to discuss advances in various national GHG markets, as well as the future of carbon trading and the upcoming United Nations Framework Convention on Climate Change (UNFCCC) conference in Durban, South Africa. For more information please visit the event [website](#).

3-5 October, Zaragoza, Spain. WATER IN THE GREEN ECONOMY IN PRACTICE: TOWARDS RIO+20. This conference is organised under the International Decade for Action, Water for Life 2005-2015, by UN-Water and other UN entities, and will focus on cases related to the use of specific “tools for change” to help move toward a green growth model. The conference will build off of the results of a side event held during the Second Session of the United Nations Conference on Sustainable Development (UNCSD) Preparatory Committee (PrepCom II), entitled “how the green economy depends on water.” More specifically, it will build on the call to develop a UN Green Economy Road Map and a best practices guide for actions to evolve into a green economy in the context of sustainable development and poverty eradication. Participants include stakeholders, representatives of the UN-Water members and partners, representatives and experts from the UN

Secretary-General's High-level Panel on Global Sustainability, and representatives of the success stories and initiatives in water and green economy. For more information, please visit the [event website](#)

WTO Events

An updated list of forthcoming WTO meetings is posted [here](#). 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.

29 September: Committee on Specific Commitments

29-30 September: Committee on Agriculture

30 September: Working Party on the Accession of Serbia

30 September: Council for Trade in Services

3 October: Committee on Trade-Related Investment Measures

Other Upcoming Events

12 October, Washington, US. TRANS-PACIFIC PARTNERSHIP (TPP) NEGOTIATIONS: AN UPDATE WITH DEPUTY USTR DEMETRIOS MARANTIS. This event, sponsored by the Washington International Trade Association (WITA), will focus on the proposed nine-country accord between Australia, Brunei, Chile, Malaysia, New Zealand, Peru, Singapore, and Vietnam, known as the Trans-Pacific Partnership Agreement. With trade negotiators preparing to meet in Lima, Peru in mid-October for the ninth round of negotiations, and with a tentative deadline for the broad outlines of this accord set for the Asia Pacific Economic Cooperation (APEC) Leaders' Meeting in Honolulu in November, this event will attempt to answer several key questions regarding the TPP talks. Ambassador Demetrios Marantis, Deputy

US Trade Representative, will discuss the current status of the TPP negotiations; how work is proceeding on key new issues, such as supply chains, regulatory coherence and state-owned enterprise disciplines; and the status of traditional issues, such as intellectual property, investment and market access. More information is available on the event [website](#).

20-22 October, Basel, Switzerland. POVERTY AND THE INTERNATIONAL ECONOMIC LEGAL SYSTEM: DUTIES TO THE WORLD'S POOR. This conference, hosted by the University of Basel and funded by the Swiss National Science Foundation and the University of Basel's Faculty of Law, will examine "duties to address poverty" from multiple economic law viewpoints. Speakers will address how the legal systems of trade, investment, financial regulation, and commercial arbitration affect poverty, either on a conceptual or more case-specific level. Other subjects on the agenda include regional approaches to poverty; particularly vulnerable groups among the impoverished; dispute settlement; and corruption. Contributions at the conference will be edited into a multi-chapter publication to help spawn further collaborations and solutions. For more information, as well as registration details, please visit the conference [website](#).

10-11 October, Abu Dhabi, United Arab Emirates. SUMMIT ON GLOBAL AGENDA 2011. This annual event brings together over 700 members of the World Economic Forum's Network of Global Agenda Councils. These members include experts from academia, business, civil society, and government from over 80 countries, who will gather at this event to advance knowledge and discuss possible solutions to issues such as food security, climate change, financial stability, and geopolitical risk. For more information, please visit the event [website](#).

10-11 October, Geneva, Switzerland. GREEN ECONOMY AND SUSTAINABLE DEVELOPMENT: BRINGING BACK THE SOCIAL DIMENSION. This United Nations Research Institute for Social Development (UNRISD) Conference will create a forum for analysis aimed at developing a conceptual and policy framework that will position social

dimensions at the centre of green economy and sustainable development. Policy reports and other publications will inform the United Nations Conference on Sustainable Development (UNCSD) 2012 (Rio +20) preparatory process and subsequent policy discussions. More information, including an event programme and a press kit, is available at the event [website](#).

13 October, Geneva, Switzerland. TRADE, INVESTMENT AND CLIMATE CHANGE: SEARCHING FOR PROGRESS ON KEY ISSUES. This conference, which is being convened by the International Institute for Sustainable Development (IISD), will examine how unilateral action on climate change fits into the international trade and investment law regime. In particular, it will address the validity of green industrial policies and preventative measures for competitiveness loss and leakage, and explore the role of the trade community in securing international cooperation and solutions. More information is available at the event [website](#).

Resources

IMPROVING THE INTERNATIONAL GOVERNANCE OF FOOD SECURITY AND TRADE. By Manzoor Ahmad for the International Centre for Trade and Sustainable Development (September 2011). This paper critically examines the recent global initiatives to improve various elements of the international governance of food security and the institutional context of policymaking on trade and food security. Suggestions are provided to help policymaking bodies more effectively address food security concerns. To download this paper, click [here](#).

REGIONAL TRADE AGREEMENTS – TREATMENT OF AGRICULTURE. By Linda Fulponi, Matthew Shearer, and Juliana Almeida for the Organisation for Economic Co-operation and Development (OECD) (2011). South-South and Latin American regional trade agreements (RTAs) have made the most progress in eliminating agricultural trade tariffs, according to this study of over 50 such agreements. Agricultural export subsidies are banned in over half the agreements under study, signalling greater

trade liberalisation in conformity with Article XXIV of the General Agreement on Tariffs and Trade (GATT). However, traditionally sensitive sectors such as dairy, meat, sugar, and cereals are still covered by numerous exemptions and tariff rate quotas. This study develops earlier work on the treatment of agriculture in RTAs for Latin America by extending the geographic coverage to Asia-Pacific and selected agreements in Africa. The paper is available for download [here](#).

FOOD RESERVES IN DEVELOPING COUNTRIES: TRADE POLICY OPTIONS FOR IMPROVED FOOD SECURITY. By Christopher L. Gilbert for the International Centre for Trade and Sustainable Development (September 2011). Agricultural prices, along with the prices of primary commodities in general, have been both high and volatile over the 2006-11 period. These developments impact the poor and other vulnerable non-farm households who devote a high proportion of their incomes to the purchase of food. This paper looks at international and national reserves policies that address food security. To download this paper, click [here](#).

MAKING GLOBALIZATION SOCIALLY SUSTAINABLE. By the World Trade Organization and the International Labour Office (20 September 2011). There is a shared sense that globalisation has contributed to lifting many out of poverty and has the potential to further promote growth and development. However, concerns have been raised regarding the effects of globalisation on jobs, wages, and job insecurity. Globalisation has also taken much of the blame for the recent financial crisis and its effects on unemployment, leading various observers to question the sustainability of globalisation from a global point of view. This book, prepared jointly by the WTO and the International Labour Office and written by various academic experts, evaluates various channels through which globalisation affects jobs and wages and examines whether and how trade and employment policies should be accommodated to make globalisation socially sustainable. For more information, as well as a downloadable version of the book, visit the WTO [website](#).

MAINSTREAMING CLIMATE CHANGE ADAPTATION INTO DEVELOPMENT PLANNING: A GUIDE FOR PRACTITIONERS. By the UN Development Programme-UN Environment Programme (UNDP-UNEP) Poverty-Environment Initiative (2011). This guide suggests steps on how governments and other national actors mainstream climate change adaptation into development planning as part of broader mainstreaming efforts. Climate change adaptation has become an area of growing concern for many developing countries, especially given the risks that a changing climate could pose for the development and achievement of the Millennium Development Goals. Directed at public decision makers and practitioners in developing countries dealing with climate change adaptation, this guide pulls from the UNDP-UNEP Poverty-Environment Initiative's experience and lessons learned from working with governments to integrate environmental management for pro-poor economic growth and development into national development planning and decision-making. The guide can be accessed online [here](#).

EXPERIENCES OF CLIMATE CHANGE ADAPTATION IN AFRICA. Edited by Walter Leal Filho (2011). This publication addresses the difficulties that Africa faces in coping with the impacts of climate change, especially increased temperatures and droughts. The book's editor emphasises what he terms the paradox that Africa's poorest countries contribute little to global carbon emissions while facing the entirety of global warming's effects. The book explores the dimensions of climate change adaptation in Africa and presents a number of projects, field experiences, and initiatives across the continent to illustrate the degree of work and effort being made toward adaptation. The book's intended audience includes practitioners, international organisations, NGOs, aid agencies, government ministries, researchers, and anyone with an interest in the subject. Further details and access to the book are available [here](#).

TRADE FACILITATION INDICATORS: THE IMPACT ON TRADE COSTS. By Evdokia Moïsé, Thomas Orliac, and Peter Minor for the Organisation for Economic Co-operation and Development (OECD) (22 August 2011). This

OECD working paper reports on the organisation's findings on the impacts of specific trade facilitation measures in OECD countries; this project has since been expanded to cover countries outside the OECD area. In this publication, the authors construct twelve trade facilitation indicators (TFIs), corresponding to the main policy areas under negotiation at the WTO, with the aim of estimating the impact of addressing specific facilitation hurdles in the trade procedures of a given country. The total cost reduction potential of these indicators is almost ten percent of trade costs. Proposed policy areas that were found to have the greatest impact on trade volumes and cost include advance rulings, information availability, and inter-agency co-operation. The paper is available for download [here](#).

THE TRADE IMPACT OF EUROPEAN UNION PREFERENTIAL POLICIES: AN ANALYSIS THROUGH GRAVITY MODELS. Edited by Luca De Benedictis and Luca Salvatici (2011). This book investigates the EU preferential trade policy and, in particular, the impact it had on trade flows from developing countries. It shows that the capability of the "trade as aid" model to deliver its expected benefits to these countries crucially differs between preferential schemes and sectors. The evidence produced in the book is extensively applied to the analysis of the EU preferential policies; the authors also provide substantial suggestions for future improvement. More information, along with an online version of the book, is available [online](#).