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LEAD STORIES

Agricultural Export Restrictions Spur Discussion Ahead of WTO Ministerial

An unofficial 2 November deadline for finalising the agenda of the WTO's December ministerial conference has caused quiet consultations on agricultural export restrictions to pick up the pace, trade sources say.

A number of countries are interested in asking the WTO membership as a whole to exempt humanitarian food aid purchases made by the UN's World Food Programme (WFP) from agricultural export restrictions – the commitment made by agriculture ministers from the Group of 20 major economies at their Paris summit in June (see Bridges Weekly, [29 June 2011](#)).

However, the process is complicated by differences of opinion and approach within the WTO membership as a whole, and also within the G-20 (not to be confused with the coalition of developing countries at the WTO with the same name).

In April of this year, the group of net food-importing developing countries (NFIDCs) tabled a more wide-reaching proposal on agricultural export restrictions as part of the Doha Round of trade talks at the WTO: this would effectively have exempted NFIDCs and least-developed countries from export prohibitions or restrictions imposed by other countries (see Bridges Weekly, [6 April 2011](#)).

Sources told Bridges that the group may still wish to see a more ambitious statement made by trade ministers when they meet in December.

In contrast, other WTO members are believed to be reluctant to agree to language based on the G-20 agriculture ministers' statement from June – including some developing country members of the G-20 itself. Countries such as Argentina and India have made use of such export restriction measures in recent years, while others, such as China, may be concerned about possible implications for other WTO issues, such as export restrictions on non-agricultural products (see Bridges Weekly, [7 September 2011](#)).

The action plan from the G-20's June summit stated that the signatories “agree to remove food export restrictions or extraordinary taxes for food purchased for non-commercial humanitarian purposes by WFP and agree not to impose them in the future.” The plan also stated that its sponsors would recommend “consideration of the adoption of a specific resolution by the WTO for the Ministerial Conference in 2011.”

Delegates indicated that informal consultations were taking place to explore whether countries may be willing to adopt language based on the G-20's agreement at December's trade ministers gathering. An informal pre-existing ‘gentleman's agreement’ specifying that agendas for ministerial gatherings should be finalised six weeks ahead of time adds new urgency to the discussions, sources said.

Rule-making: some members query approach

Some Geneva-based officials told Bridges that, while the G-20 statement itself was not problematic, they were uncomfortable with the precedent that a ministerial declaration on the subject could set for future rule-making at the global trade body.

“If it is adopted by trade ministers, it would become part of the trade rules that every country has to abide by,” one delegate observed. “People ask, ‘is that the right way to make rules?’”

Many developing country governments are still keen to conclude the stalled Doha Round of trade talks, the source said, and therefore are wary of anything that could distract from that goal. While the G-20 declaration was valuable as a political statement, members should avoid assuming that

this means it would also serve as a useful legal basis for commitments at the WTO, the source added.

Scepticism amongst importing countries

However, another developing country official from an importing country told Bridges that these arguments had yet to convince him. “A declaration could still guide a panel,” the source said, arguing that the proposed measure could help poor countries in the event of a food shortage.

Others questioned how countries could perceive the G-20 agreement as problematic in practical terms, given its narrow focus on humanitarian food aid. “Only the poorest countries benefit from WFP aid,” one delegate observed, pointing out that these countries largely lack the financial resources to pursue trade disputes at the WTO.

In any case, because food aid is provided for emergency situations, the notoriously slow dispute settlement process would be particularly ill-adapted to resolving any problems countries might face, the source said.

One delegate from a least-developed country underscored the importance of introducing effective disciplines on export restrictions. “This is important for us,” the official observed, who added that the poorest countries “are the worst sufferers from any export ban.”

Committee on Agriculture: informal proposal

In a separate move, Japan circulated an unofficial ‘room document’ on agricultural export restrictions at last week's meeting of the Committee on Agriculture (see related story in this issue).

The informal paper proposed clarifying terms such as ‘net-food exporter’ and ‘foodstuffs’ that feature in existing disciplines on agricultural export restrictions in the WTO Agreement on Agriculture.

However, some participants at the meeting argued that the committee had no mandate to agree on the interpretation of legal terms, which they said

was under the purview of the dispute settlement process. In comments after the event, other delegates said that the committee could still be a useful forum in which members could share and exchange their understanding of what existing commitments were intended to mean.

December ministerial conference deadline looms

Trade officials speculated that agricultural export restrictions could be one of a number of issues currently under consideration for the WTO's December ministerial conference. Others might include the accession of Russia to the WTO; a possible extension of the moratorium on 'non-violation complaints' regarding the WTO's Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS); and a similar extension to the moratorium on e-commerce customs duties.

Delegates said that WTO Director-General Pascal Lamy "would still run the process to get convergence on Doha," although members have already acknowledged that the round will not be concluded this year, amidst growing scepticism over its prospects for the future.

A work programme for the WTO for next year should also "be part of what Lamy's cooking at the moment," the official said. The Director-General is reportedly currently consulting with ambassadors ahead of the next meeting of the Trade Negotiations Committee, which the source said is scheduled for 21 October. "By then, things should become much clearer," the source added.

ICTSD reporting.

OTHER NEWS

After Long Delay, US FTAs with Korea, Colombia, Panama Submitted to Congress

The push to pass the US free trade agreements (FTAs) with Colombia, Panama, and South Korea

is quickly gaining momentum, with the White House submitting the pacts to Congress on 3 October after years of back-and-forth political wrangling. The US House of Representatives is expected to vote on the three FTAs early next week, in tandem with voting on a controversial worker aid programme that delayed the pacts' passage over the summer months.

The FTAs were negotiated and signed during the administration of former US President George W. Bush, and are, according to estimates by the US International Trade Commission, likely to increase US annual exports by over US\$12 billion.

The recent submission of the FTAs comes after weeks of legislative manoeuvring to ensure the renewal of a 2009 extension to Trade Adjustment Assistance (TAA) – a programme designed to assist workers who have been displaced as a result of foreign competition. The 2009 extensions, which included services workers and those displaced by import competition from non-FTA countries among those eligible for TAA benefits, had expired in February of this year.

The scaled back version of the TAA extensions, which passed the Senate on 22 September, was included as an attachment to the renewal of the popular US Generalized System of Preferences, a programme that provides preferential duty free access for up to 4800 products from 129 designated beneficiary countries and territories (see Bridges Weekly, [28 September 2011](#)).

Whether or not the FTAs would be submitted to Congress, however, had largely depended on whether the White House received sufficient assurances that TAA would pass in the Republican-controlled House.

Job creation a recurring theme

Policymakers have been pushing the job creation aspect of the three FTAs in recent months, against a backdrop of rising US unemployment and the continuing uncertainty caused by the financial crisis.

US President Barack Obama, in [announcing](#) the pacts' submission, emphasised the FTAs' potential for job creation – a common theme in recent

policy discourse, especially as Obama has been working simultaneously to pass a new jobs plan.

While Speaker of the House John Boehner praised the submission of the pacts on Monday, he criticised the Obama Administration for a delay that was “unacceptably long and likely cost jobs.” He added that the House will quickly begin the process on voting on the trade deals, “in tandem with Senate-passed TAA legislation.”

US Trade Representative Ron Kirk, in pushing for the FTAs’ ratification, cited estimates on Tuesday that claim that the Korea agreement alone “will support at least an estimated 70,000 US jobs through increased goods exports.”

Obama stressed that the deals “will support tens of thousands of jobs across the country for workers making products stamped with three proud words: Made in America.”

Announcement stirs strong response from critics, supporters alike

The announcement on Monday of the FTAs’ submission prompted swift responses from both critics and supporters of the pacts.

Critics have long cited fears of job losses in the case of South Korea, concerns over labour rights with regards to Colombia, and worry over tax evasion in the case of Panama as reasons for not moving these trade agreements forward.

“These trade deals replicate the mistakes of the past, not the way to win the future, and thus pose serious policy and political perils,” said Lori Wallach of Washington-based advocacy group Public Citizen in an e-mailed statement.

Arthur Stamoulis of the Citizens Trade Campaign, a US civil society coalition, added in an emailed statement that these pacts “will become significant job-killers if enacted” by sending US jobs overseas to these FTA partners.

The AFL-CIO – a major US labour union – released a series of ads yesterday calling on Congress to oppose the deal, stressing that American jobs were at stake. The organisation claims that the pacts are “built on the flawed

models of the past that make CEOs richer and ship our jobs away.” The group cited numbers from the Economic Policy Institute, a Washington-based think tank, that suggest the trade pacts could actually lead to job losses.

Meanwhile, the US Chamber of Commerce – a business federation representing companies, business associations, and state and local chambers in the US – heralded the submission of the trade pacts. US Chamber President and CEO Thomas Donahue, in a statement, promised that the Chamber will “pull out all of the stops to get the votes in Congress, where the agreements already enjoy bipartisan support.”

“These agreements are about creating jobs and ensuring a level playing field for trade,” Donahue added, stressing that the delays on moving these pacts forward were responsible for the US losing jobs to other countries.

Next steps

The three trade pacts are likely to be marked up in the House Committee on Ways and Means today, according to the committee chairman Dave Camp, a Republican. Votes on both TAA and the trade pacts are now expected within the upcoming weeks.

The three agreements, which were all negotiated under the since-expired Trade Promotion Authority – also known as “fast track” – will each face an up-or-down vote in both chambers of Congress, and must do so within 90 days of having been submitted.

The timing of the trade pact submission comes just in advance of South Korean President Lee Myung-Bak’s visit to Washington, which is scheduled for later this month.

ICTSD reporting; “Obama Submits Three Free-Trade Accords to U.S. Congress for Ratification,” BLOOMBERG, 3 October 2011; “Obama to go multilateral on trade,” FOREIGN POLICY, 3 October 2011; “Free Trade Standoff Is Resolved,” NEW YORK TIMES, 3 October 2011; “Disputed Trade Pacts Advance,” WALL STREET JOURNAL, 3 October 2011; “Trade Pacts Set for

Heated Fight,” WALL STREET JOURNAL, 4 October 2011.

Russia Picks Up Speed on Road to WTO Accession

The last month has seen trade officials make a concerted push toward resolving the remaining hurdles in the Russia WTO accession process in the hopes that Russia could become the global trade body's 154th member by December's ministerial conference. Recent reports indicate that Moscow may have clinched the outlines of an agreement with the EU, while Russian officials announced yesterday in Washington that they are close to an accession deal.

However, questions also remain on whether or not Russia can resolve its long-standing differences with neighbour and current WTO member Georgia. Russia is currently the largest economy outside of the global trade body.

Washington backing

Russian and US officials have been meeting in Washington over the last week to discuss accession to the global trade body.

Over the past week, Russian First Deputy Prime Minister Igor Shuvalov – lead negotiator for Russia's WTO bid – met with, among others, US Vice President Joe Biden and US Trade Representative (USTR) Ron Kirk, House Ways and Means Committee Chairman Dave Camp, and House Foreign Affairs Committee Chairman Ileana Ros-Lehtinen.

After meeting with Shuvalov on Monday 3 October, Kirk stated that the two “had a very productive conversation about Russia's bid to join the World Trade Organization.” He added that Russia has made “great progress” on its accession bid.

Kirk's office also expressed confidence that Russia's differences with Georgia would reach a “satisfactory resolution.”

Shuvalov told an audience at a US-Russia trade event in Chicago this week that “we have Americans working 24 hours a day on our application in order to persuade other WTO members that Russia should get membership before the end of the year.”

According to reports from the New York Times, negotiators seem to have removed most of the obstacles that have been blocking Russia's accession to the global trade body. In particular, differences on sanitary standards, meat imports, and incentives for Russian automobile producers appear to have been resolved.

Russia's accession to the global trade body would also require Washington to establish permanent normal trade relations with Moscow. Doing so would require the US Congress to repeal a Cold-War era amendment that allows the US to deny most favoured nation (MFN) status to nations with limited freedom of emigration under Article XXXV of the WTO's General Agreement on Tariffs and Trade (GATT).

The Jackson-Vanik amendment is still law in the US, though Washington has found Russia to be in compliance with emigration conditions since 1994.

EU deal in the works?

Late last month, Reuters reports indicated that Russia had also reached an outline deal with the EU, which many see as key to facilitating Russia's entry into the global trade body. The deal will next go to the bloc's 27 member states.

Officials have been hesitant to comment publicly on the EU deal, however. Russian Economy Minister Elvira Nabiullina told Reuters, that “talks are continuing... We can say that there is a deal only when we have a final one.”

Approval by the EU is seen as one of the key obstacles that still remain for Russia to gain entry to the global trade body, with Brussels and Moscow differing on tax breaks that the Russian government has provided automakers for establishing assembly operations. Arkady Dvorkovich, a top adviser to Russian President Dmitry Medvedev, told the Reuters Russia Investment Summit last month that the success of

Russia's WTO bid "will entirely depend on the wisdom of EU officials."

Dvorkovich added that, while compromise on the automobile issue was a possibility, "agreements with the investors will not be reviewed. Our positions are different, they have come closer in the last two weeks."

The recent announcement that Vladimir Putin, current Russian prime minister and former president, would seek to return to the Russian presidency in the March 2012 elections has added urgency to the push for accession by year's end.

Putin has publicly expressed scepticism over the value of joining the global trade body. Some observers also speculate that, should Putin return to the Russian presidency, the White House might have difficulty convincing the US Congress to repeal the Jackson-Vanik amendment.

Georgia question still unanswered

Another lingering question is whether or not Russia can resolve its long-standing differences with its neighbour, Georgia. On Monday 27 September, Georgian Foreign Minister Grigol Vashadze told US Secretary of State Hillary Clinton that Georgia would not be able to give its consent to Russia's accession unless Moscow agrees to international monitors on the two countries' shared border.

The two countries fought a five-day war in 2008; tensions between the two also remain over the sovereignty of Abkhazia and South Ossetia. Switzerland has been mediating between the two on the WTO accession question; the US has been a major proponent of the Swiss mediation process.

To date, no country has been granted entry to the global trade body without consensus of the entire WTO membership; Georgia is one of those 153 members.

An informal meeting of the WTO working party negotiating Russia's accession is scheduled for 24 October, according to Reuters reports.

ICTSD reporting; "Georgia to Clinton: We won't budge on Russia's WTO bid," FOREIGN POLICY, 27 September 2011; "Russia Declares It Is Close to Joining the World Trade Organization," NEW YORK TIMES, 4 October 2011; "EU nears deal on Russia joining WTO – sources," REUTERS, 23 September 2011; "Kirk sees Russia joining WTO in 2011," REUTERS, 3 October 2011; "Putin presidency bid lends urgency to WTO talks: EU officials," REUTERS, 26 September 2011; "Russia's 2011 WTO entry hinges on EU: Kremlin," REUTERS, 15 September 2011; "UPDATE 1-U.S. Vote on Russia trade looms as WTO deal nears," REUTERS, 29 September 2011; "Putin Return Complicates U.S. Policy," WALL STREET JOURNAL, 26 September 2011.

India Leads Group of 26 Nations Against EU Aviation Emission Levy

A group of 26 countries last week came together in New Delhi, India for a two-day meeting to protest against the EU's decision to charge airlines departing from and arriving in the EU for their emissions. The EU initiative to address emissions from the aviation sector has sparked strong opposition by several countries and airlines – some of which have now banded together to dispute the EU decision.

The 29-30 September meeting, which was hosted by India, brought together members of the International Civil Aviation Organization (ICAO) – a UN aviation body – and other non-EU states, including the US, China, Canada, Russia, and South Africa. At the end of the meeting, delegates adopted a joint declaration, stating that the EU plan to include aviation in its Emissions Trading System (EU ETS) is "discriminatory" and a violation of international law. Other states have been invited to associate themselves with the statement.

"We think that the EU's proposal is illegal because it seeks to charge airlines for the lag of journey outside its airspace" S.N.A. Zaidi, civil aviation secretary and chair of the meeting, said. "This is an extra-territorial principle, which is illegal."

Delegates participating in the meeting have also decided to file a formal complaint against the EU initiative at the ICAO council's next summit, which will take place in November. The inclusion of aviation into the EU ETS will be one of the topics discussed at that gathering.

The group of opposing countries is planning to submit a working paper on the issue to accompany their joint declaration in their fight against the EU proposal.

EU stays firm, despite criticism

Despite growing opposition, the EU is not backing down from its initiative. EU member states and the European Parliament have agreed to include aviation in its cap-and-trade carbon programme to help them reach their target of reducing carbon emissions to 20 percent below 1990 levels over the next decade.

The EU decision was sparked by the contribution of aviation to global emissions, accounting for nearly four percent of manmade carbon emissions, with this share growing rapidly. The creation of a global cap-and-trade scheme, which has been negotiated within the ICAO for over a decade, has produced no clear solution. Impatient with the slow progress, the EU has thus decided to move ahead unilaterally.

From January 2012, all airlines – regardless of their nationality – will need to surrender emission permits for intra-EU flights, as well as flights to and from the EU. The inclusion of all airlines is crucial for ensuring the effectiveness of the initiative, the EU claims. Doing so will minimise possibilities of carbon leakage, where the reduction of emissions by EU airlines would be offset by an increase of emissions from non-EU airlines.

Opposition gaining steam

Non-EU states and airlines, however, oppose this particular design. India, China, Russia, the US and several other countries have already clearly expressed their opposition to the EU plan.

“How can they dictate terms to us and why should we accept it?” India's civil aviation minister

Vayalar Ravi asked in an interview last week. “The permit is a penalty on all foreign carriers going to Europe,” he said, and added that India should not be penalised for its growing aviation industry.

China and Russia released a joint statement on 27 September, in which they described the EU initiative as an attack on other countries' sovereignty that will “have an extremely negative impact on the international aviation industry.”

In the statement, they censured the scheme for its lack of consultation. “We oppose any unilateral and mandatory moves that are taken without the agreement of involved parties on the aviation emission issue,” the countries stated jointly.

Chinese Foreign Ministry spokesman Hong Lei added that “China appreciates the EU's efforts in climate change, but opposes the EU's forced implementation of unilateral legislation” and called upon the EU to address this issue through consultation with other countries.

The US demands that the EU aviation emissions scheme not be applied to foreign aircraft operators. The Air Transport Association of America, an aviation representative body, together with American Airlines and the United Continental Group is challenging the initiative at the European Court of Justice – the EU's highest court (see Bridges Trade BioRes, [11 July 2011](#)).

The Court is expected to release an advisory legal opinion on the lawsuit on 6 October, while a final judgement might be issued before the EU proposal enters into force next year.

Middle Eastern airlines have also joined the plan's opponents and are calling instead for a global solution to address emissions from aviation.

A ‘tit-for-tat’ scenario

Some observers have expressed concerns about retaliation and the risk of a trade war. Binit Somaia, director for South Asia at CAPA Centre for Aviation, an Australia-based industry advising firm, said that by involving foreign airlines in its ETS, the EU is “overstepping its authority.”

“Retaliation could take the form of tit-for-tat taxes, restrictions on traffic rights for European carriers and could even impact European aircraft manufacturers,” Somaia warned.

The EU got its first taste of retaliation in June, when China blocked a US\$3.8 billion purchase from Airbus at the Paris air show because of its anger over the EU aviation scheme, industry sources claim. India and China have also pointed to the possibility of retaliation if the EU initiative enters into force.

Eighty-five percent of allowances to be allocated for free in 2012, Commission says

While foreign governments and airlines have stressed the costs the aviation industry is expected to face under the scheme, the EU is defending its decision.

According to the European Commission, 85 percent of the emission allowances will be allocated for free in the first year of the initiative. Isaac Valero-Ladrón, spokesman for the Climate Action Commissioner, described the allocation of allowances free of charge as “potential revenues” because airlines are expected to pass on a large share of the price increase to customers.

Airlines could also be exempted from the carbon charge if their countries have adopted equivalent climate policies. “This is not a tax,” Valero-Ladrón said in an email to reporters on 29 September. “If you emit less than the ceiling, you will not need to pay.”

The EU further expressed its willingness to revise its aviation emissions scheme if the ICAO reached a global agreement on the matter. “We’ve always said that we prefer a multilateral, global solution, and the most plausible forum for that right now is ICAO,” an EU official said.

ICTSD reporting; “Airlines Hit Emissions Plan,” ASSOCIATED PRESS, 28 September 2011; “India Rallies 30 Nations Against EU Airline Emission Levy,” BLOOMBERG, 29 September 2011; “China, Russia rail against EU aviation emission scheme,” CHINA DAILY, 28 September 2011; “26 countries join to protest EU’s aircraft carbon emission norms,” THE

ECONOMIC TIMES, 3 October 2011; “Airlines fear unfair competition,” FINANCIAL TIMES, 27 September 2011; “Middle Eastern Airlines Join Opposition to E.U. Emissions Plan,” NEW YORK TIMES, 29 September 2011; “China calls for talks with EU on airline CO2 permits,” REUTERS, 28 September 2011; “India, 25 others oppose EU airline carbon charge plan,” REUTERS, 30 September 2011; “UN aviation body meeting opposes EU carbon plan - India,” REUTERS, 30 September 2011.

US Senate Gears Up for China Currency Vote

The US Senate is prepared to take up legislation targeting China’s valuation of its currency, with senators voting on Monday 3 October to begin debate on a bill that would allow the US to impose duties on countries that undervalue their currencies. The move has provoked a stern response from the Chinese government, which has cautioned that such legislation could lead to a trade war between the two countries.

The 79-19 procedural vote to open up debate on the bill propelled it into a week of discussion on the Senate floor, with a vote on the actual legislation expected in the coming days.

Only last year, the Currency Reform for Fair Trade Act, a similar bill, was passed in the House with overwhelming bipartisan support, and then died in the Senate (see Bridges Weekly, [7 October 2010](#)).

The new currency bill was introduced by Senators Sherrod Brown and Charles Schumer, both Democrats, and has 19 co-sponsors – including various Republicans.

With unemployment still lingering at high levels and the US-China trade gap having grown 12 percent in the first half of 2011, criticism over China’s currency policies has heightened over recent months. “China’s deliberate actions to devalue its currency give its goods an unfair competitive advantage in the marketplace. That hurts our economy and it costs American jobs,”

Senate Majority Leader Harry Reid, a Democrat, said on Monday.

Speaking to the Joint Economic Committee – a US congressional committee – just a day after Monday's Senate procedural vote, US Federal Reserve Chairman Ben Bernanke also addressed the impact of China's strict control of the yuan, also known as the renminbi.

“Right now, our concern is that the Chinese currency policy is blocking what might be a more normal recovery process in the global economy. It is to some extent hurting the recovery,” Bernanke said.

Opposition grows from US businesses, trade associations

Businesses, trade associations, and think tanks have all expressed concern about the possible impacts of this bill.

In a letter addressed to both Reid and to Senate Minority Leader Mitch McConnell, a Republican, 51 trade associations – including the US Chamber of Commerce and the US-China Business Council – urged the Senate to drop the bill and focus on “the nation's broader objectives of addressing the many and growing challenges we face in China.”

Rather, businesses said the focus should be on China's policies regarding intellectual property rights, market access, rare earths, and financial services liberalisation – rather than a “unilateral” measure that would be “counterproductive” to those goals.

Besides the bill being “counterproductive,” the president of the US-China Business Council, John Frisbie, told reporters that he questioned the bill's effectiveness in bringing manufacturing jobs back to the US. He noted that China's yuan value had risen by about 30 percent since 2005; however the US has continued to lose manufacturing jobs.

Other critics have suggested that a stronger yuan would simply cause jobs to migrate to the next lowest-cost place – such as Indonesia, Vietnam, or Bangladesh.

China issues swift response

Meanwhile, China showed a strong and coordinated opposition against the proposed bill, with statements being released simultaneously by several government ministries.

The measures would “seriously violate rules of the World Trade Organization and obstruct China-US trade ties,” said foreign ministry spokesman Ma Zhaoxu. He added that trade co-operation between the two countries has produced mutual benefits, and stressed that “it is widely understood that the exchange rate of the renminbi, the Chinese currency, is not the cause of the Sino-US trade imbalance.”

China's central bank also expressed worry about the implications of the US Senate legislation, cautioning that this bill could harm China's currency reform and lead to a trade war.

The Ministry of Commerce spokesman, Shen Danyang, said that the US-China trade imbalance should not be blamed on China's currency policies, stressing instead that the US limit of high-tech product exports to China was a major cause of the trade imbalance.

Future of reform unclear

While the bill is largely expected to pass the Senate, its fate in the House of Representatives is less clear. Republicans are generally less supportive of measures that could hurt trade; however, ninety-nine Republicans voted for a similar bill last year, which would have treated undervalued currencies as export subsidies. In addition, the new Senate bill appears to already have well over 200 co-sponsors in the House.

Speaker of the House John Boehner, a Republican, has spoken out strongly against pursuing Chinese currency legislation. “This is well beyond, I think, what the Congress ought to be doing,” he told reporters on Tuesday.

The White House's position is also unclear. Speaking to reporters on Tuesday, White House Press Secretary Jay Carney said that, while the Obama administration “share[s] the concern of members about the valuation of the Chinese

currency... we also are concerned that any action that might be taken would be effective and consistent with our international obligations.”

ICTSD reporting; “China Currency Bill Runs into GOP Opposition,” Bloomberg, 5 October 2011; “Bernanke criticizes China over currency,” FINANCIAL TIMES, 4 October 2011; “China warns of ‘trade war’ over currency bill,” FINANCIAL TIMES, 4 October 2011; “Reid selling currency bill as jobs legislation,” THE HILL, 3 October 2011; “Senate votes 79-19 to move bill punishing China on currency,” THE HILL, 3 October 2011; “Trade associations urge Senate to abandon China currency bill,” THE HILL, 21 September 2011; “Corrected-Update-1- China says ‘adamantly opposes’ US senate currency bill,” REUTERS, 3 October 2011; “Senators court 2012 voters with China currency bill,” REUTERS, 2 October 2011; “Wider trade gap could propel China currency bill,” REUTERS, 11 August 2011; “China Rips Senate but Repeats Reform Pledge,” THE WALL STREET JOURNAL, 4 October 2011.

European Commission Puts Renewed Pressure on EPA Negotiations

The European Commission announced on 30 September that countries that have concluded an Economic Partnership Agreement (EPA) with the EU without having taken the steps to ratify and implement them will be withdrawn from the Market Access Regulation as of 1 January 2014 onward. Should these developing countries not ratify an EPA by this new deadline, they could potentially lose their free access to the EU market.

This proposal is expected to add new momentum to the current state of EPA negotiations, as to date only 18 countries of the 36 in Africa and the Pacific that negotiated EPAs in 2007 have taken what the Commission calls “necessary steps” toward ratification.

Slow EPA progress spurs EU action

The Cotonou Agreement, which was signed in 2000, established the basis for a new trade and

development co-operation framework between the EU and the African, Caribbean and Pacific (ACP) group of countries. Under the Cotonou Agreement, the non-reciprocal trade preferential scheme between the EU and its ACP partners that had prevailed until that point was replaced by EPAs.

These partnership agreements were meant to provide for trade reciprocity, promote sustainable development, and further regional integration by encouraging negotiating countries to enter the EPAs in regional groupings.

EPA negotiations were launched in 2002, with 1 January 2008 being set as the deadline for bringing the EC-ACP trade regime into conformity with WTO rules, as providing this type of preferential access violated the requirement of non-discrimination set out in the WTO’s General Agreement on Tariffs and Trade (GATT). WTO waivers were therefore introduced to allow ACP countries temporary preferential access to EU markets.

Overall, however, progress on these EPAs has been slower than expected, with only one full EPA being signed between the EC and the Caribbean Forum (CARIFORUM) – an ACP subgroup – in 2008. That agreement will officially enter into force pending member state ratification; in the meantime, that EPA has been applied provisionally since December 2009.

However the implementation process of the CARIFORUM-EC EPA seems to have stalled since then, a problem that has widely been blamed on insufficient institutional capacity.

EU regulation has provided DFQF access since 2008

With the expiration of the trade regime under the ACP-EU Cotonou Agreement in 2008, the EU Market Access Regulation (MAR) 1528/2007 has been providing duty free quota free market (DFQF) access to the 36 African, Caribbean and Pacific countries that negotiated EPAs in 2007. The EU Market Access Regulation requires these ACP countries to sign, ratify and implement their EPA “within a reasonable period of time.”

Despite their development goals, over the years the conclusion of EPAs have been continuously delayed and have since become a source of tension between the EU and ACP countries, leaving the entire process in disarray as a result. ACP negotiating countries have traditionally been reluctant to join EPAs for fear of the damaging effects of increased market competition from EU imports, especially in sensitive areas like agriculture and services.

So far the ACP countries that have not concluded an interim EPA have not experienced any trade disruptions, as they have been able to fall back either on the “Everything But Arms” (EBA) regime or the standard EU Generalised System of Preferences (GSP). The EBA regime provides DFQF access for all imports except arms coming from least developed countries (LDCs); the EU GSP aims at supporting developing countries’ exports by granting them unilateral tariff concessions.

European Commission explains decision

The EC’s explanation of its new proposal states that the Market Access Regulation was always meant to be a “temporary solution and not a permanent facility.”

The Commission also argued that this decision aims to realign the ACP-EU trade relations so that they conform to WTO rules, while simultaneously preserving balance and fairness towards other ACP and non-ACP developing countries.

Implications for affected ACP countries

Of the 36 ACP countries that benefit from the Market Access Regulation, 18 island countries - Madagascar, Mauritius, Seychelles, Papua New Guinea, and 14 Caribbean countries – have taken the necessary steps toward ratification and initialled agreements. These countries will continue to enjoy a duty free quota free market access to the EU, as they have in the past.

However the situation becomes more critical for the other 18 countries that have not signed their agreements or are still not applying it. These countries would need to take the “necessary

steps” toward ratification of existing EPAs or conclude new regional agreements with the EU.

Alternatively, countries that still decide to opt out of EPAs will face a variety of different situations, depending on their existing arrangements with the 27-member EU bloc.

Nine LDCs – Burundi, the Comoros, Haiti, Lesotho, Mozambique, Rwanda, Tanzania, Uganda, and Zambia – will continue benefiting from DFQF access to the EU under the EBA scheme.

Seven low income or lower middle income countries – Cameroon, Fiji, Ghana, Ivory Coast, Kenya, Swaziland, Zimbabwe – could still benefit from the GSP regime, which is also scheduled for reform in 2014 (see Bridges Weekly, [1 June 2011](#)).

Finally, the last two countries, Botswana and Namibia – which are currently classified as upper middle income countries as per the World Bank’s gross national income per capita ranking – would no longer benefit from any preferences if their upper middle income status is maintained after the new EU GSP comes into force in 2014.

Risks of rushing EPA talks

Rushed decisions to conclude EPA negotiations could seriously undermine regional integration, observers fear, as well as trigger negative development effects. Indeed, all countries within a same region are not likely to share a common position with regards to the conclusion of an EPA with the EU, due to varying levels of economic growth and development.

Effective implementation might also become difficult if some countries endorse an EPA agenda for fear of trade disruption rather than development strategy considerations.

Meanwhile, emerging players such as China, India, and Brazil have changed the stakes of the game by presenting themselves to these countries as alternatives to the EU, and with fewer conditions attached. The growing engagement of these emerging economies in Africa, for instance, is already changing the landscape for development

by bringing in investment, development finance, and new trade prospects.

In the coming months, the EU is expected to lay out a concrete agenda addressed to African and Pacific countries that would go beyond the usual negotiations bottlenecks. As for the negotiating countries, they need to put forward their conditions to the conclusion or not of a final EPA.

More information

The main features of the Proposal are available [here](#).

Related articles can be found on the European Centre for Development Policy Management (ECDPM) talking point Blog [“EPA Negotiations: The honeymoon is over...”](#); in Trade Negotiations Insights, another ICTSD publication produced in partnership with EDCPM [“Riding out the storm: Will the EPAs sink?”](#); and [“Losing old friends: The risk of an EPA backlash”](#) by I. Ramdoo and S.Bilal.

Additional background information can be found at the following [website](#).

ICTSD reporting.

Eight Countries Sign Anti-Counterfeiting Trade Pact

The controversial Anti-Counterfeiting Trade Agreement (ACTA), a multi-country intellectual property trade agreement that has been in negotiations since 2006, was signed on Friday by eight countries, including the US. Representatives from the eleven negotiating parties gathered in Tokyo, Japan on 1 October for the ACTA signing ceremony. The pact has been a source of substantial debate in terms of the agreement's potential impact on non-signatory countries.

The eight signatories were Australia, Canada, Japan, Morocco, New Zealand, Singapore, South Korea, and the US. While the signing of the pact is a major step forward toward the pact coming

into force, the agreement still needs to be ratified by at least six parties before becoming binding.

The trade pact opened for signature on 1 May of this year; the government of Japan is the depositary of the Agreement, and parties who have not yet signed may submit their signatures to Japan. The two year window for signing the agreement ends on 1 May 2013.

Representatives from the EU, Mexico, and Switzerland – which are the other negotiating parties to ACTA – were also in attendance at the 1 October signing ceremony, but did not sign the agreement. The Office of the US Trade Representative (USTR) explained in a statement that these three parties continue to support ACTA “as they complete their domestic procedures to enable them to sign,” without providing further detail.

The pact has already stirred substantial discomfort among Mexican policymakers and civil society, with the Mexican Congress approving a resolution in June that specifically asked Mexican President Felipe Calderón not to sign the treaty on Mexico's behalf (see Bridges Weekly, [29 June 2011](#)). Whether or not Calderón will eventually sign the agreement remains unclear.

Monday's signing took place a year after the eleven negotiating parties concluded the final round of negotiations, also held in Tokyo (see Bridges Weekly, [7 October 2010](#)).

The Anti-Counterfeiting Trade Agreement is aimed toward the following three areas, the Office of the US Trade Representative (USTR) said in its announcement: improving international co-operation; establishing best practices for enforcement; and providing a more effective legal framework to address the problem of counterfeiting and piracy.

In a joint press [statement](#), the signatories noted that, “when [ACTA] enters into force with all participants, the ACTA will formalize the legal foundation for a first-of-its-kind alliance of trading partners, representing more than half of world trade.”

Deputy US Trade Representative Miriam Sapiro, who signed the agreement on the US' behalf, echoed that sentiment, calling the agreement a “ground-breaking achievement that holds the promise of greatly improving the enforcement of intellectual property rights around the world.”

“ACTA builds on World Trade Organization standards to promote international trade in legitimate intellectual property, by elevating standards of enforcement,” Australian Trade Minister Craig Emerson added in a statement of his own.

Signing sparks criticism

The signing of the agreement has prompted questions over the agreement's consistency with domestic and international laws. The Office of the USTR, in its announcement of the signing, asserts that “ACTA is consistent with existing U.S. law and does not require the enactment of implementing legislation” – implying that the agreement would not require congressional approval to bind the US to its commitments.

This assertion has drawn questions from civil society groups, who have also expressed fears over the agreement's overall consistency with the domestic laws of signatory countries – particularly the US.

Speaking to Bridges, James Love of Knowledge Economy International commented that the USTR's assertions that the agreement is consistent with US law lacks appropriate explanation. “It is an assertion, without any explanation as to why, for example, a US law that eliminates rights to injunctions or damages, is consistent with obligations [under ACTA] to provide such remedies.”

The agreement has drawn criticism from civil society groups since negotiations began, both regarding the negotiations' perceived lack of transparency and over concerns whether ACTA's terms go beyond what is necessary to target counterfeiting and piracy – to the point of potentially undermining intellectual property (IP) norms of multilateral institutions like the WTO and WIPO.

While some of the language of the final ACTA bill was watered down to address these concerns, fears remain over freedom of access to information and culture – an issue area that was a large driver behind the Mexican Congress' June resolution asking the Mexican President not to sign ACTA – and over the higher norms for damages in ACTA relative to the WTO's Agreement on Trade-Related Aspects of Intellectual Property (TRIPS).

The issue of whether other TRIPS-plus provisions in ACTA will hamper access to medicines has also drawn substantial criticism from scholar observers. Sean Flynn, associate director of the program on information justice and intellectual property at American University's Washington College of Law, cautioned in a recent blog post that the increased ease of enforcement of IP rights will “make the global legal environment less hospitable to the promotion of access to affordable medicines around the world.”

The timing of the ACTA signing comes as the World Intellectual Property Organization (WIPO) holds its annual meetings, or Assemblies, in Geneva (see Bridges Weekly, 28 September 2011). A full report of the WIPO meetings will be featured in next week's Bridges.

More information

The full list of ACTA negotiating parties, including EU member states, is as follows: Australia, Austria, Belgium, Bulgaria, Canada, Cyprus, the Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Japan, Korea, Latvia, Lithuania, Luxembourg, Malta, Mexico, Morocco, the Netherlands, New Zealand, Poland, Portugal, Romania, Singapore, Slovakia, Slovenia, Spain, Sweden, Switzerland, the United Kingdom, the United States, and the European Union.

ICTSD reporting; “As Bilateral Deals Proceed, WIPO Hears Warnings, Calls For Change,” INTELLECTUAL PROPERTY WATCH, 4 October 2011; “Anti-counterfeiting agreement signed in Tokyo,” REUTERS, 1 October 2011.

Countries Struggle at Panama Climate Meeting on Road to Durban

Climate change measures with trade implications continue to create friction during negotiations taking place in Panama City, Panama this week as part of the final preparations for December's United Nations Framework Convention on Climate Change (UNFCCC) Conference of the Parties (COP). Two major areas of discussion have already spurred countries to come forth with strongly-worded proposals in efforts to safeguard trade and economic development. The first relates to the possible negative impacts of unilateral measures taken to address climate change; the second relates to global sectoral approaches to mitigate emissions.

A proliferation of response measures

One area of contention is the issue of the potential consequences that measures taken by a country to address climate change could have on developing countries. So-called "response measures," as they are referred to in international climate negotiations, are policies or programmes that countries implement in order to reduce their carbon emissions, such as establishing emissions trading schemes. The topic was also the subject of intense debate last month at a UNFCCC meeting in Bonn (see Bridges Weekly, [21 September 2011](#)).

Response measures are being discussed under various negotiating tracks, which in itself has prompted disagreements about efficiency and effectiveness.

Those who favour the various-track approach emphasise that each discussion has a different purpose. One such purpose is to complete a work programme and discuss the potential continuation of a forum for an exchange of views at the year's end climate COP in Durban, South Africa.

Some parties – especially developing countries – favour a permanent forum as a means for parties to report and evaluate the impacts and consequences of policies and measures to address climate change. However, most developed

country parties consider that the existing channels for reporting – which include national communications – are sufficient.

Notably, there is no standard form for such communications, nor are there specifics on how to report. The result is that each developed country reports in different ways with different details and with varying levels of explanation.

Furthermore, remarked a delegate during negotiations, these reports are done *ex-post* – after the impacts of a policy are already felt in another country – rather than *ex-ante*, i.e. discussing and evaluating measures in the early stages of policy development and implementation, prior to the worst of impacts. One delegate pointed out the potential rise in WTO dispute settlement cases, noting that a forum for discussion under the UNFCCC could avoid such "trade wars."

Some delegates and non-governmental organizations consider the latter is the preferred approach to detect and avoid potential problems before they instigate worse situations.

Trade measures to address climate particularly contentious

In a separate response measures discussion under the negotiations for Long-term Cooperative Action (LCA) – the process geared toward producing a new agreement to bring the US and other major developing country economies into the game in a more meaningful manner – a group of developing country parties have proposed text for decision in Durban that intends to protect them from unilateral measures, such as trade restrictions, in the name of climate change. The proposal seeks to prevent developed country parties from measures "including tariff, non-tariff, and other fiscal and non-fiscal border trade measures against goods and services from developing country Parties on any grounds related to climate change."

This is an area of great concern for developing countries, particularly following draft legislation in the US and discussions in Europe over the past years to impose border taxes for imported goods with higher emissions than nationally produced goods.

Sectoral approaches for climate strike a nerve with trade

In separate discussion on sectoral approaches to mitigating climate change, there is divisive debate on whether to include a general framework for all sectors or to simply negotiate text sector by sector. Well-elaborated draft texts exist on the agriculture and international aviation and maritime transport sectors.

Developing countries supporting a framework are seeking principles and safeguards for these and future sectors, such as energy, if and when they arise. Some developed countries find a general framework unnecessary and wish to only negotiate on the specific sectors.

Several prominent developing countries have tabled a proposal with specific protections regarding international trade. In the proposal, the countries affirm “that co-operative sectoral approaches and sector-specific actions shall not constitute a means of arbitrary or unjustifiable discrimination or a disguised restriction on international trade, more specifically on the trade from developing country Parties.”

The countries also ask that “co-operative sectoral approaches and sector-specific actions... take fully into account differences in geographic, economic and social conditions and specific national development priorities and circumstances.”

Coming up this week

Discussions continue this week on related issues, such as the development of market and non-market mechanisms for addressing climate change – including a formal EU proposal for a market-based mechanism to promote projects in developing countries – that could have bearing on the current carbon markets and investments (see Bridges Trade BioRes, [3 October 2011](#)).

Two other topics that countries hope to draft text for further discussion and agreement in Durban include the new Technology Mechanism and the new Carbon Fund. In the case of the former, the discussion includes a debate on intellectual property rights; with regards to the latter, the discussion is centred on a proposed levy on

international transport in order to raise funds for adaptation in the countries that will be the hardest hit by climate change.

The upcoming issue of Bridges will include an update on the outcome of the trade issues in this week’s talks.

ICTSD reporting.

IN BRIEF

GM Pushes Back Against Terms of Chinese Electric Car Subsidy

US-based automobile company General Motors announced on 20 September that it would no longer seek to manufacture its newest electric car in China, rejecting a massive subsidy offer that would have forced the automaker to divulge technology secrets. GM has chosen instead to work with its Chinese joint venture partner to develop new electric technologies there.

China has lately been increasing its efforts to leverage access to its booming economy in exchange for the transfer of new technologies. The subsidy in the GM case applies to “new energy” vehicles developed in China under a new Chinese policy that links domestic production subsidies to access to foreign technologies. Some experts are questioning whether such tactics are in line with Beijing’s WTO commitments.

According to the New York Times, China is offering a consumer subsidy of more than US\$19,000 per unit for the sale of the next generation of electric cars in China, an amount that is nearly half the value of a new electric car such as the Chevrolet Volt – which sells for US\$41,000 in the US. The subsidy applies to “plug-in” hybrids, such as the Volt, which are predominantly electric, and does not apply to older “mild hybrids,” like the Toyota Prius. The electric car market in China is expected to expand quickly in coming years, in response to government efforts to reduce emissions and promote high-tech innovation.

The proposed policy aims to encourage foreign firms to transfer cutting-edge technologies to Chinese joint ventures. In the GM case, transfer of one of three technologies would make it eligible: the Volt's electric motor, advanced electronic controls, or electricity storage device. However, GM decided – as other major electric car manufacturers, such as Toyota, Hyundai, and Nissan have as well – that this price would be too high.

GM says its ambition of tackling the Chinese auto market – now the largest in the world by volume – has not been impacted by the subsidy issue. The company will export a limited number of Volts to China later this year. These Volts will be the first mass market plug-in hybrids to hit the Chinese market.

GM, like Hyundai and Nissan, will also work with its Chinese joint venture partner Shanghai Automotive Industry Corporation (SAIC Motor Corp) to develop future electric technologies in China. Doing so will ensure that GM's partners contribute more or less equally to the development of upcoming technologies. In addition, GM and SAIC are expected to build the new electric vehicles in China, which could allow future access to the subsidy.

Chinese trade partners react

China's new policy has prompted a stiff reaction from foreign trade partners. Critics argue that if Chinese manufacturers are eligible for the subsidy while foreign importers are forced to refuse it through onerous technology transfer requirements, it could effectively block foreign imports from a viable share of the electric car market in China.

China's measure drew immediate complaints from industry representatives and officials from the US and EU. Nevertheless, China is soon expected to formalise the measure, which could prompt a more robust response from foreign governments.

A spokeswoman for the Office of the United States Trade Representative (USTR) in Washington responded to questions about the subsidy by defending the principle of non-

discrimination, a cornerstone of the multilateral trade system.

“While the United States shares China's desire to support the development and deployment of electric vehicles, we have been clear that it is important that we and other trading partners employ policies that do not discriminate against foreign enterprises and foreign products,” USTR spokeswoman Nkenge Harmon told the New York Times.

US Treasury Secretary Timothy Geithner has been more outspoken about China's continued insistence on tying technology transfers to market access.

“We're seeing China continue to be very, very aggressive in a strategy they started several decades ago, which goes like this: you want to sell to our country, we want you to come produce here... if you want to come produce here, you need to transfer your technology to us,” Geithner told a forum in Washington on 22 September.

With China's formalisation of the policy imminent and political pressure mounting, the possibility that China's trade partners will take legal action appears to be growing.

Due to the sheer size of the subsidy, experts say it could create a gap between domestic prices and the prices of foreign imports which, in turn, could make the “subsidy-for-technology” scheme forbidden under WTO rules. A key issue at play is whether or not tying the additional demand for technology transfer to the subsidy can be considered discriminatory. Ultimately, these issues depend on the details of how the policy is formulated, which will become clearer when China formally announces the policy.

ICTSD reporting; “GM and SAIC join forces on electric cars,” FINANCIAL TIMES, 20 September 2011; “GM Plans to Develop Electric Cars With China,” NEW YORK TIMES, 20 September 2011; “Hybrid in a Trade Squeeze,” NEW YORK TIMES, 5 September 2011; “Geithner slams China's intellectual property policies,” REUTERS, 23 September 2011; “Road Gets Bumpy for GM in China,” WALL STREET JOURNAL, 16 September 2011.

WTO IN BRIEF

US, India, Japan Farm Subsidies Face WTO Ag Committee Scrutiny

Farm subsidy spending in India, Japan, and the US dominated discussion last week at the WTO's meeting of the regular Committee on Agriculture, which deals with non-negotiating agricultural trade issues.

WTO members devoted much of the 29-30 September meeting to discussing India's domestic support for agriculture between 1998 and 2004, delegates who were present told Bridges. The discussions were based on India's official report to the global trade body, which was submitted in June – only days ahead of the previous committee meeting (see Bridges Weekly, [15 June 2011](#)).

Australia, Canada, the EU, Japan, and the US all quizzed India about topics ranging from the definition of 'resource poor, low income' producers to the choice of currency used to notify support. India, in its most recent notification, used US dollars, rather than the Indian rupees in which the country's original farm subsidy commitments had been made.

Members also asked India for more information about the functioning of buffer stocks and crop insurance schemes, and support provided for producers of particular crops such as coffee or cotton.

US, Japanese farm subsidies under the microscope

WTO members also looked closely at official farm subsidy reports from the US and Japan – including why some aspects of a revised US notification differed from the original.

Countries asked the US about its crop insurance, along with increases in both food stamp spending and support to products such as cotton and corn.

In the case of Japan, members asked for more information on how market price support was

calculated and administered, and for more details regarding environmental payments related to rice production.

Members also completed a final review of China's agricultural trade policies under the 'transitional review mechanism' that was part of China's 2001 accession protocol. The mechanism required annual reviews for the first eight years and one more after ten years.

While China was praised by the EU, US, and Japan for making progress in implementing its commitments, the US suggested that there was a need for Beijing to improve transparency in some areas, and urged China to reconsider non-tariff barriers.

Members also urged Costa Rica to act quickly to rectify a breach of its subsidy commitment ceilings for trade-distorting domestic support for rice.

Doha limbo: Ag Committee considers options

With no chair for the 'special session' of the agriculture committee dealing with the stalled Doha negotiations, and no meetings planned, some members asked whether the Committee on Agriculture should take a more active role in addressing outstanding agricultural trade issues.

During the two-and-a-half day meeting, members devoted part of one afternoon to discussing whether the committee could organise thematic discussions on unresolved issues in a useful manner. While some present felt that the committee could help improve members' understanding of farm trade questions that are not directly linked to Doha, others argued that the best way to strengthen the committee's work was to improve the functioning of its traditional activities of transparency, notification, and reporting.

At the meeting, the US, Japan, and the Cairns Group of agricultural exporting countries also circulated informal papers exploring how best to strengthen the committee's work. The Japanese submission focused specifically on clarifying the meaning of existing regulations on agricultural export restrictions, an issue which a few countries

said went beyond the mandate of the committee.

The next meeting of the regular Committee on Agriculture is scheduled for 17-18 November.

ICTSD reporting.

EVENTS & RESOURCES

Events

6-7 October, Brussels, Belgium. GREEN GROWTH INVESTMENT FORUM 2011. Organised by the Organisation of Eastern Caribbean States (OECS), this forum will bring together investors, experts, and policymakers from Europe in an effort to build awareness of the development challenges facing the small islands of the OECS. The discussions will also highlight opportunities for targeted and adapted investments in the area of innovation and clean technologies. The event organisers seek to spur an exchange of views among participants that could eventually lead to the promotion of sub-regional strategy on green economic growth with a central role for private sector involvement. For more information, please visit the [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](#).

11 October, Geneva, Switzerland. BRIDGING THE POLICY GAP ON GENETIC RESOURCES IN WIPO'S INTERGOVERNMENTAL COMMITTEE. The World Intellectual Property Organization's Intergovernmental Committee on Intellectual Property and Genetic Resources, Traditional Knowledge and Folklore (IGC) has witnessed an acceleration of its work in the last 18 months as a result of the move towards text-based discussions and the creation of inter-sessional working groups. In this context, genetic resources remain one of the most challenging areas in the IGC's deliberations, and requires further work and convergence between countries. In light of new research commissioned by ICTSD, this informal dialogue will assess options and debate solutions to bridge the current policy gap on intellectual property and genetic resources at the IGC. For more information visit the event [webpage](#).

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](#).

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.

10 October: Committee on Trade and Development – Dedicated Session on Small Economies

11 October: Committee on Budget, Finance and Administration

Other Upcoming Events

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 co-operation and solutions. More information is available at the event [website](#).

17-22 October, Rome, Italy. THIRTY-SEVENTH COMMITTEE ON WORLD FOOD SECURITY. This United Nations forum is being held to review and follow up on policies concerning world food security. With the recent rise of food prices in 2007-2008, there is a heightened awareness of hunger issues and poverty around the world. The international community is mobilising to face this situation and

end world hunger. The proposed agenda of this forum includes sessions on food price volatility, food security and nutrition actions, governance of natural resources, and the implementation of the Committee on World Food Security (CFS) Reform. Additional information and session documents are available [here](#).

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](#).

21-22 October, Shanghai, China. CHINA'S TECHNOLOGICAL RISE: MYTHS, REALITIES AND LESSONS FOR GLOBAL DEBATES ON INNOVATION, TECHNOLOGY TRANSFER AND INTELLECTUAL PROPERTY. China's technological and scientific development in recent years, particularly in the areas of space exploration, super-computing, and renewable energies, has spurred much debate. Outsiders have wondered what the role of government policies has been and questioned the extent of these advances in such a short period. This dialogue, co-organised by ICTSD, the Shanghai Institute of Foreign Trade (SIFT), and the China IP Society, will bring together officials, experts, academics and private sector representatives to discuss the expansion of China's technological capabilities in recent years, its implications, and the lessons to be drawn for global debates on innovation, technology transfer, and intellectual property. For more information, please visit the event [webpage](#).

Resources

THE WORLD BANK ANNUAL REPORT 2011. By the World Bank (2011). This annual report, prepared by the Executive Directors of both the International Bank for Reconstruction and Development (IBRD) and the International Development Association (IDA), provides a comprehensive review of the World Bank's activities, as well as information on the organisation's structure and work. The 2011 report focuses on the Bank's successes in providing client countries with risk management strategies and financial products to help reduce their vulnerabilities and become more resilient to natural disasters, along with addressing the effects of climate change. For more information and to access the report, please click [here](#).

MILKING THE POOR: HOW EU SUBSIDIES HURT DAIRY PRODUCERS IN BANGLADESH. By ActionAid Denmark (September 2011). As the EU looks to reform its Common Agricultural Policy, this report highlights the need to focus on the impact of EU milk subsidies on poor farmers in Bangladesh. The EU gives €5 billion to dairy farmers, which the report argues allows farmers to export milk products to foreign countries at below cost prices. The authors stress that this damages local markets and threatens the livelihoods of people employed by the dairy industry in Bangladesh, and urge for serious reform of the CAP's subsidy policies. For more information, or to download the report, visit the ActionAid Denmark [website](#).

IMPLICATIONS OF THE DOHA MARKET ACCESS PROPOSALS FOR DEVELOPING COUNTRIES. By David Laborde, Will Martin, and Dominique van der Mensbrugghe for the World Bank (June 2011). This World Bank working paper explores the question of whether the Doha agenda promises enough market access to make it worth pursuing. Focusing on the most recent modalities, the authors find that the formulas to cut agricultural tariffs would halve tariffs in industrial countries. In non-agricultural sectors, the formulas would sharply reduce the maximum tariffs facing developing countries and

cut average industrial country tariffs by more than one-third. The authors use a political-economy framework to assess which products are likely to be sheltered from the tariff-cutting formulas. According to their results, and in spite of the exceptions mentioned above, there are indeed likely to be worthwhile gains in market access. The working paper is available [here](#).

THE GREAT RECESSION AND IMPORT PROTECTION: THE ROLE OF TEMPORARY TRADE BARRIERS. Edited by Chad Bown for the Centre for Economic Policy Research and the World Bank (15 July 2011). The recession of 2008-2009 caused a negative shock to the global economy that provoked uncertainty as to whether the global trading system, and the policies which support it, could withstand such a hard blow and survive without nations reverting to protectionism. Although governments have been nowhere near as protective as during the Great Depression of the 1930s, they have been actively pursuing adjustments to their trade policies, the authors find. This book contains eleven economy-specific case studies that utilise detailed data from the World Bank's *Temporary Trade Barriers Database* to provide historical context as to how governments adjusted the scale and composition of their antidumping, safeguard, and countervailing duty policies during the crisis. For more information, or to download the book for free, click [here](#).

EVOLUTION OF ASIA'S OUTWARD-LOOKING ECONOMIC POLICIES: SOME LESSONS FROM TRADE POLICY REVIEWS. By Michael Daly for the World Trade Organization (August 2011). The author studies the evolution of trade and trade-related policies in the Asia-Pacific region since the establishment in 1989 of the WTO's Trade Policy Review Mechanism (TPRM). In particular, the Paper examines how reforms, either unilateral or in connection with bilateral, regional, or multilateral trade agreements, can be greatly facilitated by transparency, including cost-benefit analyses of policies and measures that take full account not just of the interests of domestic producers, but also those of other groups, including exporters and domestic consumers. To access the working paper, click [here](#).