



# Bridges Weekly Trade News Digest

*Weekly trade news from a sustainable development perspective*

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## LEAD STORIES

### Road to Ministerial Appears Murky as WTO Members Explore Options

The past week has seen a flurry of activity at the WTO in preparation for the upcoming December ministerial. With the event less than eight weeks away, delegations are pushing to finalise items for inclusion on the ministerial agenda before next week's 2 November deadline. Meanwhile, members are also exploring the option of an “early harvest” for some Doha items in an effort to move past the current negotiating impasse. Today also saw the General Council approve Vanuatu's accession to the global trade body.

The WTO General Council – the organisation's highest decision-making body outside of ministerial gatherings – met informally on Friday 21 October and then formally on Wednesday 26 October. The Trade Negotiations Committee (TNC) – tasked with the Doha Round of trade talks – also met on Friday to discuss the state of play of the negotiations.

### “Small steps” suggested for moving forward on Doha

WTO Director-General Pascal Lamy, [speaking](#) to the TNC on Friday, urged members that the “challenge before us is to convert the prevailing negative mood into something positive – a signal on forward movement.”

To that end, Lamy suggested that this be done via a series of “smaller steps,” instead of a major leap forward or revamping the Doha agenda.

The Director-General has been conducting a series of consultations with WTO members since the last TNC was held in late July. At July's TNC, members abandoned the plan to pursue an LDC-plus package oriented around the needs of least

developed countries (LDCs); the impasse led the Director-General to declare at the time that “what we are seeing today is the paralysis in the negotiating function of the WTO” (see Bridges Weekly, [28 July 2011](#)).

With regards to the “smaller steps” approach suggested on Friday, Lamy noted a convergence among members around advancing negotiations “in areas where progress can be achieved.”

“In other words, I sense a readiness to operationalise paragraph 47 of the Doha mandate, it being understood that this would be a step towards delivering on the entire Doha agenda,” Lamy explained.

Paragraph 47 refers to the WTO concept of single undertaking, where “nothing is agreed until everything is agreed.” However, the paragraph allows for agreements reached at an early stage to be implemented either provisionally or definitively – in other words, an “early harvest.” The paragraph adds that such agreements “shall be taken into account in assessing the overall balance of the negotiations.”

The approach the Director-General discussed would therefore involve moving away from the single undertaking, finding agreement on smaller issues for the time being. Should agreement eventually be reached on all Doha issues, the areas initially agreed upon would be reviewed in the context of the entire Doha package for balance.

Lamy stressed that “development should remain as a central theme of any outcome.”

The “small steps” suggestion and current state of play drew responses from several members. Some members, including Kenya on behalf of the African Group, marked their disappointment with the current impasse in Doha talks. Australia, speaking on its own behalf, cautioned that the worst outcome is more of the same.

Norway and Mexico both noted that an early harvest is necessary, given the difficulties in achieving consensus.

The US, in their [statement](#) to the group, recognised the progress in identifying possible

themes where members might converge. However, Ambassador Michael Punke cautioned that “we should not pretend that [this progress] is more or less than it is.”

“We can all choose to have a contest over who can profess their love for the DDA most emphatically. But that won’t accomplish anything. What we need are concrete substantive ideas – new ideas – that will help us to find a way forward,” he urged.

Along the lines of the paragraph 47 suggestion, China urged that “priority should be given to addressing the concerns of developing members” and called upon ministers, developed and developing alike, to put in a concerted effort to “continue to work out something tangible for the [least developed countries, or LDCs],” in line with the development mandate of the Round. At the July TNC, it appeared that members were struggling even to find consensus on what LDC-only issues, along with non-LDC issues, to include in the proposed Doha mini-package.

Concerns over the WTO’s ability to achieve progress were repeated by several members. China noted that, “whatever the case may be, [the ministerial] will be a litmus test of whether the WTO can still deliver. To be or not to be, it is in our hands.”

## EU proposal

While few specifics were suggested on the “small steps” possible on Doha, the EU did make a series of [suggestions](#) at Friday’s meeting for moving past the negotiating impasse. These included a call for a Trade Facilitation Agreement, coupled with special and differential treatment and appropriate supporting measures for developing countries. The EU argued that this would “represent a genuine win-win outcome for the membership and be of real value for our traders.”

Other EU suggestions included the removal of non-tariff barriers and improved functioning of the Dispute Settlement Mechanism, which would “reduce regulatory impediments to trade and reinforce the multilateral trading system”

Along the lines of further attempts at trade liberalisation, the EU suggested that members examine the possibility of targeted sectoral initiatives, adding that a number of such proposals are already under discussion in the non-agricultural market access (NAMA) negotiating group.

The EU also suggested that the present negotiating mandate be re-examined, and urged that ministers at December's gathering recognise that "the current multilateral rulebook is not adequately equipped to deal with emerging global challenges such as energy, food security, competition, and investment."

One developing country delegate, speaking to Bridges, noted that the EU proposal "didn't receive much of an echo" at the TNC meeting. The EU repeated its proposal at today's General Council meeting, putting the proposal on the record. TNC meetings are informal, and therefore not part of the official record; in contrast, formal General Council meetings are.

At the formal General Council meeting, the EU proposal drew disapproval from some members, particularly India. The latter stressed that this type of discussion had already been had before, and any new movement would need involvement from ministers.

One official from a least developed country told Bridges that, "my gut feeling, is that many members might not be comfortable" with attempts to bring new issues into the scope of the talks.

### **Ministerial agenda items remain unclear**

Delegations are currently testing out various proposals on non-Doha issues, given that an informal pre-existing 'gentleman's agreement' specifies that agendas for ministerial gatherings should be finalised six weeks ahead of such events – i.e. 2 November.

At Friday's informal General Council meeting, Chairman Yonov Frederck Agah stressed that "there is a clear need to advance rapidly in our preparations. This is a shared responsibility of us all."

With regards to the ministerial agenda, one LDC official told Bridges that it is currently "hard to say which items would be on the table or off the table"; more clarity is expected to come next week. However, the difficulties in finalising a ministerial agenda have prompted concern among some trade observers.

The Dominican Republic, speaking for the informal group of developing countries, stated at today's formal General Council meeting that the group is in the process of working through a number of proposals. The group asked the chair for applying flexibility with regards to the 2 November deadline – a request echoed by Bangladesh on behalf of the LDCs.

The chair did not make a decision in either direction with regards to the extension request, trade sources told Bridges.

At the informal General Council meeting on Friday, Bangladesh stressed that development must remain central to all discussions, and urged members to consider LDC proposals. Kenya added that the African group would be presenting draft proposals for the ministerial, specifically with regards to food security.

Along with Bangladesh on behalf of the LDC group and Kenya on behalf of African Group, Costa Rica, the EU, Mauritius on behalf of ACP Group, Switzerland, and Thailand all called for ministerial action on trade and development issues at Friday's meeting.

Other proposals being prepared for possible inclusion on the agenda include a work programme for regional trade agreements and improving guidelines for WTO observership of intergovernmental organisations.

Convergence is also lacking on what might serve as a ministerial outcome document. On Friday, Agah told members that his consultations showed some wanting a Ministerial Declaration, others a Ministerial Statement, while still others suggest that a summary by Ministerial Conference Chairman "may be all we can achieve."

## Vanuatu accession approved by General Council

The General Council today also approved the accession package of Vanuatu today; the country applied for WTO membership in 1995 and the Working Party concluded negotiations in May 2011. Vanuatu needs to ratify the deal by April 2012; 30 days after ratification, it would officially be the global trade body's 154th member.

"[Vanuatu's] membership will strengthen the multilateral trading system and provide this country with a stable and predictable trade environment." Lamy said.

Trade sources told Bridges that the accession of Vanuatu led to discussions today on the burdensome accession process for least developed countries (LDCs).

The LDC group within the WTO is working on various proposals for the agenda of the upcoming ministerial; one of the proposals is related to the accession process, the source noted.

## New negotiating group chairs

Chairman Agah also announced to the General Council that members have reached a consensus regarding new chairpersons for three of the WTO's negotiating committees. The three ambassadors will formally be elected as chairs at the next formal meeting of their respective committees.

New Zealand Ambassador John Adank will chair the Special Session of the Committee on Agriculture, Malaysia Ambassador Hiswani Harun will chair the Special Session of the Committee on Trade and Environment, and Jamaica Ambassador Wayne McCook will chair the Negotiating Group on Rules.

Adank will be replacing David Walker, the previous New Zealand Ambassador, who stepped down from the position in April to return for a post in Wellington (see Bridges Weekly, 28 September 2010).

McCook will be replacing Dennis Francis, the WTO Ambassador from Trinidad and Tobago,

who was elected to the post of rules group chair in July of last year (see Bridges Weekly, 14 July 2011).

Harun will be replacing Manuel A.J. Teehankee, the WTO Ambassador from the Philippines. Harun is currently the chairperson of the regular Committee on Trade and Environment.

ICTSD reporting.

## OTHER NEWS

### 'Green Economy' Generates Trade Concerns in Run-Up to Rio+20

Participants in recent regional meetings paving the way for the Rio+20 Conference next June have struggled to find agreement on the concept of a 'green economy.' While some see a redefinition of the economy in green terms as a path towards sustainable development, others fear the concept is synonymous with green trade protectionism and conditionalities – to the point where participants at one regional meeting chose not to mention the green economy in their meeting conclusions.

The past six weeks have seen four of the Regional Preparatory meetings for the United Nations Conference on Sustainable Development (UNCSD), or Rio+20, which is taking place next year in Rio de Janeiro on 4-6 June 2012. The Rio+20 Conference marks the twentieth anniversary of the 1992 United Nations Conference on Environment and Development.

The conference's objective is to secure renewed commitment for sustainable development and meet new and emerging challenges by focusing on two themes: the green economy in the context of sustainable development and poverty eradication; and the institutional framework for sustainable development.

The preparatory meeting for the Latin America and Caribbean Region took place from 7-9 September in Santiago, Chile; for the Arab Region from 16-17 October in Cairo, Egypt; for the Asia

and the Pacific Region from 19-20 October in Seoul, Korea; and for the African Region from 20-25 October in Addis Ababa, Ethiopia.

During the four regional preparatory meetings, the challenges with regard to the green economy as a Rio+20 theme cut across regions. The definition of the green economy came under challenge from a number of national delegations, with many wanting clearer answers before committing themselves. This was largely blamed on a lack of an internationally-agreed definition of the term 'green economy'.

Most clear, however, was the across-the-board insistence that the transition to a green economy must rule out any possible restrictions to trade.

### **Green economy at centre of debate in Latin America, Caribbean**

At the Latin America and Caribbean meeting last month, many delegations were sceptical of the utility of the green economy as a means of promoting sustainable development. Reiterating many familiar positions and concerns, some delegates questioned whether the green economy could potentially be used to justify the imposition of trade conditionalities on the basis of environmental standards as well as protectionist measures to insulate countries' own green industries.

Some delegates specifically questioned how complementary previously-stated development goals under the WTO's Doha Round of trade talks – especially with regards to special and differential treatment for developing economies – are with the implementation of the green economy.

Sources at the meeting told Bridges that even Brazil, the host of Rio+20, distanced itself from the green economy by shifting the discussion away from an attempt to clearly define the term, choosing instead to focus on sustainable development in the hope for more agreement.

These positions were translated into the official conclusion of the meeting, where no mention was made of the green economy.

### **Defining a green economy**

The discussion of green economy also featured towards the end of the Arab Region preparatory meeting. As a concept, delegates converged around it being a possible 'tool' of sustainable development, rather than replacing sustainable development.

Given the recent social upheavals occurring in the region, the discussion focused on some of the causes of this unrest. Pinpointing unemployment and poverty, participants suggested that the social side of sustainable development be brought to the fore at the Rio+20 Conference.

The Arab preparatory meeting ended with a set of recommendations on the green economy. These called for a clear definition, one that should not substitute sustainable development. The meeting also came up with a series of prescriptions of what the green economy should not be. These included, in particular, not allowing the green economy to become a means to limit the right of developing countries to utilise their natural resources, nor as a tool to exempt developed countries from their commitments in relation to their developing country partners.

### **The engines of green growth?**

The participants at the Asia and the Pacific meeting were more supportive of the green economy; according to Earth Negotiations Bulletin, "most [found] merit" with the idea. However, given the strong export interests of the region, there were many who also voiced concerns regarding potential restrictions and conditionalities.

In the 'Seoul Outcome' of the meeting, the green economy was firmly established as one of the means to achieve sustainable development within the limitations of national circumstances and stages of development.

### **Side event on trade and the green economy in Africa**

While delegates discussed similar issues as their counterparts in other regions during the official sessions of the preparatory meeting, they also

looked more in-depth at the linkages between trade and the green economy during a side event in Addis Ababa dedicated to this topic.

Event participants examined challenges and opportunities related to the green economy in the African context, hearing both from economists and exporters that have developed green products. The participants highlighted significant opportunities for African countries in a green economy, such as exports of organic agricultural products, forestry, and other certified products. However, they also said measures such as environmental standards need to be examined further and harmonised.

Additionally, some stressed that green subsidies used as a driver of the green economy should be time-bound and implemented according to WTO rules. One of the biggest development challenges for Africa itself is the move away from exporting raw materials and moving up the value chain in a sustainable manner, participants stressed.

The side event was co-hosted by ICTSD, the UN Environment Programme, and the UN Economic Commission for Africa. ICTSD is the publisher of Bridges Weekly.

### Next steps

A number of meetings remain in the coming months, with participants hoping to clear the discord surrounding the Rio+20 meeting and the themes that it will address in June 2012.

The final regional preparatory meeting will take place on 1-2 December in Switzerland for the European region.

The penultimate Intersessional Meeting of the UNSCD will then take place on 15-16 December in New York before the final Preparatory Committee Meeting in May 2012.

ICTSD reporting; “Summary of the UNSCD (Rio+20) Regional Preparatory Meeting for Asia and the Pacific: 19-20 October 2011,” EARTH NEGOTIATIONS BULLETIN, 21 October 2011; “Summary of the UNSCD (Rio+20) Arab Regional Preparatory Meeting: 16-17 October 2011,” EARTH NEGOTIATIONS BULLETIN,

19 October 2011; “Summary of the UNSCD (Rio+20) Regional Preparatory Meeting for Latin America and the Caribbean: 7-9 September 2011,” EARTH NEGOTIATIONS BULLETIN, 12 September 2011.

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## Disputes Roundup: China in the Spotlight over Zeroing, Internet Censorship

This past week has seen the US and China continue to spar over trade policies, drawing the attention of international trade law observers. While bringing a new “zeroing” dispute on anti-dumping duties on shrimp and diamond sawblades in its own right, Beijing was also recently asked by Washington to explain its internet regulation policies and the trade impact of periodically shutting down US business’ websites in China.

### Washington moves on Chinese website blocking; No formal dispute yet

Last week Washington summoned Beijing to provide detailed information on why it appeared to be blocking certain websites of US firms. The nearly fifty-question filing was submitted under Article III of the WTO’s General Agreement on Trade in Services (GATS), which mandates member states to reply promptly to all questions on trade barriers.

Having a website presence in China has become increasingly important for businesses operating from abroad, as it provides one of the few access points to the huge East Asian market. Inaccessible websites prevent service suppliers from offering their services.

“A number of US businesses, especially small- and medium-sized enterprises, have expressed concerns regarding the adverse business impacts from periodic disruptions to the availability of their websites in China,” US Trade Representative (USTR) Ron Kirk said in a [statement](#).

Accordingly, the US is seeking “detailed information on the trade impact of Chinese policies that may block US companies’ websites,

creating commercial barriers that especially hurt America's small business," he continued.

Washington hopes to settle the issue bilaterally with China without having to resort to formal dispute settlement proceedings at the WTO.

The questionnaire submitted to Beijing inquires, amongst others, on the guidelines and criteria for blocking access to websites, the responsible ministry, and with whom affected businesses can communicate if there has been a misunderstanding and whether there is an appeals process.

Other questions relate to a possible notification procedure: "Would Chinese authorities consider it reasonable to notify the owner of a web hosting service that one or more sites that the service hosts are being blocked in China, so that the web hosting service can ensure that other legitimate sites are not inadvertently blocked? Are Chinese authorities already doing this?" the submission asked.

Finally, Washington also expressed a wish to understand how Beijing defines "illegal information."

America's industry applauded the move as the "important first step towards holding the Chinese government accountable for its unfair use of Internet restrictions."

"Just as the new and networked world has given rise to a new form of digital trade, our industry confronts a new form of digital trade barriers," Edward Black CEO of the US Computer and Communications Industry Association (CCIA) explained in a letter to Kirk.

"CCIA has long advocated the need to treat Internet restrictions and censorship as a market access issue, and that government efforts to disrupt the free flow of information should be characterised as barriers to trade."

The issue, however, is rather delicate, reaching beyond the two countries' trading relationship. China's "Great National Firewall," which is responsible for the website blocking, is essentially the censorship mechanism used by Beijing to

control what it considers illegal or dangerous internet content.

Internet giants such as Facebook, Youtube and Google have long criticised the mechanism; only last year Google withdrew its China mainland activities in response to continuous difficulties with China's censorship policy. The mechanism is also on the radar of human rights activist groups.

Wary of this sensitive nature, Kirk underlined that Washington's request "relates specifically to the commercial and trade impact of the Internet disruptions."

Michael Punke, US Ambassador to the WTO, further stressed in a letter to his Chinese counterpart that the US was not challenging China's "restrictions on free speech," even though Washington believes that "economic and social development of the Internet globally is best served by policies that encourage the free flow of information and prioritize individual empowerment and responsibility."

A similar issue was put before the WTO when Washington challenged China's censorship policy for audiovisual services. In that instance, the Appellate Body handed a victory to the US (see Bridges Weekly 13 January 2010 and 7 September 2009). During that dispute the parties managed to clearly separate between the political and trade aspects of the policy.

### **US pushes for quick resolution of "zeroing" dispute with China**

Zeroing is back on the WTO agenda once more, with the Dispute Settlement Body (DSB) establishing on 25 October a panel to examine US anti-dumping duties on Chinese shrimp and diamond sawblades. The panel establishment was not opposed by the US after Washington and Beijing agreed to co-operate on accelerating the proceedings and enabling the panel to circulate its report as quickly as possible.

With the US having lost more than a dozen cases on the practice of "zeroing" at the global trade body, Washington now appears to have surrendered, aiming instead to solve disputes



quickly without investing too much litigation resources.

“While the United States believes that the initiation of this dispute was unnecessary, [we are] pleased that the parties were able to reach a procedural agreement which should expedite the proceedings and decrease the burden on the parties and the dispute settlement system,” a US representative stated during the DSB meeting on 25 October.

Beijing and Washington agreed to a set of special procedures and arrangements to be proposed to the panel, with the aim of enabling the three-member panel to conclude its work three months after its composition at the latest. Amongst other proposals, the parties suggested limiting themselves to only one written submission each and only one substantive meeting, along with sharing all drafts of their respective arguments prior to submission.

In addition, independent of the formal proceedings, Beijing and Washington have agreed to exclude certain legal arguments previously employed by the US in other zeroing cases.

Earlier this month, China had asked the WTO to establish a panel after consultations between the two parties failed earlier this year. China claims that the imposition of anti-dumping duties on its shrimp and diamond sawblade trade with the US is contrary to WTO rules, given Washington’s use of zeroing to calculate the average dumping margins.

The US Department of Commerce had initiated investigations on shrimp and diamond sawblades from China in 2004 and 2005 respectively and subsequently decided to impose anti-dumping duties on these products.

Anti-dumping duties are meant to target products whose price abroad is lower than that in their country of origin.

The zeroing methodology treats negative dumping margins – where there is no dumping but the export price is actually higher than the home market price – as equal to zero in the calculation of average margins. Consequently, the US found

dumping where, without zeroing, the margins would have been lower, *de minimis*, or even negative. By doing that, the zeroing practice inflates the apparent amount of dumping.

ICTSD reporting; “US pushes China to explain commercial internet curbs,” REUTERS, 19 October 2011.

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## WTO Accession: Russia Strikes Deal with EU

Russia and the EU announced on Friday 21 October that they had reached an agreement regarding Russia’s accession to the WTO. While disagreements continue between Russia and neighbour Georgia, the EU agreement puts Moscow one step closer toward becoming the global trade body’s next member.

This membership bid for Russia has been in the works since 1993, making Russia the largest economy still outside of the global trade body.

European Trade Commissioner Karel De Gucht, told reporters on Friday that “We have struck a deal on the final outstanding bilateral issues, leaving the way open for Russia to join the WTO by the end of the year.”

One of the main points of contention between the EU and Russia was Russian incentives to domestic automobile producers. In announcing the deal, the European Commission outlined a compensation mechanism that will come into effect should exports of EU car parts to Russia decrease owing to the new investment regime. The mechanism is aimed at calming fears that Russian WTO membership would have an adverse effect on EU jobs.

The Commission mentioned several other resolved issues, including “clearer rules for exporting agricultural products and foodstuffs to Russia, and a reliable quota regime for wood exports.”

The EU was also able to secure a guarantee from Russia to amend a system that had proven costly to EU airlines in the past. Russia agreed to



implement changes to their system of taxing European flights over Siberia, an agreement initiated back at a 2006 EU-Russia summit in Helsinki. This tax has levied about €320 million in annual charges, according to a study by the Association of European Airlines, for European airlines whose flights to Asia cross over Siberia.

The Russian economy would also stand to benefit from a WTO membership, especially after suffering during the global financial crisis, experts say. Anders Aslund, a Senior Fellow at the Peterson Institute for International Economics, a Washington-based think tank, stressed to Bridges that “Russia had a declining GDP of 8 percent in 2009 – the most of any G20 country.”

Along those lines, Randi Levinas, the Executive Vice President for the US-Russia Business Council and Executive Director of the Coalition for US-Russia Trade, told Bridges that the accession of Russia would send a very important and positive message to the business community.

Joining the global trade body would both open up trade and provide “an environment in which you have certainty in terms of rules and transparency in terms of how the rules are made,” she explained.

### Consensus issue

However, the path forward to Russia’s membership bid still has several hurdles.

Traditionally, members have joined the WTO with the consensus of all current members. However, Russia’s ongoing disputes with Georgia, a WTO member, have made achieving consensus a difficult task.

Russian-controlled enclaves in Georgia, South Ossetia and Abkhazia, have been a topic of dispute between the countries – leading to a short war in 2008. The Georgian Ministry of Foreign Affairs stated as recently as last month that Russia has been proactively and continually “seeking to undermine Georgia’s statehood, sovereignty and territorial integrity.”

Georgia has requested that Russia increase trade transparency along these borders, stating that

power should be ceded to allow international officials to monitor cross-border trade.

Talks between the two have been generally slow and in some cases unsuccessful; such was the case last week where the “meeting ended with no result again,” said Georgia’s Deputy Foreign Minister, Sergi Kapanadze.

### US continues strong accession push

The US has also been pushing for Russian accession, with Chris Wilson, the Assistant US Trade Representative, stating at a US-Russia Business Council meeting earlier this month that Russian membership in the WTO “is one of the Administration’s top priorities this year for the US-Russia relationship.”

Aslund said that the US should be very interested in Russian accession because “[it] is one of the few ‘game-changers’ in the Russian system.”

However, the tensions between Russia and Georgia have made the US-Russia relationship more nuanced.

The administration of US President Barack Obama has been lobbying and supporting the end of a Cold War era restriction on trade with Russia – the Jackson-Vanik amendment – which 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).

Some US politicians are crying foul at the attempts to support Russia’s accession in light of the current conflict situation.

Two US Senators, Republicans Roy Blunt and James Inhofe, recently sent a letter to US Trade Representative Ron Kirk and Secretary of State Hilary Clinton insisting that “it should not come as any surprise that Georgian leaders are insisting on maintaining at least some semblance of territorial integrity through the customs process.”

Speaker of the House John Boehner, also a Republican, agreed that “[the] administration

should resolve this stalemate in a manner that respects the territorial integrity of Georgia.”

Counting on the need for Congress to approve “permanent normal trade relations” (PNTR) with Russia, Boehner has threatened to block any sort of legislation until this dispute is justly resolved.

Despite these hurdles in the Russia-US relationship, Aslund noted that both Russia and the US would benefit from WTO accession. Citing World Bank statistics, he noted that accession could increase Russian gross domestic product (GDP) by 11 percent in the long run due to foreign direct investment and increased competition in services; US exports to Russia could also double, he added.

Levinas, of the US-Russia Business Council, noted that if Jackson-Vanik remains in place and PNTR is not granted to Russia, “many aspects of the current US-Russia commercial relationship will not be at a state-of-the-art WTO level.”

She cited a series of areas that would be lacking if accession did not move forward, including access to dispute settlement, sanitary and phytosanitary measures, technical barriers to trade, and notably intellectual property rights.

### Prospects for negotiations

The WTO Ministerial is scheduled for 15 to 17 December; the WTO Working Party on Russia’s accession is scheduled to meet on 10-11 November. Russian accession has largely been considered one of the major goals for the December gathering.

Levinas admitted, “this has been a chequered process where there’s been engagement followed by large periods of time where nothing has moved forward.”

“However, the US-Russia Business council is hopeful that this unofficial deadline, of the December Ministerial, will motivate action towards completing the accession, because delays into 2012 could raise questions of how committed everybody is going to stay to the process,” she suggested.

ICTSD reporting; “EU, Russia clinch deal on WTO,” ASSOCIATED PRESS, 22 October; “Boehner Says Russia’s Trade Status Depends on Georgia Border,” BLOOMBERG, 26 October; “Georgia: No WTO deal with Russia, to talk again,” REUTERS, 20 October; “US senators back Georgia in WTO talks with Russia,” REUTERS, 19 October; “Russia Nears WTO Membership, Clearing EU Hurdle,” WALL STREET JOURNAL, 22 October 2011.

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## US Farm Bill Talks Push Forward at Breakneck Pace

A fast approaching deadline has kicked negotiations for the US 2012 omnibus farm legislation into overdrive. The domestic US budget debate has pressed lawmakers into an unusually sharp timeline to reach a compromise between various agricultural interest groups.

Some observers have [speculated](#) that a farm bill process that typically takes a year may now be squeezed into two weeks.

The speed of the process has been determined by a 23 November deadline for the US Congress Joint Select Committee on Deficit Reduction, better known as the Super Committee, to recommend US\$1.5 trillion in cuts to federal spending over ten years. If the Committee fails to make the recommendations by the established date, US\$1.2 trillion in automatic cuts across the board, with exceptions for nutrition and conservation programmes, will be triggered over the same period.

The twelve member Super Committee is evenly divided between the Senate and House of Representatives, and evenly split between Republicans and Democrats. The results of the closed door negotiations will lead to an “up or down” vote on 23 December by both chambers of Congress.

In a [letter](#) to the Super Committee last week, the chairs from the House and Senate Agriculture Committees – responsible for determining farm spending – outlined a plan to reduce farm spending by US\$23 billion over the typical five

year period of the legislation. In contrast, the administration of US President Barack Obama had [proposed](#) savings of US\$33 billion.

For the Congressional agriculture committees to play their usual role in determining farm policy, recommendations will need to be submitted to the Super Committee. Any package that it offers would have to either be rejected or accepted in its entirety, leaving little room for modification or debate. Agriculture Committee chairs are [expected](#) to submit a detailed proposal to the Super Committee by 1 November.

### Many competing ideas

With the deadline fast approaching, a vociferous debate has ensued, with many competing lobbies putting forth their own proposals. A recent paper by the Congressional Research Service, a legislative branch agency that provides Congress with policy and legal analysis, described ten different proposals from legislators and farm lobbying groups on how to change spending. In the two weeks since the paper's release, several other lobbies have introduced additional proposals.

Environmental conservation and nutrition programmes are likely to face a minimal reconfiguration of spending. Lawmakers have instead focused on the annual US\$15 billion "farm safety net," or programmes that support commodities, which help farmers manage risk through insurance and provide relief in the case of natural disasters not covered by insurance.

The direct payments that are favoured by economists for minimising trade distortions in the farm sector – described by many as the most politically controversial element – are ostensibly on the chopping block. Additionally, significant revisions to crop insurance schemes could be in the works.

The American Farm Bureau Federation (AFBF), a major US farm lobby organisation, came out last week [against](#) a "shallow loss" scheme envisaged by legislators to replace or change commodity support programmes, such as direct payments, the Average Crop Revenue Election (ACRE), and the Supplemental Revenue Assistance Payments

Program (SURE). The shallow loss programme would use a base price to pay farmers in the case of even minor losses, ranging between 5 and 10 percent, ensuring a steady income.

The Bureau worried that protection against shallow losses may lead farmers to take on more risk than market determinants would warrant, drive up the price of land and make it harder for smaller or newer entrants to agriculture to survive. Critics of the AFBF, such as the National Sustainable Agriculture Council, have [noted](#) that farm policies currently in place have already had similar effects.

House Agriculture Committee Chair Frank Lucas, a Republican from Oklahoma, in an [interview](#) yesterday with US radio programme Agritalk, said that he would "jump through the narrowest crack and the tightest window" to tie down resources that are available for a farm bill for the next five years.

Lucas predicted US\$6 billion in cuts from conservation efforts, US\$4 billion from nutrition programmes, and US\$15 billion in cuts from commodity programmes over the 10 year period under consideration by the Super Committee.

Agricultural Economist Daniel de la Torre of the University of Tennessee told Bridges that competing proposals from different lobbies were typical of the farm bill process. However, the decision-making power of the Super Committee would "short circuit" that process. Farm organisations do not know who to lobby and traditional committees may not be the "final arbitrators" of the farm bill, he added.

"If anyone tells you that they know what's going to happen, don't believe them," emphasised Mark Muller of the Minneapolis-based Institute for Agriculture and Trade Policy. Cautioning that the recent flurry of farm bill proposals was partly due to the lack of transparency in the farm bill process, he worried that the make up of the legislation would not be clear until after it had passed.

## Major changes unlikely

Although the farm bill often includes internal battles in Congress that pit agriculture committees versus budget committees, Democrats versus Republicans, even Northern versus Southern crops, fundamental changes in levels of support or the instruments of support this time around were “unlikely,” according to Professor Robert Paarlberg of Wellesley College.

Paarlberg added that the shallow loss programme, for example, would calculate its payout based on recent high prices, and described it as an attempt to lock in the high price benefits that farmers are now enjoying “in the name of an insurance scheme.”

Farm commodity prices and incomes have been at record highs this year. Although prices for several key goods, such as cereals and oilseeds, have decreased substantially in recent weeks, they still remain at historic levels. The UN Food and Agriculture Organization’s Global Food Price Monitor shows that [its](#) index of food prices is still higher than the same time last year.

Paarlberg noted that, regardless of high or low prices, the Agriculture Committees traditionally attempt to ensure that as much as possible within the agriculture baseline budget projections is spent. He pointed to the food price spike of 2007/8 and the absence of reform as evidence of the power of the agriculture committees over the process. Describing it as wasteful, then-President George W. Bush vetoed the 2008 farm bill, only to have Congress pass the measure again with an overriding majority (see Bridges Weekly, [28 May 2008](#)).

## Trade distortion less relevant, focus should be on ethanol, some experts suggest

High prices in recent years have made the trade distorting effects of US farm policy less relevant, including the proposals on the table for the current farm bill, some experts say.

Commenting on the relationship between the WTO’s Doha Round of trade talks and the US farm bill debate, de la Torre said that, for a long time, the “WTO has focused on something that

does not have the impact that we want to believe it has.” In an environment of high prices, farm production was no longer tied to payments from the government, he explained.

Paarlberg provided a similar critique, offering that the weakened link between government farm payments and production, or decoupling, and high prices have “significantly diminished the US’ trade distorting effect.”

Trade negotiators in Geneva “shouldn’t really care” about the US farm bill, de la Torre opined. Adding that there was nothing that would make or break a trade deal in the bill, he said that the elimination of the US tariffs on ethanol imports and a tax rebate was perhaps more important.

A debate this summer on ethanol subsidies, up for renewal at the end of this year, has piqued the interest of many analysts. Support for the payments remains questionable in the current budgetary climate in the US.

Given the uncertainty that remains around the legislative process, Muller was reminded of 2002 and 2008, when the farm bill was expected to pass any day, yet still played out over the course of a year. “I’m betting this will go into the next year,” he concluded.

ICTSD reporting.

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## Rare Earths: Largest Chinese Producer Shuts Off Production for a Month

While the WTO has been quiet as of late on the contentious rare earths front, trade in the precious materials has been shaken quite a bit over the past months. The global rare earths market has recently experienced massive upheaval, with prices falling sharply in June 2011. In response, China’s largest rare-earth producer, Inner Mongolia Batou, announced last week that it would be halting production for four weeks’ time.

Rare earths are needed in essentially every area of high-tech production, be it for pharmaceuticals,

military equipment, green energy technology, or information technologies.

The 25 percent price drop since June is the result of a series of factors. These include the devastating tsunami in Japan in March of this year, which slowed down production in the major export nation and consequently reduced global demand substantially. The lingering global economic crisis has further weakened the market, while manufacturers world-wide are increasing their efforts to reduce their dependency on China by strengthening rare earth production capacities outside the East-Asian country.

China controls more than 95 percent of the global rare earths market, which makes its mining sector quite sensitive to sudden price drops. On the other hand, holding this quasi-monopoly position allows Beijing to influence world market prices to a considerable extent.

Since 2008, rare earth prices rose from US\$ 10 per kilogramme (for a basket of rare earths) to over US\$ 200 in early 2011. Prices increased only after China started imposing export quotas for the precious materials.

The recent production halt could similarly, though less severely, impact global supply. China Batou is responsible for about half of all global rare-earth production; shutting it down for a month is expected to remove 5,000 metric tons of rare earth from the market, an RBS analyst told the Wall Street Journal in October.

### **Foreign manufacturers pursuing other options**

Meanwhile, fearing a shortage in rare earth supply coupled with the increased competition of Chinese companies, Western manufacturing giants have started establishing joint ventures with non-Chinese mining companies to build their own production sites and thus guarantee future access.

Lynas, an Australian rare earth mining company, began collaborating this summer with Germany's Siemens and expects to start its first shipments of rare earths next year (see Bridges Weekly 20 July 2011).

While not necessarily pleased with the price drop, Beijing nonetheless has welcomed these efforts. The government has long argued that its quota and other export restrictions are informed by nature conservation efforts, rather than by protectionist aims as claimed by Beijing's trading partners.

In August, Beijing closed down several illegal rare earth mines and confiscated unapproved stock piles, measures that the government claims to be part of a larger nature conservation programme aimed at reducing production. This is not the first instance of Beijing taking such a step; China has been attempting to reduce illegal mining since 2009.

In addition, China argues that many of its resources face depletion in the coming decades. Competitor Lynas expects China to become a net importer of rare earths as early as 2015, as company CEO Nick Curtis told the Financial Times this month in an interview.

### **Export restrictions in a WTO context**

With China's economy booming, making more and more use of the rare earths itself, the nation thus clearly has an interest to keep its resources. However, export restrictions and duties of almost any kind are prohibited under China's WTO accession protocol, as recently confirmed by a WTO panel in a dispute over other raw material exports from China (see Bridges Weekly, 6 July 2011).

The export restriction system that was the subject of that dispute is very similar to the one used with regards to rare earths.

Much less high-profile but equally telling in this regard is a recent resource trade agreement between rare earth net-importer Germany and Mongolia. The agreement, meant to secure Germany's energy supply, amongst others, promises the European country limitless raw material exports.

The agreement prevents Mongolia from implementing future export restrictions for raw materials and calls upon the country to eliminate

any existing programmes in cases where they impact trade with Germany.

The deal is only one of many that aim to secure free trade in natural resources, including rare earth. While some recently acceded WTO members have vowed to eliminate any export restrictions – including China – general WTO disciplines allow export duties and only outlaw quantitative restrictions.

ICTSD reporting; “Lynas plays down fears of China rare earths plot,” FINANCIAL TIMES, 19 October 2011; “Germany Playing Catch-Up in Scramble for Resources,” SPIEGEL ONLINE, 14 October 2011; “China Baotou to Halt Rare Earth Operations for One Month,” WALL STREET JOURNAL, 19 October 2011.

## IN BRIEF

### Ag Policy: CAP Reform Debate Ramps Up at European Council

The European Commission’s latest proposed reforms of its Common Agriculture Policy (CAP) sparked a strong response from EU member states at a meeting last week in Luxembourg, with many questioning the actual benefits of the measures outlined in the plan.

The proposed reforms for post-2013 agricultural policy were outlined by European Agriculture Commissioner Dacian Cioloş, who spoke to agriculture ministers at a 20 October meeting of the Council of the European Union in Luxembourg.

Ministers’ reactions echoed the mixed reception of the proposals when they were first unveiled to the European Parliament earlier this month (see Bridges Weekly, [14 October 2011](#)).

The 27-member bloc’s farm subsidy scheme has drawn fire over the years from taxpayers, consumer groups, aid agencies, and environmentalists, who find that the CAP is detrimental both to the environment and to the

welfare of developing country farmers, along with wasting scarce resources.

Such concerns prompted reforms that reduced the use of ‘coupled’ subsidies linked to production in favour of the presumably less trade-distorting ‘decoupled’ income support, in the form of direct payments to farmers.

### Questions arise on multiple fronts

While Germany and France supported the ‘greening’ objective, they both questioned the measures that the Commission proposed for meeting such a goal. The proposal would require that 30 percent of direct subsidies be made dependent upon farmers meeting criteria such as crop diversification and land being set aside for ecological purposes.

“Yes to the ‘greening’ principle, but no to the terms as they are currently presented,” French agricultural minister Bruno Le Maire urged fellow ministers at last week’s meeting. Meanwhile, German farm minister Ilse Aigner expressed doubt that the environmental contributions would operate “in harmony with the objectives of food security and energy resources.” Ministers fear that new environmental conditions will reduce European agriculture’s productivity and increase its dependency toward imports.

The UK, Spain, and Sweden, among others, expressed their disappointment that the proposal was not going far enough. “This package is a missed opportunity,” Britain’s farm chief, Caroline Spelman, stressed. While the Commission, in her view, correctly identified the upcoming challenges - food security and climate change - it failed to offer an appropriate response.

Underlining the limits of the proposal, Spanish environment minister Rosa Aguilar also argued that a gender approach would be necessary for the CAP to play its role in the future. She suggested that the CAP should “integrate measures directed to women farmers,” as they constitute the “backbone of the agricultural sector.”

Many ministers also fear that the reform would increase the administrative burden on farmers, claiming that the proposal fails to simplify



complex rules and regulations. Several countries also underlined the risk to the competitiveness of European agriculture from implementing environmental practices that might be more costly and bureaucratic.

### **Proposals “better received than expected,” official says**

In a press conference following the event, Polish agriculture minister Marek Sawick declared that criticisms were “normal because [the CAP proposal] is a starting document, a base document.” Poland currently holds the presidency of the Council of the European Union.

Despite the above-mentioned criticisms, Agriculture Commissioner Dacian Cioloş stressed that “the proposal has been better received than expected.”

“We are at the beginning of a very difficult road. It is yet another lesson in democracy, trying to find a compromise,” Sawick added.

### **Next steps for CAP reform**

Due to changes brought into force by the Treaty of Lisbon, the Parliament has to approve the agricultural reform, along with the Council, which is composed of the governments of the 27 EU member states.

The Parliament and the Council can suggest amendments to the Commission proposal and have to agree on a similar version of the text. After a first vote at the Council, the amended text will reach the Parliament for discussion and vote. By April, a new draft of the document is expected.

Debates on the proposal and amendments will follow before the text is adopted. The legislative procedure allows three attempts for reaching agreement on the proposals.

ICTSD reporting; “Big EU states attack plans for green farm reforms,” REUTERS, 20 October 2011, “The legislative timeline for CAP reform”, capreform.eu, 21 October 2011.

## **WIPO-led Initiative to Tackle Neglected Tropical Diseases**

The World Intellectual Property Organization (WIPO) launched a new consortium today, 26 October, aiming to accelerate the discovery and product development of medicines, vaccines, and diagnostics, with the goal of developing new solutions for those suffering from neglected tropical diseases (NTDs), malaria and tuberculosis.

The initiative is part of efforts to ensure that the intellectual property system can positively contribute to foster research and development (R&D) and innovation that tackle such diseases, as well as greater access to relevant treatments.

The initiative, named WIPO Re:Search, would provide qualified researchers all around the world with access to valuable intellectual property that could be used to develop ways to address NTDs, malaria and tuberculosis. It has been jointly launched with BIO Ventures for Global Health, a non-governmental organisation that is “committed to helping biopharmaceutical companies find ways to participate in global health.”

The World Health Organization (WHO) estimates that over one billion people are affected by neglected tropical diseases such as dengue fever, African sleeping sickness, and rabies, in addition to malaria and tuberculosis.

Currently eight pharmaceutical companies have signed on to the initiative, in addition to other institutions, including the US National Institutes of Health (NIH) and the Massachusetts Institute of Technology (MIT), among others.

### **Initiative “first step of a long journey”**

The “licenses will be available free of charge for least developed countries; for other developing countries, the costs will be negotiated,” said WIPO Director-General Francis Gurry during the press conference.

WHO Director-General Margaret Chan lauded the initiative, noting that “the demand for these products is huge since market forces fail to drive



innovation in NTDs.” Though the WHO cannot join as a member of the consortium, the organisation is providing technical advice and expertise.

“We are your biggest cheerleader,” Chan said at a roundtable for the initiative’s launch.

Also welcoming the initiative, Kenyan Ambassador to the United Nations Tom Mboya Okeyo reminded reporters at the launch that “this is the first step of a long journey; the most important thing is what happens in the future.”

### Initiative’s potential

David Brennan, CEO of AstraZeneca – one of the providers under the initiative and the world’s seventh largest pharmaceutical company– assured that his company would make all of their nearly 1,400 patent families available in the database and added that “patent rights do not have to be a barrier to access to health care.”

“While some of our intellectual property is not intuitively oriented towards NTDs, it may be that researchers will find some value that we might not have seen... The more information we can make available, the more likely it is that we can contribute to solutions,” he noted.

Gurry also underscored that WIPO Re:Search is “entirely in the spirit of the Development Agenda,” the 45 recommendations that seek to mainstream the development dimension into WIPO’s work.

Responding to questions regarding the relationship of this initiative to others already in place, such as the Medicines Patent Pool, Don Joseph – Chief Operating Officer (COO) of BIO Ventures for Global Health – said “strictly speaking, the Medicines Patent Pool relates to commercial products for HIV/AIDS; this is a R&D initiative and is not aimed at commercial products per se. It also does not include HIV/AIDS. The scope is different”

### Mixed response

Reacting to the initiative, Médecins Sans Frontières – the Nobel award-winning

international medical humanitarian group – criticised the ‘timid’ licensing terms. They stated that, “by agreeing to licensing terms that have an unacceptably limited geographic scope, WIPO is taking a step in the wrong direction and setting a bad precedent for other licensing arrangements.”

MSF called upon WIPO to expand the scope of this initiative to cover, as a minimum, all disease-endemic developing countries.

On its part, the Drugs for Neglected Diseases initiative (DNDi), a public-private partnership working to deliver new treatments for neglected diseases, welcomed the WIPO initiative, indicating that it plans to join it both as a provider and likely user.

However, DNDi also called WIPO to “take a step further in terms of access, especially by including not only the least developed countries but all neglected disease-endemic countries and for “more transparency in licensing practices that have a public health goal.”

“We have to go beyond the minimum” added Bernard Pécoul, Executive Director of DNDi, in a press statement.

ICTSD reporting.

## EVENTS & RESOURCES

### Events

#### Coming soon

27-28 October, Beirut, Lebanon. ARAB FORUM FOR ENVIRONMENT AND DEVELOPMENT (AFED) ANNUAL CONFERENCE. This annual conference will debate an AFED report on the development of green economy in Arab countries. Topics for discussion include competing in a low-carbon global economy; necessary economic development policies for ensuring food and water security; and how economic activities and population growth affect natural resources, all in the context of the Arab world. The conference aims, among other

things, to explore green economy possibilities and applications, while giving participants the opportunity to learn about global trends and technologies in low carbon management. The report that serves as the basis for the conference will also be taken to the United Nations Framework Convention on Climate Change (UNFCCC) this Durban this December. For more information, visit the event [website](#).

27 October, Geneva, Switzerland. THE REAL WEALTH OF NATIONS ROUNDTABLE. This roundtable discussion will be hosted by the Global Footprint Network (GFN). In light of the recent struggles of the financial world, ecological resources appear to be taking on a more significant role in determining a nation's wealth and competitiveness. The GFN, which works to bring ecological issues to the fore in the decision-making process, will present their latest research on how ecological constraints change how people understand the success of nations. Speakers include the President of the GFN, along with officials from the UN Environment Programme and the Swiss Federal Office for the Environment. For more information, please click [here](#).

1-3 November, Addis Ababa, Ethiopia. INCREASING AGRICULTURAL PRODUCTIVITY AND ENHANCING FOOD SECURITY IN AFRICA: NEW CHALLENGES AND OPPORTUNITIES. This conference is being organised by the International Food Policy Research Institute, in conjunction with the African Union Commission, the United Nations Economic Commission for Africa, and the Forum for Agricultural Research in Africa. Event organisers hope to provide a forum for exchanging experiences and ideas for improving agricultural productivity for achieving food security in Africa. Topics for discussion include: science, technology, and innovation in agriculture; rural service provision and access to factors and inputs for production; food reserves, markets, trade, and regional integration; and much more. Key issues raised and suggested policy solutions from the event will be edited into a synopsis report; following that, full papers will be developed as chapters of an edited book on the subject. For more information and an event program, 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.

October 27: Committee on Rules of Origin

October 27-28: Committee on Safeguards

October 28: Working Party on State Trading Enterprises

October 28: Committee on Customs Valuation

October 28: Working Party on the Accession of Samoa

October 31: Committee on Trade in Financial Services

October 31: Committee on Budget, Finance and Administration

November 1 + 3: Trade Policy Review Body – Cambodia

November 1: Working Party on GATS Rules

November 2: Committee on Specific Commitments

## Other Upcoming Events

16-18 November, Tokyo, Japan. TOKYO GREEN INDUSTRY CONFERENCE 2011. This conference aims to highlight environment/resource conservation practices that benefit businesses, the environment, employees, consumers, and communities. The event is being co-organised by the UN Industrial Development Organization (UNIDO) and Japan's Ministry of Economy, Trade and Industry. Discussions will centre on policy and business solutions for

achieving a widespread uptake of proven techniques and technologies, along with enabling innovation for longer term solutions toward greater reductions in resource use and pollution. This event aims to position green industry as the sector strategy for green growth and green economy, while providing an opportunity for showcasing technology and related solutions relevant to developing and emerging countries in Asia and worldwide. Over 700 participants are expected, including government officials from 26 developing or emerging countries. For more information, please visit the event [website](#).

21-25 November, Kigali, Rwanda. MINISTERIAL CONFERENCE ON RURAL INFRASTRUCTURE FOR IMPROVED MARKET ACCESS. The African Union, with the Comprehensive Africa Agriculture Development Program (CAADP), will be hosting this conference. The event conference will explore possible areas to build upon to ensure regional and international market access for African smallholder farmers. Challenges facing this group are poor quality of rural infrastructure and affordable resource availability –two of several issues this conference will address. Under the umbrella of the CAADP efforts, discussion will also consider sustainable land management, food supply, and agricultural and technological research. Five regional studies will also be conducted to provide insight into the problem solving process. For more information on this event, you may view the concept report [here](#).

8-10 November, Geneva, Switzerland. AD-HOC EXPERT MEETING ON THE GREEN ECONOMY: TRADE AND SUSTAINABLE DEVELOPMENT IMPLICATIONS. Hosted by the United Nations Conference on Trade and Development (UNCTAD), in collaboration with UN Department of Economic and Social Affairs (UN DESA) and the UN Environment Programme (UNEP), this event will focus on the conditions needed for making the transition to a green economy. Key topics for discussion will include political and economic feasibility of this transition, technology and finance, investment in global supply chains, and more. Event organisers hope that these discussions will serve to elaborate recommendations for contribution to the United Nations Conference on Sustainable Development

(UNCSD, or Rio+20) in June of next year. For more information, please visit the event [website](#).

5-6 December, Durban, South Africa. THE DURBAN TRADE AND CLIMATE CHANGE SYMPOSIUM. This symposium, co-organised by ICTSD, the WTO, and the Department of Trade and Industry (DTI) of the Republic of South Africa, will cover various topics within the trade and climate change sectors. By bringing together climate delegates, academics, policy analysts, and representatives from IGOs and NGOs, these discussions will analyse current issues in climate change and development, as well as consider the future of the linkages between the multilateral trade and climate change regimes. Event partners now include Cambridge Econometrics, Climate Strategies, Center for International Forestry Research (CIFOR), Environment and Trade in a World of Interdependence (ENTWINED), Food and Agriculture Organization of the United Nations (FAO), Friedrich Ebert Stiftung (FES), International Food Policy Research Institute (IFPRI), International Institute for Sustainable Development (IISD), National Foreign Trade Council (NFTC), South African Institute of International Affairs (SAIIA), Swedish Standards Institute (SIS) Trade Law Centre for Southern Africa (TRALAC), and the World Intellectual Property Organization (WIPO). This will be held in parallel with the UNFCCC Conference of the Parties (COP). For more information, or to register, please click [here](#).

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## Resources

THE DOHA DILEMMA: IMPLICATIONS FOR KOREA AND THE MULTILATERAL TRADING SYSTEM. By Jeffrey Schott for the Peterson Institute for International Economics (September 2011). 2011 marks the ten year anniversary of the Doha Development Agenda and the negotiations' ongoing struggles have led many to question their future. This report focuses on the current impasse in the Doha Round, specifically in regards to the implications for South Korea and the world trading system. The paper recommends negotiations on packages that augment and deepen trade liberalisation in goods and services, and makes suggestions for

unblocking the negotiations and augmenting the negotiating agenda. The paper is available [here](#).

**WAGE IMPLICATIONS OF TRADE LIBERALISATION: EVIDENCE FOR EFFECTIVE POLICY FORMATION.** By Susan Stone and Ricardo Cavazos Cepeda for the Organisation for Economic Co-operation and Development (OECD)(12 October 2011). The relationship between trade and wages has been subject to intense scrutiny in the academic literature with no clear consensus emerging. In this paper, the authors move beyond the single country analysis level and include a panel of both developed and developing countries and data through the mid-2000s. The authors find that imports have a significant and positive impact on wages, with tariffs having an impact of a statistically significant and negative level. The authors also look at the relationship of wage differentials at the occupation level in partner countries, with the difference being smaller between large trade partners. The study is available for download [here](#).

**BUILDING A DEVELOPMENT-LED GREEN ECONOMY.** By the United Nations Conference on Trade and Development (UNCTAD) (June 2011). In the wake of the food, energy, and financial crises, numerous governments are promoting green economy strategies to open more stable and sustainable development pathways. As pioneering green regulation is introduced in the world's largest market, it is bound to impact other countries through trade. The authors of this brief find that current trends in environmental regulation point to the importance of harmonising standards and raising the capacity of developing country businesses to integrate green requirements into their operations to facilitate their participation in a greening global economy. The brief is available [here](#).