



# Bridges Weekly Trade News Digest

*Weekly trade news from a sustainable development perspective*

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## LEAD STORIES

### Brazilian President Cites Currency Concerns in White House Visit

Monetary policies in rich countries are putting emerging economies at risk, Brazilian President Dilma Rousseff told US President Barack Obama on Monday. The comments at the high-profile White House meeting come amid growing tension between developed and emerging economies over the impact of exchange rate policies on trade, which has led Brazilian officials to recently renew warnings of a global “currency war.”

“Expansionist monetary policies ... ultimately lead to a depreciation in the value of the currency of developed countries, thus impairing growth outlooks in emerging countries,” Rousseff said after meeting with Obama, while acknowledging the role of the European Central Bank and others in preventing a liquidity crisis “of substantial proportions” that would have been detrimental to all countries.

For his part, Obama did not address the monetary policy issue in his remarks on Monday, emphasising instead the “record levels” of trade and investment between the US and the world’s sixth largest economy. The relationship between Washington and Brasilia “has never been stronger,” he said.

Monday marked Rousseff’s first visit to the White House since taking office in January 2011. The meeting between the leaders of the Western Hemisphere’s two largest economies comes just weeks after Rousseff renewed earlier warnings of a “currency war,” arguing that a “tsunami” of cheap money from countries such as the US and the 27-member EU bloc is flooding emerging markets and damaging their export competitiveness (see Bridges Weekly, [7 March 2012](#)).

Speaking to US university students the next day, the Brazilian President argued that developed countries should invest more to recover from the crisis, rather than rely excessively on monetary policy. She also dismissed concerns that Brazil is pursuing protectionist measures in response to its currency problems.

“We are not a protectionist country nor do we believe that it provides results in terms of an increase in competitiveness,” she said.

Rousseff’s comments echoed similar remarks made in March when meeting with German Chancellor Angela Merkel, during which the Brazilian leader criticised efforts by European countries to stimulate their struggling economies via low-interest loans as tantamount to “artificial forms of protectionism.” (See Bridges Weekly, [7 March 2012](#))

“We have a currency war that is based on an expansionary monetary policy that creates unequal conditions for competition,” Rousseff said at the time.

Brazil, Russia, India, China, and South Africa, meeting on 29 March for their annual BRICS summit, similarly criticised rich countries for their monetary policy, despite initial hesitation by Beijing, which was reportedly concerned that including language on monetary policy in the BRICS communiqué could be seen as Brasilia indirectly targeting China’s own currency policies (See Bridges Weekly, [4 April 2012](#)).

The currency issue has also been a source of contention at times within the five-country grouping, with tensions simmering between Brazil and China over the impact of the latter’s rigid valuation of the renminbi on Brazil’s export competitiveness.

However, Brazilian Trade Minister Fernando Pimentel sought to dispel concerns that Beijing and Brasilia are still at odds over currency policy, telling Reuters prior to the BRICS summit that “today’s [problem] doesn’t have to do with China,” but rather with the dollar and the euro.

The relationship between currency and trade also came to the fore at a WTO seminar last month, an

initiative that was spearheaded by Brazil (See Bridges Weekly, [4 April 2012](#)). The symposium was primarily limited to developing a better understanding of the issues involved and their implications, leaving the touchy subject of members’ rights and obligations under the WTO agreements for future discussions.

Brazil was the US’ eighth largest goods trading partner last year, with US\$74 billion in total bilateral goods trade. The US goods trade surplus with Brazil was \$12 billion in 2011, according to figures from the Office of the US Trade Representative.

### **Real continues to struggle**

The Brazilian economy has been struggling in recent years to weather the effects of the real’s appreciation, particularly with regards to its manufacturing sector. Growth slowed to a disappointing 2.7 percent last year, down from 7.5 percent in 2010.

In response, the South American country has adopted various measures to protect its domestic industries, such as the extension last month of an existing six percent financial transactions tax to overseas loans maturing in up to five years, among others.

In an interview with Brazilian newspaper O Estado de São Paulo published earlier this week, Fernando Pimentel – the country’s trade minister – said that Brazil will not generalise the financial transactions tax to all foreign capital, adding that Brazil would have to get used to a strong real.

However, Brasilia could step up defensive measures to shield its agrochemical and pharmaceutical industries from foreign competition, he said.

While Brazil’s efforts to stem the flow of imports from abroad – including a recent quota imposed on auto imports from Mexico – have been criticised by some of its trading partners, Pimentel rebuffed speculation that its measures were WTO-incompatible. “There are always going to be people complaining and gritting their teeth... but nobody is going to set a panel against us,” Pimentel told the newspaper.

Rousseff and Obama are next scheduled to meet at the Summit of the Americas in Colombia on 14-15 April, where the Brazilian President promised to bring up the currency issue once more in a broader discussion on regional integration and boosting economic growth.

ICTSD reporting; “Brazil President Urges Healthy Developed Countries To Spend More,” DOW JONES NEWSWIRES, 10 April 2012; “Rousseff seeks US support in ‘currency war,’” FINANCIAL TIMES, 9 April 2012; “UPDATE 2-Brazil complains to Obama about monetary policy,” REUTERS, 9 April 2012; “Brazil will not levy taxes on all foreign capital-Minister,” REUTERS, 8 April 2012; “Brazil Leader Slams U.S. Money Policy,” WALL STREET JOURNAL, 9 April 2012.

## OTHER NEWS

### India to Challenge Visa Fees at WTO: Official

India is expected to launch a WTO dispute against the US in the coming days over increased visa fees for skilled workers, according to top government officials. The announcement comes a month after Washington lodged its own complaint against New Delhi regarding India’s ban on imports of US poultry and other farm products, hinting at rising tensions between the two trading partners ([DS430](#)).

The US visa regime is “an unfair trade practice that runs counter to the WTO’s General Agreement on Trade in Services (GATS),” an unnamed official with the Indian Ministry of Commerce and Industry commented to British newspaper Firstpost.

“India is taking up consultations on this issue and hopes to solve it amicably,” the official continued.

The United States has yet not received a request for WTO consultations from India regarding visas, a USTR spokeswoman told Bridges on Tuesday. As a result, New Delhi’s WTO claims

are not yet known, leaving it to experts to speculate about the exact legal arguments.

The complaint will be lodged at the global trade arbiter within the coming week, officials say. “In the next few days we will inform our ambassador [in Geneva] and then we will file the formal complaint,” Indian Trade Secretary Rahul Khullar explained to the Financial Times on Tuesday.

Indian Trade Minister Anand Sharma brought attention to the issue when US Commerce Secretary John Bryson visited India late last month. “We had a very frank discussion,” Sharma said afterward, highlighting concerns over the high rate of visa rejection.

### Visa fees to finance US-Mexico border security, fight “body shop” practice

The subject of India’s complaint are increased visa fees implemented to finance the [Southwest Border Security Bill](#), which was passed by the US Congress and signed into law by President Barack Obama in 2010.

Notably, the purpose of the law is to strengthen border security along the US-Mexican border rather than create immigration barriers for skilled foreign workers. However, the 2010 law came with a US\$600 million price tag.

In order to pay for the bill, Senators Claire McCaskill and Charles Schumer – both Democrats who were among the bill’s sponsors in that chamber – [proposed](#) raising fees for H1B and L1 visa applications. These visas, limited to employment with the sponsoring company, allow the temporary employment of high-skilled [foreign workers](#) in the US for specialty occupations.

“We are simply raising fees for businesses that use the H-1B visa to do things that are contrary to the programme’s original intent,” Schumer had explained to the Senate in 2010 when advocating for the policy.

The McCaskill and Schumer proposal resulted in an almost 100 percent increase in visa application fees for firms that have at least 50 employees in the US and have more than half of their workforce on an H1B or L1 visa. The fee has

nearly doubled for these workplaces to US\$4500 per applicant.

These “body shop” companies “try to exploit loopholes in our immigration system in order to employ the vast majority of their workers on foreign work visas. [They] staff their foreign workers to companies in America and take away good-paying jobs that can easily be taken by Americans,” Schumer argued at the time.

In the US, “body shopping” is often used to refer to an outsourcing practice whereby foreign nationals are employed in a foreign IT company based in the US in order to work as short-term on-site consultants for other US companies.

However, New Delhi rejects this “demonised” version, arguing that the new visa fee is protectionist in nature, disadvantaging its services trade by limiting the entry of skilled workers to the US. In WTO jargon, this is called “mode 4” services trade – a situation where services are provided by foreign nationals abroad. India claims that its price advantage in services is adversely affected by the measure, substantially hurting its competitive position.

According to the US Senate, the increased visa fees predominantly affect Indian companies, namely the four software giants Tata, Infosys, Wipro, and Mahindra Satyam.

However, the law does not single out Indian companies per se – a fact that some trade lawyers note could make a WTO case difficult for India, as New Delhi would have to prove that its services are being subjected to *de facto* discrimination by Washington. At this stage it is also unclear what type of services trade is affected by the measure.

Additional analysis will be published in Bridges once New Delhi makes its consultation request public.

### Tit-for-tat challenges?

The US brought a separate complaint at the WTO last month where it asked India to open its market for poultry, meat, and eggs. Some analysts speculate that the expected complaint on services

could be a tit-for-tat challenge, aimed at bringing Washington to the negotiating table on the poultry issue.

India has maintained a prohibition on US poultry and other farm products for five years with the alleged goal of preventing domestic avian influenza outbreaks (see Bridges Weekly, 7 March 2012). The US has claimed that the ban is not based on strong scientific evidence.

India is also expected to challenge the US’ import duty on steel pipes at the WTO in the coming days, an unnamed official told Reuters on Tuesday. The US Commerce Department set a preliminary import duty of nearly 286 percent on a certain type of steel pipe from India in March in order to offset government support, with a final decision on the duties expected by August.

ICTSD reporting; “India to take US visas complaint to the WTO,” FINANCIAL TIMES, 10 April 2012; “Trade war: India, US head to WTO over US visa, poultry row,” FIRSTPOST, 10 April 2012; “India challenges US immigration rules at WTO,” REUTERS, 10 April 2012; “Exclusive: India to challenge US duty on steel pipes: source,” REUTERS, 10 April 2012; “Congress approves border security bill,” REUTERS, 12 August 2012; “India takes visa fee hike issue to WTO,” THE TIMES OF INDIA, 10 April 2012.

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## France Wavers on EU Aviation Emissions Rule

The French government is urging the EU to revisit its decision to include aviation in its Emissions Trading System (EU ETS), as opposition continues to build over the controversial scheme. Meanwhile, prices of carbon permits continue to falter, raising questions over the future of the ETS as a whole.

“It seems absolutely vital that the EU...deploy every effort necessary to find mutually acceptable solutions with the third-party countries,” French Prime Minister François Fillon said in a letter to European Commission President José Manuel

Barroso in late March. The letter, dated 22 March, was made public last week.

The EU rule, which requires airlines to surrender carbon permits for the emissions they produce during all flights taking off or landing in the 27-country bloc, has come under fire by various non-EU governments, which argue that Brussels is exceeding its legal jurisdiction by charging for aviation emissions over an entire flight, rather than just those in EU airspace.

The growing opposition to the measure resulted in over 20 countries agreeing last February on a basket of possible countermeasures (see Bridges Weekly, [22 February 2012](#)). The [joint declaration](#) included measures ranging from launching dispute proceedings at the International Civil Aviation Organization (ICAO) to banning airlines from complying with the EU ETS.

India and China have already launched a boycott of the scheme, with New Delhi formally forbidding its airlines from complying with the Brussels plan earlier today, after having asked its airlines last month not to provide emissions data to EU regulators. For its part, Beijing has banned its airlines from participating in the ETS without government approval (see Bridges Weekly, [28 March 2012](#)).

China has also allegedly halted the purchase of US\$14 billion worth of orders from European airplane manufacturer Airbus, a claim that has been contested by Chinese officials (see Bridges Weekly, [28 March 2012](#)).

Air France, Airbus, and engine-maker Safran have argued that a global trade war over aviation could destroy 2,000 jobs – a prospect that the French prime minister referred to in his letter.

Analysts suggest that European airlines stand to lose if more countermeasures are imposed. “If Russia imposes overflight charges, that could turn out to be very expensive for European airlines, considering Russia’s airspace is huge,” one person close to the talks told the Wall Street Journal.

Russia has been one of the major opponents of the EU aviation rule, hosting the February

meeting where the 20-odd opposing countries agreed on possible countermeasures.

“There is a hellish battle going on behind the scenes,” another senior French official commented in March. “We knew [the inclusion of aviation in the ETS] would provoke strident protests. Now we’re facing real threats.”

Despite his concerns, Fillon urged Brussels to fight back with “appropriate measures,” should European companies be subjected to discriminatory treatment as a result of the ETS.

The French prime minister also asked that the Commission hold talks with opponents of the aviation emissions rule to push for an international emissions agreement under the International Civil Aviation Organization. Brussels has long argued that it would only consider changing its legislation should the 191-member ICAO come up with a sufficiently ambitious global aviation emissions deal.

In response to Fillon’s letter, Barroso affirmed that Europe was engaged in talks with opponents of the scheme’s aviation component. “We continue to work very closely with all our international partners in pursuit of an international solution,” he said.

### Carbon market struggling

Meanwhile, the carbon market that underpins the entire ETS scheme continues to struggle, with the market price of carbon permits dropping to a record low of €6 per tonne last week. Permit prices have plummeted by two-thirds when compared with prices from just a year ago.

The crash in prices has some traders and analysts worried over a potential loss of interest in the EU carbon market, which estimates value at over US\$100 billion last year. The falling prices have largely been blamed on oversupply of permits, along with the overall slowing of the European economy.

“Failure by EU officials and lawmakers to agree to address the oversupply of permits could send the price close to zero, because the oversupply in the market should be sufficient to cover all needs up

to 2020,” Kris Voorspools, a director at 70Watt Consulting, cautioned.

In light of these fears, EU environment ministers are scheduled to meet on 19 April to discuss ways to improve the ETS, including the possibility of setting aside carbon permits for the 2013-2020 trading period. However, no formal decisions will be taken at that time, according to a planning document obtained by Bloomberg.

“There will be discussions about the price and there will be discussions about different views on how to address the situation,” European Commission climate spokesman Isaac Valero-Ladrón told reporters in Brussels last week.

ICTSD reporting; “France calls for compromise on ETS,” AIRWISE, 5 April 2012; “France calls for retreat on airline pollution tax,” THE AUSTRALIAN, 6 April 2012; “EU Ministers to Discuss CO2 Market Future After Price Slump,” BLOOMBERG, 3 April 2012; “EU CO2 law could scupper global climate talks,” REUTERS, 11 April 2012; “France calls for compromise on EU carbon levy,” REUTERS, 5 April 2012; “China blocks more Airbus jets,” WALL STREET JOURNAL, 15 March 2012; “Update: 1-EU carbon falls to new record low below 6 Euros/t,” REUTERS, 4 April 2012; “EU ministers to discuss CO2 market future after price slump,” BLOOMBERG, 3 April 2012.

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## Disputes Roundup: Public Health Cases Move Forward at WTO

The debate over how to balance public health concerns against protectionism fears again featured at the WTO last week, with the Appellate Body issuing its ruling in the Indonesia-US row over clove cigarettes. Meanwhile, another dispute has also been launched against Australia's controversial cigarette packaging law, with Honduras filing a request for consultations on Wednesday 4 April.

### Appellate Body finds US anti-smoking law discriminatory against Indonesian imports

Last Wednesday, the global trade body's highest court confirmed that the US ban of flavoured cigarettes illegally discriminates against foreign products ([DS406](#)).

The Appellate Body ruling was a vindication for Indonesia, which had argued that the US Family Smoking Prevention and Tobacco Control Act from 2009 unfairly targets clove cigarettes imported from Indonesia while menthol cigarettes – produced in the US and in direct competition with the Indonesian cigarettes – are not banned.

The US legislation had prohibited cigarettes with fruit, confectionery, or clove flavours, arguing that these encouraged young people to smoke. While flavours such as toffee and strawberry were banned, menthol flavoured cigarettes remained on the market.

“The United States is very disappointed with the outcome of this dispute,” said Nkenge Harmon, a spokeswoman for the US Trade Representative (USTR). “The ban on cigarettes with flavours is part of landmark US legislation to combat the public health crisis caused by tobacco products.”

As the world's top producer of clove cigarettes and main source for clove cigarettes smoked in the US, Indonesia welcomed the decision. “With this ruling, we expect other countries will not follow the US' move,” Iman Pambagyo, director of the Ministry of Trade's department of international trade co-operation, said in a statement last Thursday.

Indonesia won the first round in this case last year, when a three-person panel determined that clove and menthol flavoured cigarettes were “like products” within the meaning of the WTO's Technical Barriers to Trade (TBT) Agreement (see Bridges Weekly, [7 September 2011](#)).

Since the US law banned cloves but not menthols, the panel concluded that the US law was inconsistent with the TBT Agreement's requirement that imported products receive the same treatment as “like” domestic products, the so-called “national treatment obligation.”



## Different interpretations, same result

In its ruling last Wednesday, the Appellate Body ultimately agreed with the panel's September decision, albeit through different interpretations of the TBT Agreement.

The Appellate Body said that "likeness" should be determined by the competitive relationship between the products, rather than the purpose of the regulation at issue. Its interpretation of the TBT Agreement's national treatment requirement also differed from that of the panel.

If a measure makes a legitimate regulatory distinction, said the Appellate Body, a resulting detrimental impact on imports does not automatically mean these imports are accorded "less favourable" treatment than like domestic products.

Although these legal nuances did not change the outcome in this case, they are important clarifications in the WTO rules governing the restriction of trade for the purpose of furthering public policy objectives.

This case is one of three on-going TBT disputes against the US that are currently at the WTO appellate stage. The two other disputes being considered, *US-Tuna II* (DS381) and *US-COOL* (DS384), also involve Washington's regulation of consumer information in this context.

Last year's panel ruling had drawn an outcry from advocacy groups, which coloured the result as an attack on US public health regulation; the result of the Appellate Body ruling drew similar criticism.

"The Obama administration and Congress must not bow to yet another ruling from a so-called trade agreement tribunal demanding that the US get rid of yet another important health or environmental policy," said Lori Wallach, director of Washington-based Public Citizen's Global Trade Watch, in a statement.

## Next steps

In response to the Appellate Body decision, the California Democrat who sponsored the Act vowed that the clove cigarette ban would remain.

"The law made no distinction in where a cigarette is manufactured because a cigarette – no matter where it is made – is addictive and deadly," Representative Henry Waxman said in a [statement](#). "I am committed to working with the Administration to advance our shared goal of ending the tobacco epidemic among our young people and ensuring that the US ban on clove and candied-flavoured cigarettes remains in place."

The USTR is currently examining its options for compliance. If the discriminatory ban remains, Indonesia could seek trade countermeasures against the US, and retaliation could amount to US\$16 million per year because of lost trade, some analysts claim.

## Honduras challenges Australian cigarette packaging law

Meanwhile, the controversy over Australia's new plain packaging requirements for cigarettes has now become the subject of a second WTO dispute, with Honduras lodging a complaint at the global trade arbiter last week (DS435). The challenge comes just weeks after Ukraine filed its own request for consultations over the Canberra legislation (see Bridges Weekly, [21 March 2012](#)).

"The industry employs several hundred thousand people directly and indirectly throughout the supply chain in Honduras," Dacio Castillo, Honduras' Ambassador to the WTO, said in an emailed statement to Bridges. "This translates into tens of millions of dollars for the Honduran economy."

Canberra has given tobacco companies until December 2012 to comply with its [Plain Packaging Act](#), which requires that all cigarettes sold in Australia be packaged with one colour and shape and that a significant portion of the packaging be used for health warnings.

Australian officials have defended the law as necessary to protect public health, with Australian

Trade Minister Craig Emerson stating that the requirement is “not anti-trade; it’s anti-cancer.”

Although its written consultations request was not available as Bridges went to press, Honduras argues that the Australian law is inconsistent with WTO obligations to respect intellectual property rights and is an unnecessarily restrictive technical barrier to trade.

As a state party to WHO Framework Convention on Tobacco Control, Honduras “is in favour of legitimate measures to reduce smoking prevalence,” says Castillo.

However, “Australia’s plain packaging requirements would defeat the basic function of a trademark, which is to allow consumers to distinguish between products of different companies,” he said.

Experts note that the decision also demonstrates a strengthened WTO dispute settlement capacity on the part of Honduras. The small Central American country has lodged three other dispute series at the global trade arbiter since the WTO’s birth in 1995, and recently secured a victory – together with three other complainants – against the Dominican Republic over the latter’s safeguard duties on plastic bags and tubular fabric (see Bridges Weekly 8 February 2012).

ICTSD reporting; “WTO dents U.S. ban on clove cigarettes,” REUTERS, 4 April 2012; “Indonesia wins tobacco dispute with US,” THE JAKARTA POST, 9 April 2012.

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## IN BRIEF

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### Rare Earths: Beijing Launches Group to Consolidate Industry

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Beijing has established a rare earths industry association to regulate the sector and help respond to trade complaints, government officials announced earlier this week. The move comes a month after the US, Japan, and EU launched a WTO challenge against China’s export restrictions on rare earths.

China’s Ministry of Industry and Information Technology (MIIT) announced the group’s creation on Sunday 8 April. The new association will coordinate mining, smelting, and processing and work to form a “reasonable price mechanism” for the precious materials.

It also confirmed that the 155-member association, which will report to the ministry, would help coordinate China’s responses to trade complaints regarding rare earths.

The new group was formed to promote sustainable development of the sector, Su Bo, an industry vice minister, told state-run news agency Xinhua.

“China will continue to clean up the rare earth industry, expand rare earth environmental controls, strengthen environmental checks, and implement stricter rare earth environmental policies,” he added.

The association also plans to provide support for relevant departments and local governments, assist in maintaining order in the sector, and facilitate exchange and co-operation between enterprises for the purpose of fostering innovation, according to Xinhua.

### WTO dispute in the background

China has imposed strict environmental standards and export quotas on rare earths in recent years, with Beijing arguing that such restrictions are necessary to mitigate the environmental damage caused by the rare earths extraction process.

However, Beijing’s policies have sparked protests from the EU, Japan, the US, and others that rely on rare earth supplies from China, who argue that the restrictions offer Chinese competitors an advantage by providing them with cheaper and easier access to the elements compared with foreign manufacturers.

A WTO complaint from Brussels, Tokyo, and Washington is currently at the consultations stage at the global trade body, which is the first step in the dispute settlement process (see Bridges Weekly, 14 March 2012).



The 17 controversial rare earth elements cited in the WTO challenge have unique magnetic, heat resistant, and phosphorescent properties and are crucial to the manufacturing process of many high-tech and green energy products, including wind turbines, engines for electric and hybrid vehicles, flat-screen televisions, mobile phones, and medical equipment.

China accounts for about 97 percent of global output of rare earth materials, according to EU estimates, maintaining a near-monopolistic control over the sector.

“Many countries in the world have rare earth reserves; you cannot rely on China alone to provide all the supplies,” the association’s new head, Gan Yong, said in a statement to Xinhua.

ICTSD reporting: “China sets up rare earths industry group,” ASSOCIATED PRESS, 9 April 2012; “China sets up rare earth body to streamline the sector,” BBC, 9 April 2012; “China sets up rare earth association to regulate development,” XINHUA, 8 April 2012.

## WTO IN BRIEF

### US Requests Panel to Review EU Compliance in Airbus Case

The WTO’s Dispute Settlement Body is set to hold a special session this Friday in order to hear the US’ request that a panel review whether the EU has complied with an adverse ruling in the high-profile Airbus case ([DS316](#)).

“We refuse to stand by while American businesses and workers are disadvantaged,” said US Trade Representative (USTR) Ron Kirk in a [statement](#). “The WTO ruled that the EU and four of its member states conferred more than US\$18 billion in subsidised financing to Airbus, and that European government launch aid had been used to support the creation of every model of large civil aircraft produced by Airbus.”

Indeed, the WTO’s Appellate Body found that EU member states were providing civil aircraft manufacturer Airbus with subsidies that violated WTO law nearly a year ago (see Bridges Weekly, [25 May 2011](#)).

Brussels claimed to have come into compliance with this ruling late in 2011, issuing a report that detailed thirty-six measures taken by its members in that regard (see Bridges Weekly, [7 December 2011](#)).

However, after reviewing the report, Washington argued that the illegal subsidies had not been fully withdrawn; the US is asking the WTO for authorisation to impose US\$7 to 10 billion in countermeasures in response (see Bridges Weekly, [14 December 2011](#)).

The WTO has already appointed an arbitrator to oversee the US countermeasures claim, but the US has agreed to suspend countermeasure proceedings until after the WTO compliance panel makes an independent evaluation on whether the EU has complied with the Appellate Body decision (see Bridges Weekly, [25 January 2012](#)).

Recently, the Appellate Body has also found the US guilty of illegal financial support for its own aerospace manufacturing giant, Boeing (see Bridges Weekly, [14 March 2012](#)).

“We regret that the US has chosen to take this step, since the EU notified its compliance with its WTO obligations in the package of steps taken at the end of 2011, and the US has yet to do the same in the Boeing case,” said European Trade Commission spokesman John Clancy, in comments reported by Reuters.

However, the Boeing case’s ultimate finding of around US\$5 billion in illegal subsidies against the US is much smaller than the Airbus ruling. Also, the timeline for the Boeing case is several months behind the Airbus decision.

These points have allowed the US to push ahead on compliance and countermeasures at the WTO ahead of the EU, which must wait until September for the US to demonstrate its own compliance with regards to Boeing.

A bilateral negotiation between the two sides remains the parties' only option for avoiding an arduous eye-for-an-eye countermeasures process that would likely hurt bystanders like Canada and Russia.

"The United States remains prepared to engage with the EU in any meaningful efforts that will lead to the goal of ending subsidised financing at the earliest possible date," Kirk said.

ICTSD reporting; "U.S. to Move for Penalties in Airbus Case," NEW YORK TIMES, 30 March 2012; "U.S. begins sanctions process in Airbus dispute with EU," REUTERS, 31 March 2012.

## EVENTS & RESOURCES

### Events

#### Coming soon

14-15 April, Cartagena, Colombia. SIXTH SUMMIT OF THE AMERICAS 2012. The Sixth Summit of the Americas will address the following theme: "Connecting the Americas: Partners for Prosperity." The summit will bring together 34 heads of state and government from the Western hemisphere, who together will focus on the role of physical integration and regional co-operation as a means to achieve greater levels of development and to overcome the hemisphere's challenges in several key areas, including poverty and inequality, citizen security, disasters, and access to technologies. For more information, please visit the event's [website](#).

16 April, Stockholm, Sweden. CLIMDEV-AFRICA HIGH-LEVEL ROUNDTABLE. This roundtable will focus on mobilising resources for the ClimDev-Africa Special Fund (CDSF), which was established to pool resources and finance demand-driven projects in Africa that aim to generate and disseminate climate information at all levels. ClimDev-Africa is a joint strategic initiative of the African Development Bank (AfDB), the African Union Commission (AUC), and the UN Economic Commission for Africa (UNECA). These institutions will host the event jointly with the Swedish International Development

Cooperation Agency (SIDA). The CDSF supports operations in three main areas: generation and dissemination of reliable and high quality climate information in Africa; capacity enhancement of policy makers and policy support institutions to integrate climate change information into development programmes; and implementation of pilot adaptation practices that demonstrate the value of mainstreaming climate information into development. For more details regarding this event, please click [here](#).

16-20 April, Geneva, Switzerland. 21ST SESSION OF THE INTERGOVERNMENTAL COMMITTEE ON INTELLECTUAL PROPERTY AND GENETIC RESOURCES, TRADITIONAL KNOWLEDGE AND FOLKLORE (IGC) OF THE WORLD INTELLECTUAL PROPERTY ORGANIZATION (WIPO). This intergovernmental committee meeting will continue text-based negotiations for an international instrument(s) focusing on traditional knowledge. Traditional knowledge (TK), genetic resources, and traditional cultural expressions (TCEs), or "expressions of folklore" are economic and cultural assets of indigenous and local communities and their countries. WIPO's work focuses on the role that intellectual property (IP) principles and systems can play in protecting TK and TCEs from misappropriation, and in generating and equitably sharing benefits from their commercialisation, along with the role of IP in access to and benefit-sharing in genetic resources. For more information, please visit the event's [website](#).

16 April, Brussels, Belgium. HIGH-LEVEL CONFERENCE ON "COMPETITIVENESS, TRADE, ENVIRONMENT AND JOBS IN EUROPE: INSIGHTS FROM THE NEW WORLD INPUT OUTPUT DATABASE (WIOD)." Hosted by the European Commission, the aim of this conference is to discuss the policy implications related to the expansion of global value chains and the shifting pattern of trade. The conference will make use of the WIOD database to deepen participants' knowledge of the causes and effects of the increasing interrelatedness of countries and industries. This way, it aims to help policy makers and societies better respond to many pressing economic, social, and

environmental challenges. For more details, please visit the event's [website](#).

16-18 April, Puerto Vallarta, Mexico. **WORLD ECONOMIC FORUM ON LATIN AMERICA 2012**. Sponsored by the Government of Mexico and the Forum's key strategic partners, the meeting will convene decision-makers from government, industry, civil society, and academia. Under the theme "Regional Transformation in a New Global Context," leaders will work on shaping a strategic vision for the region's growth, gaining understanding of its global potential and aligning stakeholders around that vision to inspire its realisation. This event will address Latin America's role and contribution to the governance of the global economy, the creation of innovative models for a sustainable future, and the improvement of capabilities for a regional transformation. For more information, please visit the event's website [here](#).

17-20 April, Maastricht, Netherlands. **SECOND EUROPEAN ENERGY CONFERENCE**. Organised by the European Science Foundation, the European Physical Society, and the European Materials Research Society, this biennial conference brings together policy makers, scientists, researchers, and private sector leaders to discuss the future of European energy systems, with a focus on environmental impacts, energy supply, industrial viability, and societal acceptance. The conference includes symposiums on: system aspects and sustainability; sciences for energy; primary energy conservation; energy networks and storage; and efficient end use of energy. The conference aims to provide participants with a vision on how the future of energy in Europe could look like. For more details, please visit the event's [website](#).

18 April, Toronto, Canada. **NORTH AMERICA'S ENERGY FUTURE: POWERING A LOW-CARBON ECONOMY FOR 2030 AND BEYOND**. Organised by the Commission for Environmental Cooperation's (CEC) Joint Public Advisory Committee (JPAC), this public forum will bring together energy experts to discuss: progress made in fostering renewable electricity markets in Canada, Mexico, and the US since the CEC's 2007 report on the subject; challenges and barriers affecting the use of

renewable energy in North America; and how to promote renewable energy projects in remote communities. The forum will also be webcast live. For more information, please visit the event's [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.

13 April: Dispute Settlement Body

16 April: Sub-Committee on Least-Developed Countries

16+19 April: Negotiating Group on Trade Facilitation (followed by Inf.)

18 April: Working Party on the Accession of Kazakhstan

### Other Upcoming Events

21-26 April, Doha, Qatar. **THIRTEENTH SESSION OF THE UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT (UNCTAD XIII) AND CIVIL SOCIETY FORUM**. This Conference will convene under the theme "Development-centred globalization: Towards inclusive and sustainable growth and development." The Conference's aim is to enhance the understanding of specific trade and development issues, especially after the fallout of the economic crisis. In parallel with the Conference, UNCTAD has also partnered with the United Nations Non-Government Liaison Service and the Qatari National Human Rights Committee to organise a Civil Society Forum, where representatives from the private sector and civil society will explore different ways to strengthen partnerships with UNCTAD to boost the effectiveness of trade and development efforts. The Civil Society Forum will begin its

work on 17 April. For more information on the UNCTAD XIII Conference and the Civil Society Forum, please visit the UNCTAD XIII [website](#).

23 April, Doha, Qatar. HIGH-LEVEL EVENT ON WOMEN IN DEVELOPMENT. Gender inequalities persist in all countries and take the form of labour segregation, gender wage gaps, gaps in asset ownership and in access to technology and information, and huge differences in responsibility for house and care works. As a main event occurring during the UNCTAD XIII Conference, this event aims to promote policies that empower women to be full participants in economic and political life. Its purpose is threefold: to take the gender issue to a new level of political prominence; to yield new insights into the relationship between macro-economic policies, development, and gender; and to launch a number of institutional initiatives to further the above objectives. The event will feature an interactive roundtable and will be organised into four thematic sessions, bringing together policy leaders, UN agencies, academia, the private sector, and civil society. For more information, please visit the event's [website](#).

25-26 April, Geneva, Switzerland. THIRD WORKSHOP ON WATER AND ADAPTATION TO CLIMATE CHANGE IN TRANSBOUNDARY BASINS: MAKING ADAPTATION WORK. This workshop aims to offer a platform for exchanging experience on climate change adaptation strategies, best practices, success factors and lessons learned. Organised under the leadership of the governments of the Netherlands and Germany, with the support of the the UN Economic Commission for Europe (UNECE) secretariat, in partnership with the Alliance for Global Water Adaptation (AGWA), the Global Water Partnership Mediterranean (GWP-MED), the Global Environment Facility (GEF), the World Meteorological Organization, and the European Commission, the workshop will bring together stakeholders from all over the world, engaged in activities on water and adaptation to climate variability and change. For more information, please visit the event's [website](#).

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## Resources

THE NORTH AMERICAN FOREST SECTOR OUTLOOK STUDY (NAFSOS), 2006-2030: GENEVA TIMBER AND FOREST STUDY PAPER 29. Published by the UN Economic Commission for Europe (UNECE) and the UN Food and Agriculture Organization (FAO) (March 2012). This study provides an overview of previous studies of the forest sector and the recent trends and projections to 2030 for the US and Canada. NAFSOS highlights the impacts of climate change in North American forest trends, including: insect infestations; diseases; wildfires; the spread of exotic or alien species; altered precipitation patterns; and more frequent natural disasters. The report projects that forest areas in both countries will not change appreciably, as compared to global forest stocks. The study also highlights the impact of increasing demand for renewable woody biomass energy on the timber product market. To view this publication, please click [here](#).

HAVE THE BRICS OUTLIVED THEIR USEFULNESS? Interview provided by the Peterson Institute for International Economics (March 2012). In this interview, Peterson Institute Senior Fellow Arvind Subramanian discusses the BRICS countries, which include Brazil, Russia, India, China, and South Africa, and their effectiveness in light of the recent BRICS Leaders Summit on 29 March. Subramanian indicates that the main item on the BRICS agenda is starting a new development bank, which he argues is a poor idea. He also emphasises that the BRICS countries seemed to be struggling to find a common purpose at their last meeting. To listen to this interview, please click [here](#).

WOULD TARIFFS ON CHINESE SOLAR PANELS INCREASE GLOBAL WARMING? Interview provided by the Peterson Institute for International Economics (March 2012). In this interview, Peterson Institute Senior Fellow Gary Clyde Hufbauer discusses the trade-offs between the US imposing duties on Chinese solar panels and the need to make solar energy, all in the context of increasing Sino-US trade tensions. He indicates that the issue of importing Chinese solar panels represents a conflict between two US

values: not importing subsidised products or products sold in the US below their production cost abroad, versus the need to make solar energy more affordable without subsidising US producers. To listen to this interview, please click [here](#).

CONTRIBUTIONS TO THE UN DECADE OF EDUCATION FOR SUSTAINABLE DEVELOPMENT. Edited by Walter Leal Filho, Fernando Gonçalves, Ruth Pereira, and Ulisses Azeiteiro (January 2012). This book presents essential learning approaches to sustainable development education. It introduces educational and training activities, as well as various innovative methods aimed at the development of practical skills, in order to strengthen the continuous process of environmental education, and in particular the education for sustainable development (ESD). In doing so, it focuses on three dimensions – social, economic, and environmental – as a means of achieving an effective change of behaviour and bridging the gap between science and environmental education by describing a set of projects, initiatives, and field activities. For more details about this resource, please click [here](#).

ASIAN BIOTECHNOLOGY AND DEVELOPMENT REVIEW VOL. 14 NO. 1. Published by Research and Information System for Developing Countries (March 2012). With support from the UN Educational, Scientific and Cultural Organization (UNESCO), this peer-reviewed journal focuses on research and development issues for developing countries. This latest issue includes articles on topics such as the rise and decline of the early biotechnology boom in Japan, US patent holdings of Indian non-corporate entities, and food security efforts in the developing world. To view this journal, please click [here](#).