



# Bridges Weekly Trade News Digest

*Weekly trade news from a sustainable development perspective*

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## LEAD STORIES

### Eurozone Struggles Dominate G-20 Agenda at Mexico Summit

The ongoing difficulties posed by the eurozone crisis took centre stage during this week's annual gathering of G-20 leaders, dominating discussions that also touched on rising protectionist measures and the importance of open trade for the economic recovery. While other subjects, such as food security and green growth – priorities of the G-20 Mexican presidency – were also addressed in the final leaders' declaration, some critics argued that these topics took a backseat to the Europe-focused talks during the two-day event.

The 18-19 June gathering in the Pacific resort city of Los Cabos came on the heels of the Greek parliamentary elections, which gave a narrow win to a party that had backed an EU and International Monetary Fund (IMF) bailout for the struggling EU member state. The result took away some of the initial pressure on G-20 leaders, observers noted, who had feared the consequences for the Los Cabos summit and for the world economy as a whole should Greek voters choose a party whose policy positions could risk Athens leaving the eurozone.

However, the relief of the Greek elections quickly dissipated, as questions emerged on how best to resolve the debt crisis in Italy and Spain.

Extended details of how Europe plans to resolve its debt difficulties were limited in the final G-20 [declaration](#) to pledges that Euro Area members would take “all necessary measures to safeguard the integrity and stability of the area,” among other commitments. Analysts, however, predict that next week's Euro summit in Brussels could lead to the unveiling of a more detailed approach – specifically regarding whether some of the austerity-first policies advocated by Berlin might

be eased in order to lessen the borrowing costs for Madrid and Rome.

Suggestions were also included in the final declaration indicating that Europe could eventually move toward a banking union, with G-20 leaders “support[ing] the intention to consider concrete steps toward a more integrated financial architecture, encompassing banking supervision, resolution and recapitalisation, and deposit insurance.” However, observers note, such a pact is still a long way from becoming reality.

The IMF, meanwhile, announced on Monday that the total additional funds pledged by donor countries to the international finance institution had now risen from US\$430 billion to US\$456 billion, which could provide what Managing Director Christine Lagarde called “a second line of defence” should current funds be exhausted.

### **Anti-protectionism pledge extended**

With the European debt crisis playing in the background, tensions have been rife among G-20 members in recent months over new data indicating a scale-up in protectionist measures, despite commitments made in earlier gatherings to refrain implementing such policies during the crisis. These frictions have been compounded further by news of slowing trade growth in both developed and emerging economies.

The UK-based Centre for Economic Policy Research’s Global Trade Alert (GTA), for instance, found that at least 110 protectionist measures have been introduced since last year’s G-20 summit in Cannes, while also noting that the amount of protectionism in 2010 and 2011 had been higher than previously estimated.

WTO data, meanwhile, finds that the accumulation of all trade restrictive measures among G-20 countries during the crisis now accounts for nearly four percent of G-20 trade and three percent of world merchandise trade – a result that WTO Director-General Pascal Lamy recently deemed “alarming.” (See Bridges Weekly, [13 June 2012](#))

Some non-G20 officials, such as Chilean President Sebastián Piñera, speaking at the B-20 meeting of

business representatives ahead of the G-20 gathering, openly urged G-20 members to avoid protectionist measures that could have a negative impact on countries such as Chile, which largely relies on exports.

“The whole world wants protection in times of crisis, but it isn’t possible for all of us to protect ourselves by closing our borders, because in the long run protection is a chimera that ultimately hurts all countries,” the Chilean leader said.

In their final communiqué, leaders ultimately agreed to extend their protectionism standstill and rollback commitments to 2014, which originally had a 2013 end-date. However, agreeing on the final language on protectionism was a difficult process, according to Mexican President Felipe Calderón.

“There was resistance from some countries, but beyond that what we have to value is that we did manage to get a consensus eventually and arrive at an agreement to extend this standstill clause,” he told reporters.

While some countries – such as Argentina, Brazil, and South Africa – were not in favour of extending the original 2013 deadline further, others had called for a new 2015 deadline, according to Reuters.

“It wasn’t easy, it provoked a long discussion and was one of the final areas to be agreed... but the important thing was that it was achieved,” Calderón concluded.

However, some trade observers were sceptical of whether the new 2014 deadline would indeed have much of an impact, given that the earlier 2013 commitments had led to a mixed result.

“At Los Cabos the G-20 has merely extended their previous promises – doing so doesn’t make those promises any more credible,” Global Trade Alert’s Simon Evenett, who is based at the University of St. Gallen, told Bridges. “The G-20 has gotten away with it because too many people pulled their punches on protectionism for too long. Monitoring protectionism is not for the meek.”

Despite reaching consensus on the protectionism-related language, divides among G-20 members over rising trade barriers were evident at the high-level meet, with British Prime Minister David Cameron naming such measures as one of the five “big threats” to the global economy today.

“We’ve seen the expropriation of a multinational company, requirements that export revenues in oil, gas, and mining sectors be exchanged in local financial institutions, new regulations on foreign exchange assets of residents, insurance companies required to repatriate foreign assets, and limits imposed on investment in farmland, and that’s just from one G-20 member,” Cameron said, in a salvo apparently aimed at fellow G-20 country Argentina.

“We have to do better than this,” the UK prime minister added. “We all know that Doha has come off the rails. But that doesn’t mean we give in to protectionists.”

### **Doha divides appear intact**

The eleven-year Doha Round of trade talks at the WTO, which was declared at an impasse last December, also featured in the final language of the leader’s declaration.

“In line with the Cannes Communiqué, we stand by the Doha Development Agenda mandate and reaffirm our commitment to pursue fresh, credible approaches to furthering trade negotiations across the board,” leaders said, reiterating calls made at earlier meetings of trade ministers in France, Mexico, and Russia this year for achieving a possible trade facilitation pact and streamlining WTO accession procedures for least developed countries.

However, in spite of the G-20’s pledges in favour of concluding the eleven-year talks, an effort by Brazil to set a 2014 goal date for reopening the stalled negotiations reportedly struggled to gain support, with the differing priorities among the countries present blocking any sort of consensus on how to move forward.

“Some countries have agricultural subsidies, some countries think that there is protectionism in

services, others saw problems in industry,” Brazilian President Dilma Rousseff told reporters.

### **Regional initiatives gain traction**

In the absence of movement in the multilateral trade negotiations, the focus on bilateral and regional deals was apparent at the G-20 summit, with support for such pacts expressed by various leaders.

Notably, officials from the Trans-Pacific Partnership (TPP) countries announced at the G-20 summit that they would be extending invitations to both Mexico and Canada to join the nine country talks, following a seven month consultation process between the nine current TPP members and the two prospective new entrants. (For more on the TPP, see our related story in this issue.)

The possibility of an EU-US bilateral deal – an idea that has also increased in prominence over the past few months – was also raised by US President Barack Obama and UK Prime Minister David Cameron in their respective speeches.

“Even as we build this new framework for trade in the Asia Pacific, we’re also working to expand our trade with Europe,” Obama said on Tuesday. “So today, the United States and the European Union agreed to take the next step in our work towards the possible launching of negotiations on an agreement to strengthen our already very deep trade and investment relationship.”

The US President did not give further details on such a discussion; however, a report from a high-level working group tasked with analysing the feasibility of such a deal is scheduled to deliver an interim report later this month.

Cameron, for his part, also advocated for an EU-US deal, as well as the clinching of pacts with Canada, India, and Singapore and the launching of talks with Japan, as he had at this January’s World Economic Forum in Davos.

The UK Prime Minister also stressed the importance of establishing an African free trade area for reducing poverty; the African Union has

said that it hopes to set up a Continental Free Trade Area by 2017.

### Developing country concerns left behind?

As in previous years, the eurozone-heavy focus of the high-level gathering drew criticism from some observers, who argued that developing country concerns – such as in the area of food security – were being left by the wayside, despite strong language from both the B-20 and civil society groups that had called for more concrete action in this area.

The result of the G-20's eurozone agenda, according to anti-poverty group Oxfam, was a "disappointing outcome" for developing countries.

"Europe's crisis must be fixed because it is becoming a serious drain on developing countries," Carlos Zarco, Oxfam's spokesperson said after the end of the meeting.

"But it's not good enough for the G20 to have fought over growth versus austerity in Europe. Leaders have failed to keep the world's poorest in their sights, despite the fact that more than half these people live in G20 countries."

With regards to food security, leaders reaffirmed their 2011 commitment "to remove export restrictions and extraordinary taxes on food purchased for non-commercial humanitarian purposes by the World Food Programme" – a topic that had been controversial at last year's Cannes summit, and was ultimately not adopted at the WTO due to opposition from some of the larger G-20 developing countries in particular. (See Bridges Weekly, [9 November 2011](#) and [7 December 2011](#)).

The issue of export restrictions was also addressed in the G-20 agriculture vice ministers' [report](#), where officials "noted the need to continue seeking a resolution of this issue in the WTO." However, the impasse in the Doha trade talks has cast a shadow on this and other issues, with no active attempts to move the question forward this year.

### Green growth

With only some of the G-20 leaders expected to attend the UN Conference on Sustainable Development (Rio+20), questions have been raised in some circles about the extent of the G-20's commitment to the UN gathering, which is kicking off today in Rio de Janeiro, Brazil.

In their communiqué, G-20 leaders pledged to "reaffirm our commitment to sustainable development" at this week's UN summit, noting that "inclusive green growth in the context of sustainable development and poverty eradication can help achieve our development and economic goals, while protecting our environment, and improving social well-being on which our future depends."

To that end, G-20 leaders agreed to continue self-reporting, on a voluntary basis, on "current actions taken to integrate green growth and sustainable development into structural reform agendas," with a pledge to continue such voluntary reporting next year.

"We highlight that green growth and sustainable development have strong potential to stimulate long term prosperity and well being," leaders said, adding that they would continue helping developing countries "sustain and strengthen their development through appropriate measures, including those that encourage inclusive green growth."

On Tuesday, G-20 leaders also welcomed a private sector initiative launched by the B-20's Green Growth Task Force. The newly-announced Green Growth Action Alliance, a public-private partnership comprised by companies and international financial institutions, aims to focus on driving greater investments into clean energy, transportation, agriculture, and other green growth areas.

The same B-20 task force has also advocated for G-20 governments to launch negotiations toward a sustainable energy trade agreement; create a robust price on carbon through co-ordinated international policies; end fossil fuel subsidies and other types of support in this area; and to direct

part of carbon price revenues to support innovation in sustainable technologies.

### More information

Mexico will keep the G-20 Presidency for the next six months, after which Russia will take the helm of the group. The next G-20 leaders' summit will be held next year, in St. Petersburg.

The G-20 leaders' declaration, as well as the Los Cabos Action Plan on Growth and Jobs, are available [here](#).

ICTSD reporting; "G20 targets growth to restore confidence," FINANCIAL TIMES, 19 June 2012, "World Leaders Make Little Headway in Solving Debt Crisis," NEW YORK TIMES, 19 June 2012; "CORRECTED-UPDATE 1-G20 extends free trade vow despite split," REUTERS, 19 June 2012; "Piñera llamó a potenciar libre comercio y a evitar proteccionismo en Cumbre del G-20," UPI, 18 June 2012.

## OTHER NEWS

### Agreement Reached on Weakened Outcome Text as Leaders Arrive for Rio Summit

Delegates attending informal consultations in the days leading up to the much-anticipated Rio+20 conference have managed to reach consensus on the sensitive language contained in a proposed outcome document for the summit. The [document](#), entitled The Future We Want, is now being forwarded to leaders for approval, as the 20-22 June United Nations Conference on Sustainable Development (UNCSD) begins in earnest.

Negotiators have met repeatedly at UN Headquarters in New York over the past several months in what are known as "informal informals," with the aim of finalising a Rio outcome document that would secure a renewed commitment to sustainable development and help meet new and emerging challenges. But several issues – including many related to trade – proved

to be divisive and many doubts have been raised over the possible meaningful outcomes of the meeting. Indeed, some pundits have provoked organisers by questioning whether the meeting will produce an outcome that will make up for the carbon emissions expended by the thousands of participants in getting to Rio and commuting to the Riocentro venue.

Still, Brazil's facilitators were praised by delegates for their ability to find common ground on a text that, only days earlier, had parties unwilling to commit to a majority of issues. But despite the optimism expressed by several delegates, many critics have panned the document for having purposefully weak language in a desperate effort to reach consensus.

"Nobody in that room adopting the text was happy," Connie Hedegaard, the EU's Commissioner for Climate Action, wrote on Twitter. "That's how weak it is. And they all knew. Disappointing."

Civil society organisations have similarly lambasted the level of ambition in the final outcome text. Some groups expressed frustration that particular areas that they had hoped would produce tangible outcomes received remarkably weak language and lack reference to key issues. Agriculture and forests, for example, have countries committing to only "reaffirm" previously made commitments and "highlight" uncontroversial needs.

One representative of the Non-governmental Organizations Major Group cautioned during Wednesday's plenary that the Rio gathering might indeed be another "failed attempt."

"Just to be clear, NGOs here in Rio in no way endorse this document," the representative said. "If you adopt the text in its current form, you will fail to secure a future for the coming generations, including your own children."

Today's launch of the meeting marks 20 years since the world gathered in Rio and agreed to an ambitious plan of action to tackle human impacts on the environment ([Agenda 21](#)), a strong [declaration](#) on environment and development, and a set of [principles](#) aimed at managing the planet's

forests. The 1992 meeting is also notable for opening the Convention on Biological Diversity (CBD) and UN Framework Convention on Climate Change (UNFCCC) for signature. But despite being billed as a “once-in-a-generation” opportunity, this year’s meeting is likely to be far more humble in its outcomes.

The current text is being noted by observers as establishing a process for further work on strengthening the role of the UN Environment Programme, establishing the Sustainable Development Goals (SDGs) and clarifying the “Means of Implementation,” or, the ways in which outlined goals will be implemented (i.e., financing, technology transfer, capacity building, trade, and registry of commitments). Nonetheless, references to the green economy – originally pegged as one of the primary pillars of the Rio meet – are qualified and rife with weak verbs, such as “encourage” and “acknowledge.”

### Trade concerns and the green economy

Trade issues have played a significant role in shaping the Rio discussions. This was most notably seen in the framing of the green economy debate, which has provoked a negative response from some developing countries. Rio+20 regional preparatory meetings as early as October 2011 saw several developing countries lash out at the plans to establish a robust global green economy as a measure that could impede development.

Many developed countries, particularly those in Europe, saw Rio as an ideal venue for helping to create the conditions for ushering in a low-carbon and resource-efficient global green economy, which some studies have estimated would create 15-60 million additional jobs. Key initiatives involved in the plan include the elimination of fossil fuel subsidies, introducing environment-related taxes, and placing a higher value on services provided by nature.

But much of the strong language has been dropped from earlier texts after several developing countries expressed their concerns that a green economy would effectively exclude them from trade opportunities by increasing the cost of manufacturing and transportation. Technologically

advanced countries would be at a clear advantage under such a scheme, they argued.

Some developing countries also 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 – would be with the implementation of the green economy.

The profile and language of the green economy has thus been lowered in the current text and specific references to trade have been reduced to two paragraphs – down from nine. The two paragraphs, which fall under the Means of Implementation section of the document, reaffirm the importance of trade as an “engine for development and sustained economic growth” and spell out a message to WTO members to “redouble their efforts to achieve an ambitious, balanced and development-oriented conclusion to the Doha Development Agenda.”

The issue of transferring environmentally sound technology and know-how to developing countries is also featured under the section on Means of Implementation. Countries agree on the importance of supporting technology transfer and emphasise the need for appropriate enabling environments for innovation and a facilitation mechanism for promoting such transfer. The section also recognises the need for using space-related science for monitoring and evaluation to make informed sustainable development policymaking decisions.

### SDGs on track

As expected, the text being forwarded to leaders contains language supporting the development of Sustainable Development Goals (SDGs), a set of measurable targets based on an initiative proposed by Colombia and Guatemala that are aimed at promoting sustainable development around the world. Gro Harlem Brundtland, who was instrumental in launching the first Rio Earth Summit, called the section on SDGs the most important section of the document.

The SDGs are designed to provide a concrete approach to making measurable progress toward

achieving balanced sustainable socio-economic growth in tandem with sustainable sourcing of natural resources. They have been widely compared to the Millennium Development Goals (MDGs), which were adopted in 2000 to help co-ordinate efforts around the world to raise the standard of living of the world's poorest. The non-binding MDGs have a target end date of 2015, and it is thought that the SDGs will pick up where they left off and address criticism that the original Goals fail to address the role of the environment – particularly climate change – in development.

While the current text does not identify the specific targets that would make up the SDGs, several broad objectives – such as food security, renewable energy, livelihoods, employment, and women's empowerment – have been suggested by various forums. Officials say the specifics of the SDGs could take up to 18 months to be agreed to.

Some critics have argued that the SDGs pose a threat to the MDGs, with the thought that attention will be shifted away from the original Goals prematurely. The current text addresses this concern, stating that the SDGs “should not divert focus or effort from the achievement of the Millennium Development Goals.”

### **Other issues to watch**

A range of other issues are outlined in the 49-page document, with some more likely to produce a tangible outcome than others. Many observers have noted the language used section aimed at boosting the role of the United Nations Environment Programme (UNEP) in managing the world's environmental issues as promising. The draft says countries are committed to making UNEP the world's “leading global environmental authority” for setting the global environmental agenda. It establishes a set of eight recommendations for strengthening the UN body and calls on the UN General Assembly to adopt a resolution supporting the initiative.

The need to promote sustainable consumption and production was also featured in the document. Countries agreed to text that reaffirms commitments they have made in phasing out fossil fuel subsidies, but uses purposefully weak

language to ensure developing countries are not negatively impacted by sweeping measures. “We invite others to consider rationalizing inefficient fossil fuel subsidies by removing market distortions, including restructuring taxation and phasing out harmful subsidies, where they exist, to reflect their environmental impacts, with such policies taking fully into account the specific needs and conditions of developing countries, with the aim of minimizing the possible adverse impacts on their development.”

In addition, the outcome text reaffirms a commitment to eliminate those fisheries subsidies that are responsible for illegal, unreported, and unregulated fishing and overcapacity, while calling for a conclusion of multilateral disciplines on fisheries subsidies in the WTO context.

“Given the state of fisheries resources ...we encourage States to eliminate subsidies that contribute to overcapacity and over-fishing, and to refrain from introducing new such subsidies or from extending or enhancing existing such subsidies.”

The text again noted the need to account for the potential impacts on developing countries, stating that “appropriate and effective special and differential treatment for developing and least developed countries should be an integral part of the WTO fisheries subsidies negotiation.”

Overall, the text looks carefully at the role of oceans, with countries noting with “concern” the health of oceans and marine biodiversity. It also calls the need to return ocean stocks to sustainable levels “urgent” and calls on countries to develop and implement science based management plans, including by “reducing or suspending fishing catch and effort commensurate with the status of the stock.”

Notably, the document includes a commitment to establishing an Agreement on Marine Biological Diversity in Areas Beyond National Jurisdiction under the UN Convention on the Law of the Sea (UNCLOS) by the end of the 69th Session of the UN General Assembly.



Bridges will be publishing a wrap-up report on Rio+20 upon its conclusion. Please visit our [website](#) for details.

ICTSD reporting.

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## Mexico, Canada Receive Invite to Trans-Pacific Trade Talks

Seven months after requesting entry, Mexico and Canada have officially been invited to join the Trans-Pacific Partnership (TPP) negotiations, officials announced this week during the annual G-20 Leaders' Summit in Los Cabos, Mexico.

"Today's announcement is a shot in the arm for the TPP, which underscores the importance of the opportunity this negotiation creates. It takes us another step closer to that regional goal," New Zealand Trade Minister Tim Groser said on Monday on behalf of the current TPP members, following the announcement of Mexico's entry. Excluding Canada and Mexico, the nine current TPP members are Australia, Brunei, Chile, Malaysia, New Zealand, Peru, Singapore, the US, and Vietnam.

The news received a similarly warm welcome from Mexican and Canadian leaders.

"This is one of the free trade initiatives that's most ambitious in the world and would foster integration of the Asia Pacific region, one of the regions with the greatest dynamism in the world," Mexican President Felipe Calderón said on Monday.

"This is a further example of our determination to diversify our exports and to create jobs, growth, and long-term prosperity for Canadian families," Canadian Prime Minister Stephen Harper said on Tuesday.

The inclusion of Mexico – Latin America's second largest economy and the world's 12<sup>th</sup> largest economy – introduces an economy comprising US\$640 billion in trade in goods and services to the TPP, according to WTO data from 2010. Canada, the world's 15<sup>th</sup> largest economy by GDP, accounts for US\$948 billion in trade in goods and

services, according to WTO data from the same year.

Even without the two additional countries, the nine TPP members already account for 40 percent of global trade. According to the Canadian government, negotiations including Canada and Mexico will cover an estimated C\$20.5 trillion (US\$20.13 trillion) in output among the now-eleven members, up from C\$17.6 trillion (US\$ 17.3 trillion) among the current nine parties.

The proposed pact, which has been billed as a "21<sup>st</sup> century agreement" by its proponents, aims to slash tariffs and other barriers to trade and investment in goods and services; the goods covered will represent some 11,000 tariff lines. A [study](#) by the Peterson Institute for International Economics estimates that the trade pact, when in force, will generate annual global income gains of US\$295 billion.

Negotiators also plan to incorporate higher standards on issues involving regulatory coherence; competitiveness and business facilitation; small- and medium-sized enterprises; and economic development and governance, according to an outline released in November. (See Bridges Weekly, [16 November 2011](#))

## Seven-month bid; Japan question left unanswered

The question of whether Ottawa and Mexico City would be asked to join the negotiations before the nine current members clinched a final deal has been on trade watchers' minds since Canada and Mexico first expressed an interest in November, given concerns raised by TPP negotiators over whether a high-ambition deal would still be possible within a short time frame if new entrants were admitted. The two new entrants then had to receive the approval of all nine current members, and have been consulting with them since last fall.

With these concerns in mind, both Mexico City and Ottawa have stressed that they are committed to the goal of concluding an ambitious, high-standard trade pact. However, areas that are likely to prove contentious as Canada enters the talks include Ottawa's agricultural supply management programmes, which limit domestic production of



dairy, poultry, and eggs to match demand and charges tariffs on agricultural goods imports.

The programmes have come under fire by some of Canada's trading partners, such as Australia and New Zealand, for their alleged impact on import competitiveness. Canadian political officials, for their part, have publicly reiterated their support for the policy in recent months. "We've made a commitment to our Canadian farmers [and] we have no intention of breaking our word to that industry," Canadian Trade Minister Ed Fast said in April.

Meanwhile, the third country to express interest last November in joining the TPP talks – Japan – has yet to be invited to join the negotiations, and whether it will be asked to enter the talks remains unclear.

Along with needing to obtain approval from current TPP members, Tokyo must also convince a sceptical public that the trade deal would benefit the Japanese economy, especially given concerns among local farmers about the possible adverse impacts of losing the protection of high agricultural import tariffs by joining the proposed deal.

"Having Japan join the TPP would be of immense significance. We look forward to welcoming Japan to the negotiation once Japan is ready and we have established procedures for their entry that are acceptable to their government and to ours," Groser said.

### Next steps

Before Canada and Mexico can join official TPP negotiations, current members of the proposed pact must complete their own domestic legal procedures, where applicable. In Washington, for instance, the US Congress has to conclude a 90-day consultation period to debate the impact of the expanded membership.

The next round of TPP negotiations is scheduled to take place in San Diego, California from 2-10 July.

ICTSD reporting; "Canada to Join Trans-Pacific Trade Talks," REUTERS, 19 June 2012; "Mexico

to Join Trans-Pacific Trade Talks," REUTERS, 18 June 2012; "Pacific Trade Talks Extend Invites to Canada, Mexico," BLOOMBERG, 20 June 2012.

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## Transparency, Export Restrictions in the Spotlight During Review of Chinese Trade Policies

Beijing's trade policies came under detailed scrutiny at the WTO last week, as the global trade body conducted its biennial review of one of its largest traders. While the 240-page report by the WTO secretariat praised the Asian country for its economic achievements during its transition to a market-based economy, it also repeated earlier calls for better transparency and questioned measures aimed at restricting exports – concerns reiterated by some WTO members, such as the EU and US.

The secretariat found that, in the two years under review, China had adopted few measures to liberalise trade and investment. In addition, though Beijing – like many other WTO members – had "resisted a trade-restrictive response overall to the effects of the global economic crisis," it had also adopted in various instances measures that "restrict or may restrict trade," notably in the area of exports.

While there had been improvements in the area of transparency, various aspects of China's trade and investment policy regime "remain complex and opaque, leaving scope for administrative discretion and corruption," the WTO report noted.

### EU, US express fears of China "moving backward"

During the two-day Trade Policy Review (TPR), both the EU and US were among the members to raise questions about China's policies during the 2010-2011 period, and called for Beijing to "lead by example" in light of China's growing role in international trade and open its markets further.

"We are worried... not only of China standing still, but also moving backward," US Ambassador to the WTO Michael Punke said in his remarks.

“Since China’s 2010 TPR, it appears the trend toward state intervention in the Chinese economy has intensified,” Punke added. “China’s tighter embrace of state capitalism now runs directly counter to the economic reform goals that originally drove its pursuit of WTO membership, goals that had offered real leadership and real promise for China’s future economic growth.”

The state capitalism allegations drew a harsh response from Chinese Assistant Minister for Commerce Yu Jianhua, who stressed in his remarks that the TPR process “should be based on WTO rules and should not be politicised.”

“I note with regret that some member labelled China as practising state capitalism... The term cannot be found in GATT or WTO documents. It has nothing to do with the TPR or WTO rules,” Yu continued. “We strongly believe TPR should not be abused for the purpose of domestic politics.”

EU Ambassador to the WTO Angelos Pangratis also cited fears that China’s reform process was slowing down, noting that, “despite some incremental progress in certain sectors, most of [the EU’s] concerns highlighted during the last review in 2010 are still pertinent today – and some have become even more acute.”

Beijing, for its part, underscored that moving backwards was not an option. “We wish, through the review, member countries will gain a better understanding of this reality in China and recognise China’s continuous efforts to reform, open up, and improve its economic and trade regime and policies,” Yu said.

“Surely we will never standstill or rollback. We believe standstill or rollback is a dead end for China,” Yu added.

### **Subsidies, export restrictions under scrutiny**

Subsidies and other government assistance are “important features of China’s trade policy and industrial policy making,” the WTO report said, noting that China did submit a new subsidies notification to the WTO in 2011 that listed those programmes providing assistance at the central government level between 2005 and 2008.

“However, in many cases there are no figures on the magnitude of support provided, and no information is available on subsidies and other government assistance provided at the provincial level, which are believed to be considerable,” the WTO added.

The US similarly complained about the level of subsidy notifications, calling such concerns “far from trivial.” Last September, Washington had submitted a list of approximately 200 subsidies that it alleged China had failed to notify the global trade body.

“During China’s tenure as a WTO member, investigatory work by the United States has led to the filing of three WTO disputes involving allegations that China has employed scores of prohibited subsidies, both at the central government level and the sub-central government level,” Punke said.

China has said that it aims to improve its efforts to notify the WTO of local subsidies in the future. “What we will do next is to extend our efforts to the sub-central level by training local officials and incorporating sub-central subsidies in the notifications,” Yu noted in his remarks, adding that a delay in subsidy notification is a common problem among WTO members.

### **Export restrictions**

The long-running controversy over China’s use of export restrictions also resurfaced during the review, with the EU Ambassador noting that the Asian country’s use of such policies – such as with raw materials, which was the subject of a high-profile WTO dispute involving the US, EU, and Mexico as co-complainants – are “an exception” to Beijing’s “commitment to resist protectionism during the economic crisis.”

China’s export restrictions on nine raw materials were deemed WTO-incompatible by the WTO Appellate Body earlier this year ([DS394](#), [395](#), [398](#)). (See Bridges Weekly, [1 February 2012](#)) Another dispute involving the US, EU, and Japan over rare earths is currently in the consultations phase. (See Bridges Weekly, [14 March 2012](#))

China, meanwhile, noted that while it does use export controls, these are all consistent with WTO rules. “Export control on highly polluting, energy consuming products and exhaustible natural resources is a part of our effort to protect the environment and achieve sustainable development under the mounting resource and environmental pressure, [and] therefore is necessary at present,” Yu said.

“China will fully assess the final ruling [of the WTO disputes involving export controls of these materials] and adopt sound measures in line with WTO rules, with the view to achieve sustainable development.”

### Intellectual property rights

Both US and EU officials also criticised Beijing for allegedly insufficient efforts toward enforcing intellectual property rights (IPRs).

China’s efforts to improve its “inadequate and uneven enforcement of intellectual property rights... have still not significantly reduced the unacceptably high infringement levels in China,” Punke said.

Pangratis, for his part, echoed these concerns, specifically in the areas of forced technology transfer and the alleged difficulties in prosecuting criminal and civil IPR cases. “The EU continues to encourage China to create a truly innovation-conducive environment in which its IPR enforcement regime is duly enhanced, at all levels of government.”

For its part, China, in its government report to the WTO, noted that strengthening IPRs protection “has always been an important part of the work of the Chinese Government to accelerate the construction of an innovative country.”

“China has gone through a course of IPRs protection in 30-odd years which took several hundred years in developed countries and has achieved remarkable accomplishments. However, due to the contemporary conditions of China as a large developing country, infringements of IPRs still exist, which disturb the order of the market economy and disrupt competitiveness and

innovation enthusiasm of enterprises,” the Beijing submission to the global trade body noted.

### More information

Under WTO rules, the global trade body conducts a review of the four largest traders – currently the US, EU, Japan, and China – every two years, with Washington to be reviewed in December. The next 16 members in terms of trade volume are reviewed every four years, and all other WTO members every six years.

ICTSD reporting.

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## US Wins on ‘Buy American’ in China Steel Duty Row

The controversial “Buy American” provision of the 2009 US economic stimulus package took centre stage at the WTO last week, with a dispute panel finding that Chinese anti-dumping and countervailing duties on US steel imports that benefitted from the stimulus violated international trade rules ([DS414](#)).

However, the expert panel did not rule on the substance of the case, regarding whether “Buy American” really subsidises local manufacturers. Rather, it focused primarily on the procedural rules that govern the application of anti-dumping (AD) and countervailing (CV) duties.

China has been applying AD and CV duties on grain-oriented flat-rolled electrical steel (“GOES”) made in two US states, Ohio and Pennsylvania. In Beijing’s view, GOES benefitted from illegal subsidies granted under the “Buy American” provisions of the 2009 American Recovery and Reinvestment Act, as well as certain state government procurement laws.

The Buy American provision mandates that support from the stimulus package may only be given to projects that use US inputs, unless foreign products are substantially – i.e. more than 25 percent – cheaper. Beijing argued that this exclusion of foreign manufacturers resulted in favourable purchase conditions and thus indirect subsidies to US producers.

China's application of AD and CV duties was meant to rectify this situation, Beijing argued during the proceedings.

The US, for its part, had alleged that China had not followed the appropriate procedures when examining potential subsidies and dumping. Specifically, the US argued that China had gathered insufficient evidence to justify the subsidy investigation; that it had withheld relevant data and calculations; that several arguments were insufficiently developed; and that it had misused or misinterpreted the available facts, in violation of the WTO's subsidy agreement.

The panel sided with the US in almost all issues, which Washington praised as a major achievement for US exporters and for increasing transparency in China's trade policies.

"Today's victory is important not only for steelworkers in Pennsylvania and Ohio, but also for American farmers and workers in other sectors that export to China," said US Trade Representative (USTR) Ron Kirk in response to the ruling.

"The decision confirms that China must do more to meet its transparency and due process commitments. This decision also carries the potential to strengthen future challenges to China's trade remedy tactics," the Office of the USTR added in its statement.

China, for its part, emphasised the few panel findings that confirmed Beijing's approach.

"The panel finds that China acted consistently with the WTO rules regarding various issues in dispute," China's mission to the WTO said in an e-mailed statement. These affirmations mainly concerned the use of publicly available facts and the treatment of confidential information.

Regarding the panel's other findings, China said that it has reserved the right to appeal after conducting further evaluations. Both sides have sixty days to appeal the panel's decision.

### Recurring disagreements

The use of trade remedy investigations has long been a thorny topic for the two trading partners, with both Beijing and Washington criticising the other's use of the practice on various occasions. The subject recently resurfaced during a WTO review of China's trade policies held last week, with US Ambassador Michael Punke rebuking Beijing for seemingly having "reflexively resorted to domestic trade remedy actions in response to legitimate actions taken by the United States or other trading partners under their trade remedies laws."

"In our view, this type of apparently retaliatory conduct, which is specifically provided for under Chinese law, is at odds with fundamental WTO principles," Punke added.

But while this latest ruling presents a major victory for the US, just one week prior a WTO panel had dismissed Washington's own application of AD rules in yet another case on "zeroing." For more on the zeroing case, see the Disputes Roundup in this week's issue.

ICTSD reporting; "WTO backs U.S. in case against China duties on steel," REUTERS, 15 June 2012.

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## Disputes Roundup: Amicable Solutions in Cotton Yarn, Beef Spats; Zeroing Again Under Fire

Canada and South Korea's long-running dispute over beef imports has now come to an amicable solution, and the conclusion to a more recent row between Turkey and India over cotton yarn is not far behind, officials announced this week. Back in Geneva, a WTO dispute panel again struck down the US practice of "zeroing" in anti-dumping duty investigations, in response to a complaint lodged by China.

### Turkey agrees to remove safeguards on Indian cotton

Only months after New Delhi formally complained at the WTO, officials from Ankara have agreed to discard the challenged additional duties placed on cotton yarn from India.

According to Indian news sources, the two countries are expected to soon sign a respective memorandum of understanding that would formally end the dispute. It would be the second time that an Indian complaint over Turkish duties on cotton yarn does not proceed to the panel stage.

Turkey and India entered the first phase of WTO dispute settlement on 13 February (DS428), when New Delhi requested consultations with Ankara over the latter's safeguard measures on cotton yarn imports (See Bridges Weekly, [22 February 2012](#)).

Safeguard rules allow countries to increase duties beyond agreed upon limits when an increase in imports caused by unforeseen events threatens to cause serious injury to domestic producers.

As part of its WTO commitments, Turkey had agreed to limit its cotton yarn duties to five percent. However, the tariffs it applied on Indian cotton yarn in the form of safeguard measures were as high as 15 to 20 percent. Other developing countries are exempt from the high duties, which primarily target prime competitor India.

The announced understanding would eliminate these additional safeguards within one year of the deal's entry into force, sources reported. In exchange, India will forego its right to have a WTO panel established to hear the case.

Back in February, India also requested consultations under the WTO's safeguards agreement with Egypt over Cairo's plans to apply similar measures. This request, however, has not resulted in a formal dispute.

Egypt and Turkey are the fifth and sixth largest export destinations for Indian cotton, respectively. Indian producers have [ranked](#) second in the world in total cotton production since 2006 and generated 27 million bales in 2011.

### **Ottawa, Seoul report final conclusion of beef dispute**

Meanwhile, the almost decade-long beef trade dispute ([DS391](#)) between Ottawa and Seoul was

formally put to closure after the first Canadian beef shipments cleared customs in South Korea. On Wednesday afternoon the two countries notified the WTO about their mutually agreed solution. The agreement's text, however, was not available when Bridges went to press.

Beef had been banned from entering the Korean market since 2003, when the Asian country, along with other nations, shut its borders to all Canadian and US beef products in response to North American cattle being linked to bovine spongiform encephalopathy (BSE), or mad cow disease.

Already in January this year, South Korea had agreed to opening its borders to Canadian beef from cattle under thirty months old (See Bridges Weekly, [23 January 2012](#)). The announcement was the direct reaction to the above-mentioned WTO dispute referred, which was brought by Ottawa in 2009. (See Bridges Weekly, [6 July 2011](#))

Shortly before a 2011 panel report in the case was set to be released to the public, Seoul gave in to its North American trading partner, agreeing to develop an amicable solution throughout 2012.

The Canadian beef industry has [estimated](#) that restoring market access in South Korea could be worth more than C\$30 million (US\$29.5 million) to Canadian producers by 2015. "Korea is an important market for Canadian cattle producers," Martin Unrau, President of the Canadian Cattleman's Association, [said](#) in welcoming the final deal.

### **Panel reaffirms illegality of US zeroing practice**

Back at WTO headquarters in Geneva, a dispute panel handed a victory to China on 8 June, finding that the US Department of Commerce's use of "zeroing" in anti-dumping investigations is inconsistent with WTO rules ([DS422](#)).

Beijing had specifically challenged Washington's use of this practice on Chinese imports of certain frozen shrimp products and diamond sawblades.

Following a series of panel and Appellate Body rulings that dismissed the right to zeroing, the US

agreed to end its use of the zeroing method in February, although it still argues that the practice is consistent with WTO law. (See Bridges Weekly, 8 February 2012). The Chinese disputes regarding shrimp and sawblades, however, predated the US' decision to quit using this method.

Under the practice of zeroing, the US ignores certain data when calculating anti-dumping duties. Specifically, it 'zeroes out', or ignores, instances where the good in question is actually being sold at a higher price in the US than in its home market.

Zeroing has been subject to a large number of WTO disputes, which temporarily culminated with the WTO Appellate Body rejecting the use of zeroing in administrative reviews in early 2010. However, the US is still involved in a number of WTO disputes involving the practice.

ICTSD reporting; "Turkey agrees to remove penal duties on Indian cotton yarn," THE ECONOMIC TIMES, 19 June 2012; "Canada to end WTO beef dispute with South Korea," REUTERS, 18 June 2012.

## IN BRIEF

### US, African Officials Push for Extension of AGOA Textile Provision

African and US government officials renewed calls last week for the US Congress to quickly extend a provision that allows several African countries certain benefits involving textile trade. However, observers note, the prospects for extending the measure ahead of a 30 September expiration date are becoming increasingly slim as the US presidential election draws nearer.

The African Growth and Opportunity Act (AGOA), which was first passed by the US in 2000, provides roughly 6,400 African products with preferential quota and duty-free access to the US market. The bill expands upon the US Generalised System of Preferences, a set of formal exceptions from the WTO's most favoured nation

(MFN) principle that allows developed countries to offer developing countries preferential treatment on specific goods.

A key element of AGOA's apparel programme is the Third-Country Fabric (TCF) provision, a 2002 addition to the Africa-focused trade law that allows eligible countries to utilise yarn and fabric from any country, including India and China, in producing their textile exports and still qualify for such preferential access.

### Politics slowing down the process, Kirk says

While the textile provision enjoys broad bipartisan support in Congress, trade observers and officials alike note that the long legislative process and political dynamic involved could prevent the measure's renewal before the end-September deadline, especially with the US presidential election kicking into high gear.

"We are regrettably in an election year and I think some people think partisan politics trump common sense," US Trade Representative Ron Kirk told a Washington audience last week ahead of the twelfth annual AGOA Forum, held last week on 14-15 June in Washington. US President Barack Obama would sign the bill once it reaches his desk, Kirk added.

At a separate meeting in May of this year, Kirk mentioned that the swift passage of legislation extending the TCF provision was necessary to ensure AGOA's continued success, as well as the economic growth of sub-Saharan African countries. AGOA's non-petroleum exports virtually tripled from about US\$1.2 billion to US\$4.5 billion between 2001 and 2011, with textile and apparel counting for more than US\$850 million in 2011 alone.

African officials have similarly made a public call for the TCF clause to be renewed. "Mauritius and other African apparel-producing countries are concerned the US Congress has so far failed to take action to extend it," Somduth Soborun, Mauritius' ambassador to the United States, told Voice of America last week.

Soborun further suggested that the resulting uncertainty over the renewal is already hurting



trade, with many sub-Saharan African countries experiencing a loss of demand from US retailers.

A recent [report](#) by the Washington-based Brookings Institution finds that, should the TCF clause expire this September, the viability of more than US\$800 million in apparel exports from Africa to the US could be at risk, as could overall exports under AGOA.

### **US industry: expiration of TCF could be “devastating” for Africa**

US industry groups have also backed the renewal of the provision, emphasising its benefits to US businesses and African countries alike.

“The negative consequences of the looming expiration of AGOA’s Third Country Fabric Provision could be devastating for numerous African countries,” the US Chamber of Commerce and numerous domestic industry groups said last week, in a letter [addressed](#) to the leading Republicans and Democrats of the Senate Finance and House Ways and Means committees.

“Inaction is difficult to justify given that the TCF provision has proven beneficial to US businesses and non-controversial in both Congress and in the US,” they added. “A perception among African governments that Congress is abandoning Africa is worrisome to many US investors.”

ICTSD reporting; “Politics’ blocking African trade bill: USTR Kirk,” REUTERS, 14 June 2012; “Mauritius Ambassador Seeks Extension of AGOA Provision,” VOICE OF AMERICA, 5 June 2012; “Rule to Encourage Africa Trade Set to Expire,” WALL STREET JOURNAL, 13 June 2012.

## **EVENTS & RESOURCES**

### **Vacancy**

The Office of the Chief Trade Adviser (OCTA) in Port Vila, Vanuatu is seeking candidates for the position of Economic Adviser (Trade). The two-year assignment will be focused on helping OCTA support and build the capacity of Pacific Forum

Island Countries in the PACER+ negotiations. Interested candidates should have a background in economic research on international trade and/or regional integration and at least seven years of experience working at progressively senior levels in this field. The closing date is 29 June 2012. For more information, please visit the Commonwealth Secretariat [website](#).

## **Events**

### **Coming soon**

20-22 June, Rio de Janeiro, Brazil. UNITED NATIONS CONFERENCE ON SUSTAINABLE DEVELOPMENT (UNCSD). The UNCSD, also known as Rio+20, is bringing together world leaders, along with participants from governments, the private sector, NGOs and other groups, to discuss how to reduce poverty, advance social equity, and ensure environmental protection. The event marks the 20th anniversary of the 1992 United Nations Conference on Environment and Development (UNCED), also held in Rio de Janeiro, and the 10th anniversary of the 2002 World Summit on Sustainable Development (WSSD) in Johannesburg. The Conference is focusing on two themes: (a) a green economy in the context of sustainable development and poverty eradication; and (b) the institutional framework for sustainable development. The Conference will result in a focused political document. For more information, please visit the UNCSD [webpage](#).

21 June, Rio de Janeiro, Brazil. BREAKING DOWN THE POLITICAL BARRIERS TO FOSSIL-FUEL SUBSIDY REFORM. Jointly organised by the International Institute for Sustainable Development’s (IISD) Global Subsidies Initiative and the Government of Switzerland, this Rio+20 side event aims to foster an open and constructive discussion among all stakeholders on the political barriers to fossil fuel subsidy reform. The event will also address the challenges facing reform, such as the political repercussions if reforms are introduced too quickly and without sufficient public support. For more information, please click [here](#).



21 June, Rio de Janeiro, Brazil. GREEN ECONOMY AND AGRICULTURE: TOOLS TO FIGHT AGAINST CLIMATE CHANGE. This event is co-organised by IRD (French Research Institute for Development) with ADEME (French Agency for Environment & Energy Management) and the UN Food and Agriculture Organisation (FAO). This Rio+20-side event will include a discussion on a carbon assessment of agricultural activities and forestry projects and a demonstration of the tools available to involve stakeholders in combating climate change. For more information, click [here](#).

21-22 June, Geneva, Switzerland. UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT, UNITED NATIONS FORUM ON SUSTAINABILITY STANDARDS (UNFSS) ADVISORY PANEL MEETING. The UNFSS is a newly-launched program created to facilitate and strengthen the effective and active participation by developing countries in the international dialogue on voluntary sustainability standards. This event is open to the public. For more information on the UNFSS, please visit this [site](#), and for additional event details, click [here](#).

21-22 June, Cincinnati, US. US-AFRICA BUSINESS CONFERENCE. This US government-sponsored event is designed to serve as a follow-up to the previous week's African Growth and Opportunity Act (AGOA) Forum. The event aims to highlight trade and investment opportunities in African markets for US exporters and investors, focusing broadly on infrastructure development in sub-Saharan Africa. Contact Sarah Scarcelli at [USABC2012@state.gov](mailto:USABC2012@state.gov), or click [here](#), for more information.

## 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.

21 June: Working Party on the Accession of the Bahamas

22 June: Council for Trade in Goods

25 June: Dispute Settlement Body

25, 27, 29 June: Working Party on GATS Rules

25 June: Committee on Specific Commitments

26 June: Workshop on Trade in Financial Services Development

26 + 28 June: Trade Policy Review Body – Colombia

27 June: Working Party on Domestic Regulation

28 June: Sub-Committee on Least-Developed Countries

28 June: Working Group on Trade and Transfer of Technology

## Other Upcoming Events

1-5 July, Geneva, Switzerland. UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT (UNCTAD): TRADE AND DEVELOPMENT BOARD, 55<sup>TH</sup> EXECUTIVE SESSION. The 55<sup>th</sup> Executive Session of UNCTAD's Trade and Development Board will focus on UNCTAD's activities in support of development in Africa. The session will feature a report providing an overview of research and analysis being undertaken by UNCTAD in this field, as well as a summary of specific activities, including advisory services and technical co-operation in each sector that falls under UNCTAD's mandate. Included on the agenda is a panel entitled "The New Partnership for Africa's Development: Performance, challenges, and the role of UNCTAD," followed by an interactive discussion. For more information, contact [meetings@unctad.org](mailto:meetings@unctad.org) or click [here](#).

17-21 September, The Hague, Netherlands. ADVANCED WTO TRAINING PROGRAMME ON 'RECENT TRENDS AND EMERGING ISSUES'. This training programme, hosted by the T.M.C. Asser Instituut, is designed

for diplomats and trade lawyers. Through this event, organisers aim to provide participants with the knowledge, insights, and practical skills that will enable them to implement WTO rules and to engage in its dispute settlement procedures. For information on the programme and to register, please visit the event [website](#).

24-26 September, Geneva, Switzerland. WTO PUBLIC FORUM 2012. Convening under the theme “Is multilateralism in crisis?”, the Public Forum is the WTO’s largest annual outreach event. It aims to provide a platform for participants to discuss the latest developments in world trade and to propose ways of enhancing the multilateral trading system. The event regularly attracts over 1,500 representatives from civil society, academia, business, the media, governments, parliamentarians, and intergovernmental organisations. Event organisers are currently inviting submissions of short articles of no more than 1,000 words on the themes of the Forum, along with views on the articles submitted by others. Articles should be sent to [publicforum2012@wto.org](mailto:publicforum2012@wto.org), indicating discussion forum on the subject line. For more details about this event, visit the WTO’s [website](#).

5-6 November, New Delhi, India. SEVENTH IZA/WORLD BANK CONFERENCE: EMPLOYMENT AND DEVELOPMENT. Since 2006, the annual conference on Employment and Development has aimed to provide a platform for researchers and policy experts to discuss new findings and identify areas where further work is needed. The Institute for the Study of Labor (IZA) and the World Bank will organise this year’s conference in partnership with the Indian Council for Research and International Economic Relations (ICRIER) and the Delhi School of Economics. In addition to the regular sessions in all fields of labour economics, special sessions on Youth Employment and Entrepreneurship - the theme of the AfDB-OECD-UNDP-UNECA 2012 *African Economic Outlook* - will be featured. More information is available on the IZA [website](#).

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## Resources

OPEN INNOVATION FOR SUSTAINABILITY: LESSONS FROM THE GREENXCHANGE EXPERIENCE. By Roya Ghafele and Robert D. O’Brien for the International Centre for Trade and Sustainable Development (June 2012). In this ICTSD policy brief, the authors attempt to analyse the GreenXchange (GX) platform that was launched by Nike and nine other organisations in 2010, within the broader context of the role of innovation in building a more sustainable future. The GX web-based platform, the authors argue, exemplifies both the usefulness and limitations of open innovation for sustainability. It also suggests various ways to improve similar efforts in the future. For more information, or to read the policy brief, please click [here](#).

INVESTMENT POLICY FRAMEWORK FOR SUSTAINABLE DEVELOPMENT. Published by the UN Conference on Trade and Development (UNCTAD) (June 2012). This UNCTAD publication aims to inform national and international policymakers on how best to design investment policies that support sustainable development, how to ensure the integration of investment policy with development strategy, and how to improve policy effectiveness. It pays particular attention to the persistent crises and social and environmental challenges characteristic of present times, and it offers principles, guidelines, and options for policymakers today. To access the publication, click [here](#).

CHANGING PERSPECTIVES: SMALL-SCALE FARMERS, MARKETS AND GLOBALISATION. By Sophia Murphy for the International Institute for Environment and Development (IIED) and the Hivos Foundation (June 2012). This paper maps and summarises the debate on small-scale farmers and their relationships to globalised and globalising markets. It documents changing views of small-scale farming as the process of globalisation evolves and looks at how small-scale farmers have navigated the changes brought about by globalisation. It describes five broad narratives on how different actors see small-scale farmers in the context of globalising markets and explores how

the 2007-2008 global food crisis and its aftermath have challenged these narratives. To access the paper, click [here](#).

GOING GLOBAL, GOING GREEN: CCICED ON INVESTMENT, TRADE AND ENVIRONMENT. By Pan Jihua and John M. Forgach for the China Council for International Cooperation on Environment and Development (CCICED) and the International Institute for Sustainable Development (IISD) (2012). This book is a summary of work by the CCICED Task Force on Investment, Trade and Environment. The book analyses the impact of international investment and trade on the environment and how China could leverage its international trade and investment activities to advance a “green shift” of the economy. To access the publication electronically, click [here](#).

THE COST TO MEXICO OF US CORN ETHANOL EXPANSION. By Timothy A. Wise for the Global Development and Environment Institute at Tufts University (May 2012). This working paper was released on 16 May in Mexico City on the eve of a key meeting of vice ministers of agriculture from the G-20 countries, who were meeting to set the G-20 agenda on food security in advance of the G-20 summit 18-19 June in Los Cabos, Mexico. The paper finds that US corn ethanol expansion has contributed to rising food prices and greater food insecurity in Mexico and other food-import-dependent countries. To access the paper, click [here](#).