

# BRIDGES WEEKLY

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## PREFERENTIAL AGREEMENTS

# Momentum Builds Toward Possible EU Trade Talks with US, Japan

The prospect of the EU launching separate bilateral trade talks with the US and Japan, respectively, received an additional boost this past week, following the European Council's public expression of support for the two sets of proposed negotiations. Meanwhile, the European Parliament is soon slated to vote regarding whether negotiations should be launched with Tokyo, after having yesterday adopted a non-binding resolution in favour of possible talks with Washington.

The political signals from Brussels and Strasbourg come as the US continues to struggle with a sluggish economic recovery, while the eurozone is facing its own series of financial hurdles whose impacts have been felt well beyond its borders. Japan, meanwhile, is still recovering from the economic effects of its earthquake and tsunami in March of 2011.

### European Council backs possible US-EU talks

Following last week's highly-anticipated EU summit, the European Council – which is made up of heads of government from the bloc's 27 members – [stressed](#) the importance of trade in creating growth and jobs in the ailing eurozone.

"An ambitious trade agenda could lead in the medium term to an overall increase of two percent in growth and the creation of over two million jobs," the heads of government said after the 18-19 October meetings, reiterating the bloc's goal of promoting "free, fair, and open trade" in line with the EU's interests and in the spirit of reciprocity and mutual benefit.

Notably, EU leaders backed the possibility of a trade deal with the US as one of the ways to achieve this trade agenda. "[The Council] looks forward to the final report of the EU-US High Level Working Group and commits to working towards the goal of launching in 2013 of negotiations on a comprehensive transatlantic trade and investment agreement," the statement said.

"[The Council] will return in greater depth to EU/US relations and to the contribution trade can make to the growth agenda in February 2013."

The EU-US High Level Working Group on Jobs and Growth is set to issue recommendations to US and EU leaders in December regarding whether to begin negotiating a trans-Atlantic trade deal. Officials from both sides recently told Reuters



International Centre for Trade and Sustainable Development

that the Working Group will indeed suggest that the two sides launch formal trade talks.

"The report will recommend the negotiation of a comprehensive agreement between the United States and the European Union," according to one of the senior EU officials quoted by Reuters, whose comments tracked with those of other EU and US diplomats interviewed by the news agency.

The Working Group issued an interim report earlier this year that already foreshadowed what the expected December recommendations might be, noting at the time that a broad, comprehensive bilateral deal was the option with "greatest potential" for supporting jobs and spurring economic growth on both sides of the Atlantic. (See Bridges Weekly, [27 June 2012](#))

However, the Working Group in its June report also flagged potentially sensitive areas for the two sides – such as intellectual property rights, regulatory standards, and health protections – that proved to be stumbling blocks during past efforts to lower trade barriers between Brussels and Washington. How these issues might be addressed in a bilateral pact remains to be seen.

Members of the European Parliament meeting in a plenary session yesterday similarly backed the possible trade talks, but warned that the EU's interests must be protected in the process.

"We want to send a strong political signal in favour of opening negotiations with the United States in order to create a real transatlantic market with enormous opportunities for growth. Agreement is not going to be easy and there are very divergent interests between the US and Europe over, for example, agriculture, maritime transport, GMOs and cloned animals, but we believe that these difficulties can be overcome," said the rapporteur, Vital Moreira before the MEPs adopted a non-binding resolution in favour of launching negotiations next year.

The US and EU together form the world's largest trading relationship, with trans-Atlantic trade in goods and services worth €700 billion last year alone, according to European Commission [data](#).

### **Japan trade talks on this week's European Parliament plenary agenda**

EU national leaders have pushed repeatedly over the past year for the bloc to pursue growth via bilateral trade deals, citing the lack of progress in the WTO's Doha Round of trade talks – as well as the EU's broad economic struggles – as reason for such an approach.

In this context, the European Parliament is also set to vote tomorrow on whether the 27-country bloc should begin negotiations with another of the world's largest traders, Japan. A Brussels-Tokyo deal was proposed back in July by the European Commission. (See Bridges Weekly, [25 July 2012](#))

Earlier this month the Parliament's international trade committee voted overwhelmingly in favour of the talks; Parliament has asked the European Council to wait on deciding whether to launch these trade negotiations until after it had a chance to vote. (See Bridges Weekly, [17 October 2012](#))

Council leaders, however, appear to be ready to back trade talks with Tokyo, with their statement following last week's EU summit calling for an agreement on the negotiating directives for such a trade deal, "with a view to launching negotiations in the months ahead." The heads of government also urged that ongoing negotiations with Canada and Singapore be concluded within the coming months.

However, officials from some EU member states have expressed concern over what a Tokyo-Brussels deal might mean for the European car sector, with the French ministers for trade and industry saying yesterday that their country's government intends to "see to it that the upcoming trade agreements between the EU and big industrialized countries preserve the interests of our industry."

"In this respect, the concerned parties will be consulted in the coming days about the conditions necessary for opening negotiations for a free trade agreement with Japan," Industry Minister Arnaud Montebourg and Trade Minister Nicole Bricq said in a joint statement.

The comments come after the European Commission rejected a French request to begin formal surveillance of car imports from South Korea, according to Reuters. The entry into force last year of the EU-South Korea pact has been blamed for a flood of automobile imports into the eurozone, which some fear could worsen should a similar deal be struck with Japan.

ICTSD reporting; "EU, U.S. to negotiate free-trade deal from spring 2013: officials," REUTERS, 17 October 2012; "France to vet EU trade negotiations with Japan," REUTERS, 23 October 2012.

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## AGRICULTURE

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# Ukraine to Ban Wheat Exports from mid-November

Ukraine will begin restricting wheat exports from 15 November onward, the country's agriculture minister announced today. The news comes as the country – one of the world's largest wheat exporters – attempts to deal with the fall-out of a poor harvest and rising prices for staples.

"There will be a full ban from Nov. 15. There will be a government order about this. We are not playing games here. We do not have any other option," Farm Minister Mykola Prysyazhnyuk told Reuters earlier today.

Both Russia – another major exporter – and Ukraine have restricted exports of wheat in the past, with their 2010-2011 limits prompting vociferous criticism from their trading partners. Both countries scrapped these policies in June of last year. (See Bridges Weekly, [1 June 2011](#))

Unlike Kiev, however, Moscow is not yet expected to impose any new export restrictions on grains of its own, according to recent [comments](#) by President Vladimir Putin.

Prices for contracts to purchase wheat in December have risen slightly – but not dramatically – since the news broke last week that Kiev was considering limiting its exports of the staple. Back in 2010 when Russia announced its own restrictions, prices [surged](#) to a 23-month high as a result. (See Bridges Weekly, [29 September 2010](#))

Export restrictions in periods of high prices or poor harvests have been blamed for exacerbating hunger for the most vulnerable. Food riots followed such measures in the past and, some analysts say, may have contributed to the 'Arab Spring' uprisings.

Delegates at the WTO circulated two separate proposals to address export restrictions last year ahead of the WTO's December ministerial conference, only for both proposals to ultimately be dropped. (See Bridges Weekly, [7 December 2011](#))

### **Not yet a repeat of 2008 food price crisis, experts say**

Ukraine has "very large" stocks, according to Abdolreza Abbassian of the UN Food and Agriculture Organization, and could "easily" export six to seven million tonnes. The FAO official chalked up the ban on exports to domestic politics and an upcoming election.

The fundamentals of the wheat situation, in Abbassian's view, do not suggest a repeat of "what happened a few years ago." While stocks, he explained, are very low globally, production both in some importing countries and others, such as France, has improved. This could lead Europe to export more than anticipated and for others to perhaps import less if their domestic production has increased.

However, prospects for agricultural production elsewhere are looking grim. Australia's [harvest](#) is likely to be down by 28 percent when compared with last year, and a key wheat producing region in Russia is facing a [drought](#). Abbassian observed, though, that the Australian comparison was with a record year for the country. Such news, when taken in isolation, could be "horrifying," but when the numbers are added up there was less reason for immediate concern, he said.

### **Food importing countries worried**

"We want Ukraine to do what Russia is doing," said a trade official for a wheat importing country, referring to a [news report](#) describing Moscow's current hands off-stance in allowing domestic prices to rise, in turn making wheat exports uncompetitive on global markets. However, reports from the Russian capital have at times been conflicting, with Andrei Belousov – Russia's economic development minister – apparently contradicting Putin's position by suggesting last month that the country may indeed apply limits on exports in the future.

Another trade delegate worried that their country did not have the "money for higher prices." Food price inflation and an uptick in prices may drive the most vulnerable, often net purchasers of food, to hunger, warned the FAO's State of Food Insecurity report for this year. Abbassian noted that many countries will have to find a way to pay for higher prices for food, meaning that they may have to cut other support that they provide to their citizens, such as subsidies for energy.

Several developing country trade officials told Bridges that countries should have a right to restrict exports in the case of a shortage of critical foodstuffs. However, they observed, such restrictions do affect others and should be taken with caution and consultation. The WTO's Agreement on Agriculture governing the issue stipulates as much.

WTO rules require that countries imposing export restrictions notify other members, with an exception for developing countries that are not major exporters. One major wheat importer told Bridges that consultations with Ukraine have not yet taken place.

Although Ukraine has submitted notifications to the WTO in the past on measures restricting exports, sources told Bridges that an announcement for the new measure has not yet been circulated to members.

ICTSD reporting; "Vladimir Putin Bans Grain Exports," THE GUARDIAN, 5 August 2010; "Russia opens door to grain export limits," FINANCIAL TIMES, 21 September 2012; "Russia opts for market forces over export ban," FINANCIAL TIMES, 22 October 2012; "UPDATE 2-Ukraine confirms wheat export ban; shipments in doubt," REUTERS, 24 October 2012; "Grain Stocks Down 26% Year on Year," MOSCOW TIMES, 21 October 2012.

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## DISPUTES

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# WTO Appellate Body Hands Victory to Washington on China Steel Duties

Chinese anti-dumping and countervailing duties on imports of US steel have been confirmed as WTO-illegal, according to the global trade arbiter's highest court. The Appellate Body (AB) decision, issued on Thursday 18 October, comes in the final weeks of the US election season, as presidential candidates continue to lambast China's trade policies and tout their plans to ensure Beijing "plays by the rules" in their efforts to win over voters.

### Appellate Body confirms US win in case involving 'Buy American' rule

The Appellate Body on Thursday confirmed an earlier panel finding that had largely sided with Washington in its claim that Beijing had breached WTO rules governing the imposition of anti-dumping (AD) and countervailing (CV) duties.

The US-produced grain oriented flat-rolled electrical steel (GOES) targeted by China had been manufactured in the US states of Ohio and Pennsylvania, where it had benefitted from the 2009 American Recovery and Reinvestment Act – more commonly known as the US economic stimulus package – as well as certain state government procurement laws. GOES is used primarily for power generation, specifically in transformers, rectifiers, reactors, and large electric machines.

The legality of the governmental support, however, had not been subject to the WTO dispute. Rather, Washington had alleged that China had not followed the procedures spelled out in the WTO's Antidumping Agreement and the WTO's Subsidy and Countervailing Measure Agreement.

Washington's initial victory was now confirmed in full by the Appellate Body after China had challenged in its appeal certain issues of law and legal interpretations. (See Bridges Weekly, [20 June 2012](#))

"This is a victory for the United States as well as for American workers and manufacturers," US Trade Representative Ron Kirk [said](#).

"American manufacturers and workers can compete and win on a level playing field, but China's unfair duties choked off nearly all US GOES exports to its market. Today we are again plainly stating that we will continue to take every step necessary to ensure that China plays by the rules and does not unfairly restrict exports of US products."

In a [statement](#) issued on Monday, China's Ministry of Commerce (MOFCOM) highlighted the few Appellate Body findings that confirmed its approach in conducting AD and CV investigations. Beijing also noted that WTO members "have different understandings of the related articles of the Anti-Dumping Agreement and the SCM Agreement concerned in this case," adding that a clarification of this area of international trade law would be useful for future trade remedy investigations being conducted by any WTO members.

### US-China automobile row advances

China's use of trade remedies – which has been criticised by the US in the past – will soon be under review once more at the global trade arbiter, after the WTO Dispute Settlement

Body (DSB) yesterday established a panel to hear the US' complaint regarding Beijing's imposition of anti-dumping and countervailing duties on certain US automobiles ([DS440](#)).

The US had filed a [request](#) for consultations on the subject in July, alleging that Beijing had not followed the appropriate procedures when examining potential subsidies and dumping. The legal claims advanced in the dispute closely relate to the issues that were under review in the steel row. The products at issue are US-produced cars and sport utility vehicles (SUVs) with an engine capacity of 2.5 litres or more.

### **WTO spats, China currency policy come to the fore during final presidential debate**

Beijing's trade and currency policies – traditionally a hot-button topic in Washington political circles – have increasingly found themselves in the crosshairs as the 6 November US presidential election has drawn nearer. US President Barack Obama and his Republican challenger, former Massachusetts governor Mitt Romney, have both pledged to take a hard line against allegedly unfair practices by China, a stance that they repeated during Monday's final presidential debate, which dealt with US foreign policy.

In response to a question regarding the rise of China and future challenges for the US, both candidates stressed that Beijing has the potential to be both an adversary and – if “following the rules” – a partner.

“We've won just about every [WTO] case that we've filed, that... has been decided,” Obama said on Monday, stressing that his administration has filed complaints against China at the trade arbiter at twice the pace of the previous administration. “In fact, just recently, steelworkers in Ohio and throughout the Midwest, Pennsylvania, are in a position now to sell steel to China because we won that case,” the US President said regarding last week's Appellate Body ruling.

While emphasising the importance of holding Beijing to its international trade commitments, Obama also stressed that the US would also have to make improvements domestically, such as in clean energy technology, to keep up the pace with its Asian competitor. “Over the long term, in order for us to compete with China, we've also got to make sure, though, that we're taking — taking care of business here at home,” Obama said.

For his part, Romney insisted that China's allegedly poor enforcement of intellectual property rights and strict valuation of its currency are areas where the US has room to pile more pressure on Beijing.

“We have to say to our friends in China, look, you guys are playing aggressively, we understand it, but — but this can't keep on going. You can't keep on holding down the value of your currency, stealing our intellectual property, counterfeiting our products, selling them around the world, even into the United States,” the former Massachusetts governor said, reiterating his earlier promise to label China a currency manipulator should he win office.

However, Obama argued on Monday that the US has already made strides in its trade relationship with China during his administration. “With respect to what we've done with China already, US exports have doubled, since I came into office, to China,” he said. “And actually, currencies are at their most advantageous point for US exporters since 1993,” he continued, while adding that more progress was still needed.

ICTSD reporting.

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## AGRICULTURE

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# High Food Prices: Farm Ministers Weigh Options

Farm ministers meeting in Rome last week continued to differ on the causes of recent price spikes and how best to deal with them, with food reserves and biofuels sparking particular controversy.

Food prices spiked again this year, following a drought-stricken US maize harvest and successive years of weather-related production shortfalls – against a backdrop of high energy prices, steadily rising demand, and slow productivity growth in poor countries.

Meanwhile, new FAO figures show that progress towards halving the prevalence of hunger has stalled in recent years. (See Bridges Weekly, [10 October 2012](#))

"In the globalised world we live in, it's not possible to have food security in one country alone," the Director-General of the UN Food and Agriculture Organization (FAO), José Graziano da Silva cautioned, urging countries to work together to tackle hunger.

### **Different interests, different views**

At the 16 October meeting, which was convened on World Food Day at the initiative of the French government, ministers expressed "overwhelming support" for an information-sharing mechanism set up last year, sources said.

The framework – known as AMIS, or agricultural market information system – was part of a raft of measures on food price volatility that were launched by the G-20 in 2011. Governments have identified the lack of information on markets and stocks as having contributed to food price spikes in recent years.

But ministers' statements also revealed the extent to which they disagreed on what else should be done. "What came out was the differences in policies that countries wanted to pursue," one source said.

The meeting was meant to discuss how to improve transparency on international markets, address growing demand for food, and limit the impact of price volatility on vulnerable people. It was attended by farm ministers from some two dozen countries, with others represented by vice-ministers.

### **Diplomatic manoeuvring**

One source told Bridges that the ministerial gathering was part of a delicate diplomatic balance aimed at placating both Paris and Washington.

The US had opposed an initial bid by the French government to hold a meeting of the 'rapid response forum' – a group of senior agriculture policy officials that was set up to prevent or mitigate global food price crises under France's G-20 presidency last year. (See Bridges Weekly, [29 June 2011](#))

A [statement](#) from the US mission to the UN agencies in Rome, issued earlier this month, had tersely observed that "agricultural commodity markets are functioning and a meeting



of the Rapid Response Forum is not necessary at this time." The US took over chairing the group from France at the end of September.

"[French agriculture minister Stephane] Le Foll moderated it, so the French are happy. There was no rapid response forum, so the Americans are happy," the source said.

### **Export restrictions**

Fear of spooking markets may have also played a role, one official said. "If we call for a rapid response forum, we may fuel the entire thing."

Some civil society organisations disagreed. A [statement](#) from the aid agency Oxfam criticised the G-20 for not convening the rapid response forum, and urged governments to "act quickly to address the root causes and devastating impacts of food price volatility."

"There was no policy problem to address," argued one official in defence of the G-20 decision, noting that at the time no was threatening to restrict exports. Since then, however, Ukraine has indicated that it will be banning exports of wheat (for more on the Kiev decision, see related article, this issue).

In recent years, export bans or other restrictions imposed by major exporting countries have exacerbated global shortages, and pushed prices higher for consumers in poor food-importing countries in particular.

The FAO chief told ministers that measures such as AMIS had improved international coordination, information sharing, and transparency. "This allowed us to react quickly to the price rise we saw in July 2012, preventing panic, avoiding unilateral actions and further spikes in those initial tense days," he said.

### **Livestock producers under pressure**

Sources told Bridges that livestock producers – worried about high costs for animal feed – had helped push for a French government ['action plan'](#) on rising cereal prices that was unveiled in September. (See Bridges Weekly, [19 September 2012](#))

In addition to mobilising the rapid response forum, the plan called for a 'pause' in the development of first generation biofuels - such as ethanol and biodiesel made from maize, sugar, or oilseeds. It also proposed additional assistance measures to support French livestock producers – including a €10 million 'envelope' to help pork farmers.

"France basically was under pressure from livestock producers," one source told Bridges, adding that pressure from the industry was "what's behind this ministerial."

Livestock producers on both sides of the Atlantic have also expressed concern that government biofuel policies are exacerbating pressure on animal feed prices, by diverting cereals into energy production at a time when low yields are already placing pressure on producers. Producers have also been forced to cull animals as feed prices spike, press reports say.

### **Ministers split on food reserves**

Sources told Bridges that ministers at the 16 October gathering were also divided on the role of food reserves in tackling high and volatile prices.

"African and Asian ministers started talking about food reserves," the source said. "But developed countries made it clear this was not in their policy arsenal."



While developed countries have largely supported moves to establish limited food reserves for humanitarian purposes, they have been wary of schemes to build large buffer stocks aimed at influencing market prices. In contrast, a number of NGOs have increasingly argued that poor countries need them to cope with volatile prices in recent years.

Staff from international agencies remain sceptical, with one telling Bridges that buffer stocks are "very expensive, untargeted, and won't work."

"You can put a floor on a price, but you can't defend ceilings," the official argued.

### **France, Italy, and Spain: CAP budget deal**

In the margins of the talks, France, Italy, and Spain also struck a deal to try and keep the budget for the EU's Common Agricultural Policy (CAP) stable after the current budget cycle ends in 2013, Reuters reported.

The deal largely resembled a similar move between France and Germany the week before, the agency said. However, Italy had refrained from endorsing a move to extend sugar quotas to 2020.

EU farm spending is likely to be one of the main sticking points in the debate over the budget for the 2014-2020 period, with reform-oriented countries such as the UK resisting moves from others, such as France, Spain, and Italy, who currently benefit from subsidies under the scheme. Countries that joined the EU more recently, such as Poland, will also be keen to ensure that they are not sidelined under the new proposals.

While the European Parliament's agriculture and rural development committee has supported the European Commission's proposal to freeze CAP spending, it remains unclear whether finance ministers will see this as acceptable at a time when public spending across Europe is being slashed in a bid to rebalance public finances.

ICTSD reporting; "Milk-Cow Drought Culling Accelerates as Prices Jump: Commodities," BLOOMBERG, 9 October 2012; "Mass slaughter of farm animals set to push food prices up 14%," THE GUARDIAN, 19 September 2012; "Rome, Paris, Madrid sign EU farm budget deal," REUTERS, 16 October 2012.

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## INTELLECTUAL PROPERTY

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# WIPO Negotiations on Visually Impaired Instrument Show Slow Progress

Negotiations aimed at improving access to copyrighted material for the visually impaired and print disabled continued making progress toward developing a final legal instrument last week. However, the discussions, which were mostly held on an informal level, were also marred by persistent disagreements between World Intellectual Property Organization (WIPO) members.

The goal of the 17-19 October intersessional meeting of WIPO's Standing Committee on Copyright and Related Rights (SCCR) was to whittle down an already heavy text fraught with brackets in order to possibly convene a diplomatic conference – the highest level of WIPO negotiations – on a potential treaty next year. The meeting comes on the heels of the WIPO Assemblies' recent approval of a work plan to intensify negotiations "with a view to conclude or advance substantially the text-based work" before the next SCCR. (See Bridges Weekly [10 October 2012](#))

At the outset of last week's meeting, WIPO Director-General Francis Gurry urged delegates to work with "a sense of urgency" and conclude negotiations in order to have a diplomatic conference in 2013.

While the [latest text](#) shows agreement in some areas – such as the definition of an 'accessible format copy' and exceptions and limitations in national copyright law – other topics remain unresolved. Importantly, member states – namely Brazil, India, the EU, Nigeria, and the US – will work on ironing out language relating to the nature and scope of WIPO member obligations under the proposed instrument prior to the next meeting of the SCCR.

As it stands, the current text has not clarified yet whether the instrument would be a legally binding treaty or if it will take the form of a softer option, such as a joint recommendation. Current difficulties, however, appear to indicate that concluding a treaty is still the ultimate goal of negotiators.

"Negotiations went fairly well," Nigerian Ambassador Umunna H. Orjiako told Bridges. He added that, though Nigeria "encourage[s] good faith negotiations from all member states... any outcome that does not yield an unencumbered, qualitative, and meaningful treaty for our teeming blind community, is not in good faith, and will not be acceptable."

### **Authorised entity, 'three step test' among major disagreements**

One issue that resurfaced from the last SCCR was that of "authorised entity," which defines who will be allowed to make, obtain, and supply accessible format copies of works. (See Bridges Weekly [25 July 2012](#)) Members were unable to reach a compromise on this topic, particularly regarding which authorised entities would be able to carry out cross-border exchanges and how those would be monitored.

Another big source of contention was that of 'the three-step test', a provision which sets limits to the exceptions and limitations of a copyright holder's rights. The concept dates back to the Berne Convention for the Protection of Literary and Artistic Works and is also

included in the WTO's Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) and in the more recent Beijing Audiovisual Performances Treaty.

In a statement, a group of industry organisations argued that the instrument should reaffirm the three step test, rather than try to "change its interpretation" as some delegations are allegedly trying to do, according to Alan Adler from the Association of American Publishers.

"Negotiators should take all of the aggressive 3-step language out of the agreement, replacing it with a simple statement that the treaty is without prejudice to other obligations countries may have under other copyright to trade agreements," James Love from Knowledge Ecology International – a Washington-based NGO – [said](#).

No agreement was reached at this intersessional meeting on the issue.

### **WIPO members deviating from original goal, civil society says**

Civil society groups following the WIPO talks have argued that some of the provisions currently being discussed might ultimately limit access for blind persons, rather than facilitating it. Some of the restrictive provisions being tabled by the EU, for instance, appear to be "holding blind people's access hostage" in order to introduce new copyright enforcement norms, David Hammerstein, the senior advisor on intellectual property for the Transatlantic Consumer Dialogue in Brussels, and KEI's Love said.

For instance, Hammerstein [noted](#) that one particular proposal by the EU would impede developing country organisations from accessing digital material, giving them access only to paper formats. Another proposal, Hammerstein said, would "prohibit any exception to copyright if the formatted text (for example an e-book) was 'commercially available' somewhere in the world, regardless of the affordability or the accessibility of the product in a poor country."

A number of civil society groups also voiced their disappointment with the fact that negotiations were mostly held in informal negotiating groups, which civil society was not allowed to attend. The exclusion, Hammerstein argued, showed an "outrageous and a clear lack of democratic transparency."

### **Next steps**

Delegates will continue their text-based work at the next session of the SCCR from 19-23 November. An extraordinary session of the WIPO General Assembly will be held in December to evaluate the text and make a decision on whether to convene a diplomatic conference in 2013.

ICTSD reporting; "WIPO Members Inch Toward Visually Impaired Treaty," IP WATCH, 19 October 2012.

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## PREFERENTIAL AGREEMENTS

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# Officials: US-Panama Trade Pact to Enter into Force Next Week

Washington's trade deal with Panama City will take effect on 31 October, officials from both sides announced on Monday. Once it is implemented, the deal will bring the last of the three US trade pacts that were enacted into law last year – the other two being Colombia and South Korea – into force.

"Panama is one of the fastest growing economies in Latin America, expanding 10.6 percent in 2011, with forecasts of between five to eight percent annual growth through 2017. That adds up to support for more well-paying jobs across the United States," US Trade Representative Ron Kirk [said](#) in response to the news.

"The increased access to this expanding market is backed by the agreement's strong enforcement provisions," he continued.

Panama also serves as a large shipping route for the US, with nearly two-thirds of the Panama Canal's annual transits headed either to or from US ports, according to the Office of the US Trade Representative.

"Panama, thanks to its strategic geographic position at the center of the hemisphere ... can represent a great platform for exports (from) the United States and the best door of access to the continent," said Panamanian Minister of Commerce and Industry Ricardo Quijano in comments reported by Reuters.

"This FTA will improve access, guarantee non-discriminatory treatment, and generally strengthen the legal framework for investment as well as for trade in services. In short, the FTA will mean greater transparency, greater legal security, and better opportunities," the Panamanian official [added](#).

Under the terms of the agreement, over 86 percent of US exports of consumer and industrial products to Panama – including information technology equipment, pharmaceuticals, and agrochemicals, among others – will become duty-free immediately, with remaining tariffs phased out over ten years.

With regards to agriculture, nearly 50 percent of current US exports – which currently face an average tariff of 15 percent – are slated to receive immediate duty-free treatment, with most of the remaining tariffs to be eliminated over a 15-year period. The deal will also guarantee the US access to Panama's large services market, which is worth over US\$20 billion.

### Last of three FTAs from 2011

The FTA with Panama was one of three deals that, while negotiated under then-US President George W. Bush, was later subjected to years of protracted political infighting within Washington circles. While questions were raised by US lawmakers and civil society over labour rights in the case of the Colombia deal and protections for automobile and beef producers for the Korean pact, the stumbling block in the case of Panama was its reputation as a safe haven for tax evasion.

The three pacts were ultimately renegotiated, to some degree to assuage these concerns, with the US and Panama adopting in April 2011 a Tax Information Exchange Agreement aimed at improving their tax information exchange transparency networks.

The three FTAs were passed by the US Congress and signed into law by current US President Barack Obama last October. (See Bridges Weekly, [12 October 2011](#)) The US' deal with Korea – by far the largest of the three deals – entered into force this past March, with the Colombia FTA taking effect in May. (See Bridges Weekly, [29 February 2012](#))

ICTSD reporting; "U.S., Panama to inaugurate free-trade pact next week," REUTERS, 22 October 2012.

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## EVENTS & RESOURCES

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# Events

### Coming soon

29 October, Geneva, Switzerland. MEETING ON ENVIRONMENTAL SUSTAINABILITY FOR THE COUNTRIES OF EASTERN EUROPE, CAUCASUS AND CENTRAL ASIA. Hosted by the UN Economic Commission for Europe, this event will discuss the work of the national statistical offices and international organisations on measuring sustainable development, as well as the latest international efforts stemming from the Rio+20 conference earlier this year. The meeting will bring together officials working in these fields in the countries of Eastern Europe, Caucasus and Central Asia. For more information, visit the event [website](#).

29 October - 9 November, online. INTERNATIONAL ENVIRONMENTAL GOVERNANCE. The two week web-based course from the UN Institute for Training and Research (UNITAR) aims to provide participants with comprehensive knowledge of the role of the main actors who formulate policy instruments and negotiate and conclude Multilateral Environmental Agreements (MEAs). The course aims to point out how this knowledge is necessary to identify the shortcomings of the current environmental governance regime. For more information, visit the UNITAR [website](#).

31 October, London, UK. ECONOMIC GROWTH IN AFRICA: FROM BOTTOM BILLION TO FASTEST BILLION? Hosted by Chatham House, in association with Renaissance Capital, this event will focus on research recently conducted by economists and other specialists at the latter organisation. This research, the authors say, indicates that nine of the fastest-growing economies are in sub-Saharan Africa. Renaissance Capital's research also notes that five of these African nations are not associated with either energy or metals exports, suggesting that China's demand for global commodities cannot be the only reason for this significant improvement. Following a short presentation of the findings, the panel will debate the prediction that Africa will surpass Asian tigers to stand out as the economic growth story of the next decade. The event will be live streamed, starting at 08:30 BST that day. To learn more, please visit the event [website](#).

### WTO Events

An updated list of forthcoming WTO meetings is posted [here](#). Please bear in mind that dates and times of WTO meetings are often changed, and that the WTO does not always announce the important informal meetings of the different bodies. Unless otherwise

indicated, all WTO meetings are held at the WTO, Centre William Rappard, rue de Lausanne 154, 1211 Geneva, Switzerland, and are open to WTO Members and accredited observers only.

25 October: Committee on Customs Valuation

26 October: General Council

26 October: Working Party on the Accession of Tajikistan

29 October: Committee on Import Licensing

30 October: Working Party on State Trade Enterprises

31 October: Committee on Government Procurement

31 October: Working Party on the Accession of Bosnia and Herzegovina

30 October + 1 November: Trade Policy Review Body – Israel

### **Other Upcoming Events**

6 November, London, UK. BRAZIL AND AFRICA. Hosted by Chatham House, this event will focus on the question of whether Brazil's engagement in Africa is indeed driven by "southern solidarity." The speakers will assess what distinguishes Brazil from other emerging powers on the continent, looking at how their Africa strategy fits in with wider Brazilian foreign policy, and what the prospects are for trilateralism – i.e. with India and South Africa – and south-south cooperation. For more information, please visit the Chatham House [website](#).

7 November, Shanghai, China. CLEAN ENERGY: MARKET AND RULES. This event, co-organised by the International Centre for Trade and Sustainable Development and the Shanghai WTO Affairs Consultation Center, is aimed toward enhancing the exchange of views on clean energy markets and rules among Chinese and international stakeholders, including government officials, business leaders, and scholars. This exchange would, in turn, generate a better understanding of the related issues and help promote the development of clean energy in China and globally. To learn more, please visit the event [website](#).

19-22 November, London, UK. WORLD CONGRESS ON SUSTAINABLE TECHNOLOGIES (WCST 2012). This multidisciplinary congress, co-sponsored by the Institute of Electrical and Electronics Engineers' (IEEE) UK/RI section, aims to bridge the natural, social, and engineering sciences, as well as the environment and development of communities. The congress covers a wide spectrum of topics related to sustainability, including technical and non-technical research areas. It also encourages sharing new knowledge in the field of sustainable technologies and the environmental impacts. For more information, visit the event [website](#).

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## Resources

**A REVIEW OF TRADE PREFERENCE SCHEMES FOR THE WORLD'S POOREST COUNTRIES.** By Sam Laird for the International Centre for Trade and Sustainable Development (October 2012). This study analyses the implementation of preferential trade schemes in seven major markets – Canada, China, the European Union, India, Japan, Korea, and the United States – and simulates the possible impact on least developed countries (LDCs) stemming from extending full duty-free and quota-free market access in concluding non-agriculture market access negotiations in the Doha Round. The analysis aims to contribute to the ongoing discussions in the WTO and beyond. It also provides information that LDCs' trade and development partners can consider in designing future preference schemes for the world's poorest economies. To learn more, or to download the study, please visit ICTSD's [website](#).

**CHINA AND THE PRESIDENTIAL DEBATE: CLARIFYING THE RECORD.** By Nicholas R. Lardy for the Peterson Institute for International Economics (October 2012). In this audio interview, the Peterson Institute's Nicholas R. Lardy argues that, contrary to assertions in the US presidential debates, China has allowed its currency to appreciate by 30 percent in the last seven years. He also says that labelling China a "currency manipulator," as Republican presidential candidate Mitt Romney advocates, would have little effect in the absence of US Congress passing legislation to impose sanctions on China. To listen to the interview, please click [here](#).

**THE UNITARY PATENT PACKAGE: TWELVE REASONS FOR CONCERN.** Published by the Max Planck Institute for Intellectual Property and Competition Law (October 2012). In this paper, the Max Planck Institute argues that a balanced, innovation-friendly, and uniform patent system is indispensable for Europe. However, the Institute argues that the current patent package on the table is both dangerous and misguided. The Institute further contends that the Unitary Patent Package could forestall the necessary legal progress and innovation capacities for the foreseeable future. For more information, or to download the publication, please click [here](#).

**A NEW BLUEPRINT FOR A GREEN ECONOMY.** By Edward B. Barbier and Anil Markandya (September 2012). This book, written by two of the authors of the original "Blueprint for a Green Economy" that was published in 1989, aims to revisit and update the first book's main messages. The authors ask what has been achieved in the past 20 years in enacting policy measures for 'greening' modern economies and putting them on a path to sustainable development, and examines what more needs to be done to generate a truly 'green economy' in the twenty-first century. To learn more, or to purchase the book, please visit the publisher's [website](#).



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