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PREFERENTIAL AGREEMENTS

EU Ministers Give Go-Ahead to Launch Japan Trade Talks 1

CLIMATE CHANGE

Progress Slows in Doha as UN Climate Meet Enters Home Stretch 4

PREFERENTIAL AGREEMENTS

US Officials Call for Deeper Relationship with EU, Including Trade 6

INTELLECTUAL PROPERTY

WHO Adopts Strategic Work Plan on Health R&D 9

CLIMATE CHANGE

Obama Signs Bill to Shield US Airlines from EU Emissions Rule. 11

EVENTS & RESOURCES

Events 12

Resources 15

PREFERENTIAL AGREEMENTS

EU Ministers Give Go-Ahead for Launch of Japan Trade Talks

EU trade ministers have formally given the green light for Brussels to begin negotiations with Tokyo for a bilateral trade deal, officials announced late last week. The news comes as the 27-country bloc continues its efforts to finalise trade pacts with Canada, Colombia, and Peru, among others, while exploring options for new negotiations with other trading partners in an effort to create jobs and foster economic growth in the struggling eurozone.

Japan talks set to begin

"I am delighted that the Council has today decided to give the Commission 'the green light' to start trade negotiations with Japan. We now have a clear mandate – confirmed by all the member states – which sets out Europe's objectives," EU Trade Commissioner Karel De Gucht [said](#) last Thursday, following news of the Council's approval.

The EU trade chief added that Japan has already removed various non-tariff barriers up front – such as by granting liquor licenses to European operators – ostensibly to assuage concerns raised in recent months over whether Tokyo would be willing to lower non-tariff barriers enough to align with EU interests.

"Such moves have given us all the reassurance we could reasonably expect before a formal negotiation is opened. And no other partner has ever gone as far as Japan before we sat down at the negotiation table together," De Gucht continued.

"Europe is not naïve," he added. "Europe is going into these negotiations with our 'eyes wide open'."

While momentum toward launching talks with Japan has been building over the past few months, some EU legislators and member states have expressed concern that some sectors – particularly automobiles – might suffer as the result of a trade deal, unless Tokyo dramatically lowers non-tariff barriers in these areas. The massive influx of cars from South Korea after Brussels' FTA with Seoul took effect last year has fuelled these fears further among European automakers, especially those in France and Italy.

The negotiating directives approved by the European Council's trade ministers require Japanese non-tariff barriers to be eliminated in



International Centre for Trade
and Sustainable Development

parallel to any tariff reductions on the EU side. They also direct the Commission to suspend negotiations if progress in non-tariff barriers, railways, and urban transport roadmaps are not seen within a year of the talks' launch. There is also a safeguard clause to protect sensitive EU sectors, according to the [Commission](#).

The European Commission had requested permission in July from the bloc's 27 member states to begin the proposed trade talks. (See Bridges Weekly, [25 July 2012](#)) The European Parliament had granted its own approval this October, with the caveat that Tokyo would need to deliver "clear results" in trying to remove non-tariff barriers. (See Bridges Weekly, [31 October 2012](#))

As Tokyo and Brussels together make up over one-fifth of global trade, advocates hope that a trade deal could provide a much-hoped-for boost to the EU economy and to Japan, which itself has encountered its own challenges in its efforts to recover from last year's earthquake and tsunami.

"This is an important political decision – and necessary – if we want to foster growth and jobs in Europe," De Gucht added, noting that an FTA could potentially generate more than 400,000 jobs and 0.8 percent GDP growth for the EU. "That's exactly what our economies need. And we will do it by ensuring we open up the Japanese market and by ensuring we give European business real opportunities in Japan."

Negotiations are expected to begin at the next EU-Japan summit, according to recent reports from Bloomberg.

Canada, EU talks

The EU has been attempting to move forward on other proposed bilateral deals as well over the past month, with its current negotiations with Canada repeatedly finding themselves in the spotlight as the year draws to a close. Negotiators have said that they wish to conclude the trade talks by the end of 2012, though some contentious issues still remain unresolved between the two sides.

In this context, De Gucht met with his Canadian counterpart, Trade Minister Ed Fast, on 23 November in an attempt to resolve some of these problems on a political level. According to the European Commission, the two trade officials are now set to instruct their negotiators to narrow gaps on outstanding issues, with the goal of clinching a deal in the coming weeks.

"I am pleased that our meeting at a political level has provided the momentum needed to spur on the negotiations into the home strait," De Gucht said following the meet. "It's clear that there has been significant progress but some important work remains to be done."

The talks – which were launched over three years ago – are reportedly struggling over issues such as agricultural market access, intellectual property protections, and public procurement. (See Bridges Weekly, [21 November 2012](#)) Negotiators have set repeated deadlines over the years for finishing the talks, only for these to fall through.

Colombia, Peru FTA

Meanwhile, the European Parliament is soon expected to vote on whether to approve a free trade agreement with Colombia and Peru, six months after the bloc's trade ministers formally signed off on the deal. (See Bridges Weekly, [6 June 2012](#)) Members of the Parliament's trade committee [endorsed](#) the deal just last week; the pact may be reviewed by the full Parliament as early as this month.

The trade pact – expected to slash €500 million in duties alone – will liberalise all trade in industrial and fisheries products among the participating economies, and also includes provisions on trade in services, public procurement, and intellectual property rights.

The deal also includes a commitment to implement international conventions on labour rights, along with a clause focused on preserving a high level of environmental protection standards on all sides. Labour and human rights have been a long-standing concern on the EU side, despite commitments made by the Latin American countries involved regarding the implementation of the deal's human rights clause.

Notably, the Parliament's trade committee also signed off last week on "stabilisation mechanisms for bananas," which were negotiated in response to concerns among banana growers in the outermost regions of the 27-country bloc – for instance the Canary Islands, Guadeloupe, and Martinique. These producers fear that the EU's reduction of import tariffs for bananas could put them at a disadvantage relative to their Colombian and Peruvian competitors.

The mechanisms negotiated in the committee would allow the European Commission to suspend the bloc's preferential customs duty for a period of up to three months, should banana imports surpass certain levels. However, such mechanisms must still be approved by the European Parliament before taking effect.

ICTSD reporting; "EU Nations Authorize Start of Free-Trade Talks With Japan," BLOOMBERG BUSINESSWEEK, 29 November 2012; "EU-Japan free trade agreement clears major hurdle," DEUTSCHE WELLE, 29 November 2012.

CLIMATE CHANGE

Progress Slows in Doha as UN Climate Meet Enters Home Stretch

As the latest UN climate change conference moves into the closing stages, many attending the talks are calling it the most "relaxed" and least pressured UN Framework Convention on Climate Change (UNFCCC) Conference of the Parties (COP) in recent years. Still, traditional divisions between developed and developing countries are stalling negotiations aimed at closing the Ad-hoc Working Group on Long-term Cooperative Action (LCA) talks by the end of the week, as agreed to last year in Durban. Closing the LCA talks will be a crucial step in implementing the "Durban Platform" (ADP), which aims to forge a post-2020 climate change accord by 2015.

The concept of Common but Differentiated Responsibility (CBDR) continues to be a difficult issue in Doha, with developed countries citing the necessity of binding obligations on all parties to a future treaty. Meanwhile, developing nations – particularly the G77 and China – refuse to accept any binding obligations, citing the developed countries' historic responsibility for greenhouse gas (GHG) emissions and their own development needs. Either way, recent reports suggest that emissions pledges remain too low to avoid dramatic climate change.

In terms of negotiating blocs, the previous alliance between the EU, least developed countries (LDCs), and the Alliance of Small Island States (AOSIS) – dubbed "the coalition of the willing" at the Durban conference for their publicised goal of a new global protocol to replace Kyoto and increase emissions reduction efforts – has begun to loosen.

The EU, while on track to meet its commitments under Kyoto, refuses to raise its pledge – primarily due to objections from member country Poland (which will host COP 19 next year). Meanwhile, the LDCs and AOSIS are positioned as the "most vulnerable" among the nations at Doha and are demanding higher pledges from all parties.

LCA discussions bogged down

While closure of the LCA negotiations track was initially thought by many observers to be achievable in Doha, discussions are now being stalled by concerns from some major developing countries. As such, the LCA discussions are now drawing much of the attention in Doha, as those involved in other negotiating tracks – particularly the ADP – watch closely for an outcome.

A text, distributed by the chair of the LCA on Monday, appears to have started the week off poorly by creating division rather than consensus. The G77 and China group – which comprises most developing countries – claim that the work plan agreed to at COP 13 in Bali has not been fully implemented and that important pieces are missing in the text.

Some issues which are being discussed in this context are strengthening mitigation ambition, appropriate financing, equity and the implementation of CBDR, and technology issues, including the role of intellectual property rights (IPRs) and the Technology Mechanism.

Outgoing COP president Maite Nkoana-Mashabane of South Africa in her opening address in Doha urged countries to not simply push unresolved issues into the ADP. "It would be a big step backwards for the ADP to become the LCA in another name," she said.

But for some countries, ensuring that unresolved issues from the LCA talks are not abandoned in a transition to the ADP is a priority. This would require a clear understanding of what will become of remaining LCA issues, such as an explicit reference in the final LCA text that such issues will be forwarded to the ADP.

Some unresolved issues for developing countries in the LCA text include a reference to response measures – the possible adverse consequences of actions that are taken by developed country parties to reduce their emissions – along with a commitment to mitigation by developed countries, gaps related to post-2012 climate financing, and adaptation.

What is expected is that while some issues will be wrapped up in the LCA, others need further discussion in the ADP. While some progress has already been made, if the LCA track is to be closed by the end of the week, negotiators and ministers must soon decide which specific issues those will be. In a stocktaking exercise held today, the chair of the LCA commented that bilateral consultations have resulted in the forwarding of a text containing five possible options for moving the issue of response measures – one of the most prominent trade issues being discussed in Doha – forward.

Trade issues

Trade featured prominently in a series of meetings of the so-called “forum on response measures,” which was established at COP 17 in Durban. In the forum, a range of experts and countries shared their perspectives on the controversial issue.

Some developing countries said that, once there is an outcome in the UNFCCC, then more specific rules for low-carbon trade which safeguard equitable sustainable development will need to be discussed at the WTO. Developing countries also pushed for improvement on reporting guidelines on measures taken by developed countries to minimise the adverse effects of response measures; the WTO's Trade Policy Review Mechanism (TPRM) and reporting to the WTO's Technical Barriers to Trade (TBT) Committee were referred to as best practices. The forum in Doha ultimately adopted a text, which was forwarded to the COP.

Kyoto, Round 2

Negotiations to establish a second commitment period of the Kyoto Protocol are also taking place in Doha. It is already clear that, despite limited participation by developed countries, there will indeed be a second commitment period; however, negotiators still need to establish the duration of the second commitment period and technical details. The chair of the Kyoto Protocol working group reported at a stocktaking exercise on Monday that progress was made last week, and that a text was tabled on Saturday.

Some issues are expected to require the intervention of ministers, such as establishing the length of the second commitment period, enhancing ambition, and addressing the reticence of some parties to take on commitments.

Currently, only Australia and the EU are expected to sign on as developed country parties to “Kyoto 2.” The US has never ratified Kyoto and former parties to the Protocol Canada, Russia, and Japan have said they would not participate.

Shortly before the Doha climate talks got underway, New Zealand announced that it would also not sign on to another implementation period of Kyoto. In comments to the Associated Press, New Zealand's climate minister said that his country's shift in attention from Kyoto to the ADP shows that Wellington is “ahead of the curve.” Critics, however, point out that eight years will pass before the new global treaty comes into force.

The days ahead

Overall, talks in Doha are expected to continue moving ahead slowly. Continued wrangling under the LCA talks are leading some observers to question whether the issue will, in fact, be resolved in Doha. However, this does not seem to have weakened the general spirit of cautioned positivity that surrounds the talks.

Some observers say that a lack of pressure from host country Qatar may have dampened any sense of urgency to reach a tangible outcome at COP 18. Early reports emerging from the ADP negotiations are positive, with parties reportedly engaged in a constructive and cooperative spirit, but discussion on concrete issues are expected to be delayed until the outcome of the LCA is known.

ICTSD reporting.

PREFERENTIAL AGREEMENTS

US Officials Call for Deeper Relationship with EU, Including Trade

Top Washington officials have been making public calls in the past week for the US to deepen its trade ties with Europe, including possibly launching negotiations for a bilateral trade deal. However, some have cautioned, such talks would need to be completed in a "reasonable period of time," with trade officials from both sides reportedly still reviewing those areas that could prove contentious should negotiations begin.

Emerging economies, global challenges in the background

"The urgency of pursuing all available means to find ways to increase our trade and investment has only increased in recent years, as we both seek to emerge from a period of economic difficulty, and as we both confront the challenges of a world economy in which emerging markets are playing a growing role," US Deputy Trade Representative Miriam Sapiro [said](#) in a speech in Washington last Friday.

"So far, we have agreed that a genuinely comprehensive US-EU trade agreement would, in principle, bring substantial benefits to both economies," Sapiro continued. However, she qualified, "neither the EU nor we want to spend resources on a negotiation that stalls."

The comments come ahead of a much-anticipated set of recommendations from a working group tasked with reviewing options for deepening the US-EU trade and investment relationship, with the group's final report expected in the coming days. The group, known as the EU-US High Level Working Group on Jobs and Growth, issued an interim report in June that found that a broad, comprehensive bilateral pact was likely the best option for creating jobs and fostering growth for the two major trading partners. (See Bridges Weekly, [27 June 2012](#))

Media reports in recent months, citing unnamed officials on both sides, have noted that the group is indeed likely to recommend in its final report that the two sides engage in negotiations. (See Bridges Weekly, [24 October 2012](#))

EU Trade Commissioner Karel De Gucht, for his part, has made repeated calls of his own for a transatlantic trade deal, telling an audience in Dublin last month that such a pact is necessary for the two sides not to fall behind their emerging market partners. (See Bridges Weekly, [4 November 2012](#))

"If we want to make the most of the global economy, we have to grasp the opportunities still on offer by strengthening the ties between the US and the EU," he said at the time. "For others are surely making the most of their opportunities."

Both trading partners have been facing substantial difficulties in emerging from the ongoing economic crisis, with the sluggish recovery in the US and the ongoing struggles of the eurozone consistently dominating news headlines. A bilateral trade deal has been touted as one option for increasing growth and creating jobs on both sides of the Atlantic, particularly given that the US and EU already make up the world's largest trade relationship. Last year alone, bilateral trade in goods and services was valued at €700 billion, according to European Commission [data](#).

EU relationship key, US officials stress

"When we talk about ways to strengthen our relationship, it is helpful to recall that the US-EU trade and investment relationship remains the most important one – for both the United States and Europe," Sapiro said on Friday.

In his remarks in Dublin last month, De Gucht had warned that the 27-member bloc may be losing Washington's attention, given that the US has been visibly increasing its efforts to build ties with the Asia-Pacific.

"Europe, many Americans seem to think, Democrats and Republicans alike, is above all the place that can't get its economic act together," De Gucht said at the time. "Both their hopes and their fears go out towards other parts of the world, or so it seems. It is not a coincidence that re-elected President Obama is called a 'pacific' President." The EU trade chief urged at the time that the bloc push to change that perception.

However, US Secretary of State Hillary Clinton – the country's top diplomat – stressed on Friday that the US' pivot to Asia "is not a pivot away from Europe."

"On the contrary, we want Europe to engage more in Asia, along with us to see the region not only as a market, but as a focus of common strategic engagement," Clinton said.

"In the face of rising challenges to our shared economic model, and the growth of barriers to trade that have emerged not at borders but behind them, we need to continue to promote a rules-based order of open, free, transparent, and fair competition in the global marketplace," she urged, noting that the US is one of just "a handful" of WTO members not to move past most favoured nation status with the EU.

"We have more work to do [regarding whether to launch trade talks] including addressing barriers to trade and market access," the Secretary of State added. "But if we work at it and if we get this right, an agreement that opens markets and liberalises trade would shore up our global competitiveness for the next century, creating jobs and generating hundreds of billions of dollars for our economies."

Reasonable period of time

While officials from both sides have made clear that a deal is likely to be the best option for fostering a stronger trade relationship, US officials have stressed that negotiations should only begin if it appears clear that a deal can be concluded within a reasonable timeframe.

In her comments, Sapiro noted that discussions with her European Commission counterparts in Brussels are continuing over what "if achievable" would mean in practice, should the two sides begin trade talks.

Specifically, they are reviewing areas that are often challenging in any negotiation, she said – "areas where core goals of one side run up against domestic sensitivities on the other side."

Earlier efforts at liberalising trade further between the US and EU have hit roadblocks over issues such as regulatory standards and health protections; in his remarks last month, De Gucht also noted that agricultural market access, along with public procurement, are likely to require some "hard talks" should the two sides indeed begin negotiating.

Sapiro outlines US wish list

As De Gucht did for the EU in his own speech a few weeks ago, Sapiro outlined – for the US side – what an ideal trade pact might look like.

"I think you all know that US trade agreements are typically quite comprehensive – requiring the removal of all, or virtually all, goods tariffs," the US official said. She also noted that Washington would want to examine options for removing barriers to services and investment flows, as well as reducing or preventing non-tariff barriers – which, Sapiro added – "now constitute the most significant barriers to transatlantic trade."

Other issues that ought to be addressed are "new ways" to tackle sanitary and phytosanitary (SPS) barriers, technical barriers to trade, and other non-tariff barriers, she said.

Sapiro also pledged that legislators on both sides – the US Congress in Washington, and the Strasbourg-headquartered European Parliament – would be consulted throughout the process, and would have approval over any such trade deal if the two sides begin negotiating.

ICTSD reporting.

INTELLECTUAL PROPERTY

WHO Adopts Strategic Work Plan on Health R&D

Member states at the World Health Organization (WHO) last week approved a strategic work plan on the issue of research and development (R&D) for diseases that disproportionately affect developing countries, following up on a report by a WHO expert group earlier this year. However, they stopped short of moving forward on a binding convention in this area, which had also been recommended in the report.

The Consultative Expert Working Group on Research and Development: Financing and Coordination (CEWG) – established two years ago in the context of the implementation of the WHO's global strategy and plan of action on public health, innovation, and intellectual property (GSPA-PHI) – was tasked with examining current and proposed financing of R&D for diseases that disproportionately impact poor countries, along with diseases that occur in both developed and developing countries.

The CEWG's report, released in May, suggests that all countries should aim to achieve specified levels of public funding for health R&D relevant to the needs of developing countries, and that a financing system be established under a convention based on contributions by governments. The proposal received support, among others, from Economics Nobel Laureate Joseph Stiglitz at its launch in Geneva. (See Bridges Weekly, [9 May 2012](#))

The exclusive protection afforded by patents to pharmaceutical products is an important market mechanism that allows for the channelling of resources for future R&D on innovative products, according to the CEWG report. However, it also recalls the 2001 Doha Declaration on TRIPS and Public Health, which says that, while intellectual property protection is key for the development of new medicines, it can also make products less affordable for poor countries.

Therefore, according to the CEWG report, an R&D convention should not serve as "a replacement for the existing intellectual property rights system," but should instead act as a supplementary instrument in areas "where the current system does not function."

Such a convention, the CEWG argues, should focus on the development of health technologies for diseases that occur almost exclusively in poor countries – such as malaria and African sleeping sickness – as well as the specific needs of developing countries regarding more globally widespread illnesses, such as cancer and diabetes.

At the [meeting](#) in Geneva last week, countries were tasked with reviewing the CEWG report and advancing options for research coordination, financing, and monitoring of R&D expenditures for developing country health needs. In the final [outcome](#), members agreed to establish a Global Health R&D Observatory at the WHO "to monitor and analyse relevant information on health R&D... with a view to contributing to the identification of gaps and opportunities... as well as... to support coordinated actions."

The decision also calls upon the WHO Director General to explore funding and coordination mechanisms in this area. It makes no mention of a framework or convention, which was a sticking point for many delegations.

Members at odds over convention

During the meeting, the United States reportedly opposed any inclusion of treaty language or even a mention of the "CEWG" in the final outcome. According to IP Watch, a specialised news publication focusing on intellectual property issues, the US expressed concerns that the proposed treaty was more about access to medicines and other development issues, rather than the problem of medical R&D gaps.

Many EU countries reportedly also voiced their apprehension regarding a convention, citing a lack of political will for financial commitments.

Thailand, who chaired the meeting, supported the recommendation for a binding convention because "experiences on global special programs by using voluntary contributions had proved not sustainable and [given the] unpredictable level of funding size."

Civil society, industry reactions

Earlier in the week, a handful of civil society groups circulated an [open letter](#) which called the establishment of a global health R&D observatory a "positive step," while noting that more still needs to be done, given the extent of the challenge.

Médecins Sans Frontières was among those to argue that more action is needed, noting that the current outcome is insufficient. "Instead of pushing forward with a real plan to address the continued lack of suitable and affordable vaccines, drugs and diagnostics that our teams in the field face, all countries have really pledged to do is to continue observing the situation," the NGO [said](#).

For its part, the International Federation of Pharmaceutical Manufacturers and Associations (IFPMA) welcomed the outcome, saying that it "focuses the international health community on concrete and pragmatic steps to address short- and medium-term needs, including understanding what the gaps and the priorities are."

Next steps

The final decision asks that the report and resolution be forwarded to the WHO's Executive Board and World Health Assembly next year for adoption "without re-opening it." Countries will reconvene before the World Health Assembly in 2016 to "assess progress and continue discussions on the remaining issues in relation to monitoring, coordination and financing for health R&D taking into account all relevant analyses and reports, including the analysis of the CEWG Report."

ICTSD reporting; "WHO Members Agree On 'Strategic Work Plan' On Health R&D – But No Convention," IP WATCH, 29 November 2012.

CLIMATE CHANGE

Obama Signs Bill to Shield US Airlines from EU Emissions Rule

US President Barack Obama signed into law last week a bill that would give the US Transportation Secretary the authority to shield US airlines from the EU's Emissions Trading System (ETS), should the secretary find that it is in the public interest to do so. The news comes just weeks after the European Commission decided to temporarily suspend the aviation component of its ETS for non-EU flights landing in or departing from the 27-country bloc.

Opposition continues, despite suspension of aviation emissions rule

The EU had originally decided to include airline emissions from intra-EU flights, as well as non-EU flights landing or taking off from the 27-member bloc, into its ETS in order to spur action in an area that has seen notoriously little progress in emissions reductions over many years.

However, the European Commission recently proposed suspending enforcement of the aviation clause of the ETS for non-EU inbound and outbound flights for one year, in hope that negotiations for a global aviation emissions deal at the International Civil Aviation Organization (ICAO) could lead to a result. (See Bridges Weekly, [14 November 2012](#)) The scheme will still apply to intra-EU flights.

The aviation component of the scheme had been accused by its opponents of being unfair, as it would force airlines to surrender permits for their emissions over an entire flight, not just while over European airspace. Opposition to the aviation emissions scheme had been seen not just from the US, but from a large group of countries that also included China, India, and Russia. Beijing and New Delhi have already banned their own airlines from complying with the scheme without government approval.

Under the new US [law](#), the Transportation Secretary would be allowed to prohibit US airlines' compliance with the EU ETS, should it be deemed to be in the public interest. In determining this, the Secretary would need to account for economic, energy, and environmental security considerations; the impact of non-compliance on US consumers, carriers, and operators; and the effect on US foreign relations, including Washington's international commitments, among other factors.

The US legislation moved forward despite the aviation emissions rule's recent suspension, with US lawmakers noting that the European law's alleged overreach still warranted the move.

"It never made a bit of sense for European governments to tax our citizens for flying over our own airspace," said Senator Claire McCaskill, a Democrat from the US state of Missouri who co-authored the legislation. "With passage of this law we've got the tools we need to prevent it from happening and protect American jobs."

The White House meanwhile stressed that it is committed to reducing carbon emissions from civil aviation, but that the right approach is through a global solution under the ICAO.

Notably, the final version of the legislation helps push for a global deal by including a clause instructing the Transportation Secretary, the Federal Aviation Administration's Administrator, and other "appropriate officials" of the US government to use their clout to engage in international negotiations aimed at establishing a global mechanism to address aircraft emissions – including the environmental impacts.

Air industry, environmental groups respond

The new law was well received by Airlines for America, an industry lobby group, which estimates that compliance with the EU's aviation emissions rule could cost US carriers about US\$3.1 billion between now and 2020. Environmental groups, for their part, expressed disappointment with the bill's signing, but acknowledged the possible opportunity for pursuing a global deal.

"The administration has appointed high level representatives to pursue a global solution for aviation and climate," said Keya Chatterjee, Director of International Climate Policy at WWF, while noting that this is the one "silver lining" of the US legislation. "The White House now must endorse a global, market-based measure to rein in carbon pollution from aviation. If they do, we are optimistic that the US can work with ICAO to develop a package of policies that will reduce our share of global emissions."

ICTSD reporting; "Obama quietly signs bill shielding airlines from carbon fees in Europe," THE HILL, 27 November 2012; "Obama shields U.S. airlines from EU carbon fees," CHICAGO TRIBUNE, 27 November 2012; "Congress Sends Obama Bill Shielding Airlines From EU Rule," BLOOMBERG, 13 November 2012; "Obama signs bill shielding U.S. airlines from EU carbon fees," PLANETARK, 28 November 2012.

EVENTS & RESOURCES

Events

Coming soon

6 December, London, UK. EU STRUCTURAL FUNDS: DO THEY LEAD TO MORE GROWTH? Organised by Chatham House, this event will feature the presentation of a forthcoming Chatham House-CAGE paper which argues that the EU transfer system, while currently yielding a certain amount of additional growth in some recipient regions, requires a degree of conditionality in order to deliver targeted results. In assessing the effectiveness of the EU's Regional Policy, the speaker will focus on the Convergence Objective which suggests that, on average, it is successful at fostering growth in recipient regions, but that those with low levels of education and poor governance fail to make good use of EU transfers. The event therefore will argue that in the future, EU transfers to regions should not exceed maximum desirable levels if inefficiency and misuse are to be avoided. For more information, visit the event [website](#).

10 December, Jakarta, Indonesia. TRADE AND EMPLOYMENT IN A GLOBALIZED WORLD. This conference, hosted by the Asian Development Bank (ADB), in conjunction with the Organisation for Economic Co-operation and Development (OECD) and the International Labour Organization (ILO), aims to provide an opportunity for developing a broader understanding of the mechanisms by which employment and trade interact in a globalised

context. The event will bring together policymakers, analysts, and practitioners from a wide range of countries. For more information, visit the ADB [website](#).

10 December, Washington, US. WHAT ROLES FOR FOREIGN DIRECT INVESTMENT IN THE NEW CUBAN ECONOMY? Organised by the Brookings Institution, this event will feature the launch of a study discussing the roles for foreign investment in the new Cuban economy, pointing out how positive developments in international tourism, nickel and cobalt mining, and high value-added agriculture serve as foundations for future growth. The report notes that Cuba could learn from its own experiences with joint ventures and free trade zones, and from the experiences of other developing countries, to harness foreign capital as a vital tool of national development. The event also aims to explore whether or not US President Barack Obama, in his second term, will take advantage of Cuba's economic opening to forge a new path for relations with Havana. For more information, visit the Brookings [website](#).

12-14 December, Coimbatore, India. INTERNATIONAL CONFERENCE ON GOVERNANCE AND SUSTAINABLE DEVELOPMENT: BUILDING COMMERCE AND COMMUNITIES. This conference is being organised by Amrita University (India) and Deakin University (Australia) and will focus on how sustainable and responsible governance fosters the development of commerce and communities. It aims to provide a platform for exploring the latest developments in the governance of sustainable development from a variety of perspectives including environmental sustainability, social enterprise, corporate governance, legal pluralism, and social investment. For more information, 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.

3+6 December: Negotiating Group on Trade Facilitation (followed by Inf.)

4+6 December: Trade Policy Review Body – Nicaragua

5 December: Committee on Government Procurement

5 December: Working Party on Domestic Regulation

5 December: Committee on Trade in Financial Services

6 December: 18th Round of the Director General's Consultative Framework Mechanism on Cotton –Cotton Development Assistance

6 December: Committee on Specific Commitments

6 December: Council for Trade in Services

7 December: Trade Negotiations Committee

7 December: Working Party on the Accession of Afghanistan

7 December: Working Party on the Accession of Azerbaijan

10-14 December: Geneva Week (Non-resident Members and Observers)

10 December: Working Party on the Accession of Kazakhstan

10 December: GENERAL COUNCIL

11 December: GENERAL COUNCIL

Other Upcoming Events

17 December, London, UK. HOW DO DEVELOPING ECONOMIES GROW? Hosted by the Overseas Development Institute (ODI), this event will focus on what developing nations can do to help themselves, without the need of international assistance or influence. Using lessons from history, economic analysis and practice, Justin Lin – the World Bank's chief economist, who will be the event's main speaker – will examine the methods countries have used to develop their economies, showing that economic development is a process of continuous technological innovation, industrial upgrading, and structural change driven by how countries harness their land, labour, capital, and infrastructure. For more information, visit the ODI [website](#).

16-17 January, Paris, France. OECD POLICY DIALOGUE ON AID FOR TRADE. This high-level dialogue event, hosted by the Organisation for Economic Co-operation and Development (OECD) with the support of the European Commission, will focus on how to continue delivering Aid for Trade results in a changing international environment for trade and development. The discussions – which aim to attract trade and development experts, providers of South-South co-operation, and representatives from the private sector and think tanks – will focus on issues such as how to deliver and manage aid for trade and development results; ease the binding constraints to trade expansion; promote regional aid-for-trade programmes; reduce the thickness of borders; link to value chains; and engage the private sector. Organisers hope that the outcomes can provide valuable inputs to the July 2013 Global Review of Aid for Trade. For more information, visit the OECD [website](#).

23-27 January, Davos-Klosters, Switzerland. WORLD ECONOMIC FORUM ANNUAL MEETING 2013. Organised by the World Economic Forum, this annual meeting aims to engage leaders in collaborative activities focused on shaping global, regional, and industry agendas. The conference will focus on fostering "resilient dynamism" and the goal of catalysing and facilitating global, regional, and industry transformation. For more information, visit the event [website](#).

11 March, London, UK. FINANCIAL REGULATION: TOWARDS A GLOBAL REGULATORY FRAMEWORK? Hosted by Chatham House, this conference will discuss the drive towards global integration of financial regulation following the financial crisis, and whether this can be maintained as governments face the realities of political pressure from their electorates and their banks. The event will assess the emerging global regulatory architecture, and focus on key issues such as: whether it will be possible to create a non-conflicting global regulatory framework, the impact of global regulation on cross-border financial flows, and the emerging pan-European regulatory architecture. For more information, visit the Chatham House [website](#).

12-13 April, New York, US. THIRD INTERDISCIPLINARY PH.D. WORKSHOP IN SUSTAINABLE DEVELOPMENT. Hosted by Columbia University, this conference is open to graduate students working on or interested in issues related to sustainable development. It is intended to provide a forum to present and discuss research in an informal setting, as well as to meet and interact with similar graduate student researchers from other institutions. Event organisers aim to facilitate a network among students pursuing in-depth research across a range of disciplines in the social and natural sciences, to generate a larger interdisciplinary discussion concerning sustainable development. For more information, visit the event [website](#).

Resources

OVERLOOKED OPPORTUNITY: TRADABLE BUSINESS SERVICES, DEVELOPING ASIA, AND GROWTH. By J. Bradford Jensen for the Peterson Institute for International Economics (November 2012). This paper argues that developing Asia is overlooking an opportunity for increased growth and development through trade in business services, claiming that the region would benefit from liberalising services trade as it has benefited from liberalising goods trade. The author's argument rests on these findings: business services are important for growth, developing Asia is relatively under-endowed with business services, many business services are tradable, and developing Asia has relatively high barriers to services trade. The full text is available [here](#).

UPDATED ESTIMATES OF FUNDAMENTAL EQUILIBRIUM EXCHANGE RATES. By William R. Cline and John Williamson for the Peterson Institute for International Economics (November 2012). In this semiannual update of their estimates of fundamental equilibrium exchange rates (FEERs), the authors again find that the overvaluation of the dollar and undervaluation of the Chinese renminbi have become much more modest than in previous years, as their current account imbalances have narrowed. The report finds that seriously undervalued currencies now include those of Singapore, Taiwan, Hong Kong, and Malaysia, as well as the Swiss franc and Swedish krona, while serious overvaluation persists for Turkey, New Zealand, Australia, and (though less so than before) South Africa. The authors welcome the new External Sector Report of the International Monetary Fund, which generally finds the same directions of misalignment across currencies, with the notable exception of Switzerland. However, they also criticise some aspects of the Fund's methodology, which they find has led the IMF to award high acceptable current account surplus targets, particularly to Singapore and Switzerland, because of financial centre status and past accumulation of massive external assets. The full report is available [here](#).

LEAST DEVELOPED COUNTRIES REPORT 2012. Published by the United Nations Conference on Trade and Development (2012). It examines the potential role of migrants or diasporas at large from LDCs as sources of development finance, as channels of knowledge transfer, and as facilitators of trade and market access opportunities in the host countries. The report identifies policies, including policy lessons from other countries, that LDCs may wish to consider in designing policy frameworks for harnessing remittances and diaspora knowledge to build productive capacities. The full report is available [here](#).

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