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MONETARY POLICY

Bank of Japan Monetary Plans Fuel Currency Debate

Concerns over developed country monetary policy – including its impact on export competitiveness – have continued to escalate in recent weeks, as the Bank of Japan announced plans last Thursday to double its monetary base over the next two years by pursuing an aggressive strategy of monetary easing. Signs from the US Federal Reserve, meanwhile, have hinted at the possibility that its own controversial easing programme could slow down as early as this summer.

Japan escalates inflation-focused strategy

The Bank of Japan has come under substantial scrutiny during the first quarter of 2013 over what might be the direction of its monetary policy, after newly-minted Prime Minister Shinzo Abe's decision that the central bank would be aiming for a two percent inflation rate in order to tackle the country's long history of deflation.

The central bank's efforts to meet that goal have been credited so far with a rapid decrease in the value of the yen, among other results. However, the Prime Minister has since warned that Tokyo is not yet on track to hit its target two percent inflation rate within the next two years.

As a result, the Bank of Japan announced last Thursday that it would be pursuing an aggressive phase of monetary easing, one that would involve buying more long-term government bonds with the goal of doubling Japan's monetary base.

"We can't escape deflation with the incremental approach that's been taken until now," Haruhiko Kuroda – the central bank's new chief – explained.

Kuroda later stressed to reporters that market reactions to the move have been "positive," and added that the strategy is not – as some critics have suggested – an effort to devalue Japan's currency and make it more competitive.

Monetary policy has been one of the three "arrows" of Abe's economic growth strategy since he took office at the end of last year, with the other two involving fiscal stimulus measures and participation in the Trans-Pacific Partnership negotiations. (For more on Tokyo's efforts to join the TPP, see related story, this issue)



International Centre for Trade
and Sustainable Development

US Federal Reserve: QE3 slowdown in the works?

Meanwhile, officials from the US Federal Reserve have hinted in recent weeks that its third round of quantitative easing – or QE3, as it is more commonly known – might soon be slowing down, possibly by summertime, if the US labour market does indeed show signs of a rebound.

The central bank had announced last September that it would be buying up a total of US\$85 billion in asset purchases a month, in a move that sparked unease in some of the US' trading partners – including Brazil, which publicly criticised the move. (See Bridges Weekly, [26 September 2012](#))

Fear of a global currency war – as was famously referred to by Brazilian Finance Minister Guido Mantega in late 2010 – has dominated headlines since the launch of QE3, as many analysts question whether the moves of the US, Japan, and EU central banks will prompt others to devalue their own currencies in response.

Along with sparking concerns over the effects such a move would have on other markets – particularly those of emerging economies, and their export competitiveness – it has also fuelled discussions in financial circles over central banks' mandates and their independence.

The debate over monetary policy notably took centre stage during a meeting of G-20 finance ministers in February, where officials pledged to refrain from competitive devaluation – the deliberate lowering of their currencies' values to gain export advantages. Analysts were quick to note, however, that this did not eliminate the possibility of targeting exchange rates for other purposes, such as domestic policy goals. (See Bridges Weekly, [20 February 2013](#))

The G-20 also reiterated past pledges to transition more quickly toward “more market-determined exchange rate systems and exchange rate flexibility to reflect underlying fundamentals, and avoid persistent exchange rate misalignments and in this regard, work more closely with one another so we can grow together.”

As analysts continue to watch what advanced economy central banks – and their emerging market counterparts – do in terms of their monetary policy decisions, some observers have questioned whether current international rules should be clarified, or new ones created, in order to address exchange rate fluctuations and their potential effects on trade. Whether existing institutions, such as the International Monetary Fund or the WTO, should also play a bigger role in this process has also been raised by some observers.

While some discussions have already been held in the context of a WTO working group on the subject, at the initiative of Brazil, talks have been so far limited only to determining the nature of the relationship between currency and trade, and shied away from the possibility of discussing possible trade remedies. (See Bridges Weekly, [28 November 2012](#))

US Federal Reserve Chairman Ben Bernanke recently addressed some of the concerns that have been raised over QE3, arguing in a March [speech](#) that advanced economy monetary policy's effects do not appear to have yielded the negative results on outputs and exports in their emerging market partners that many feared, according to Fed research.

Furthermore, Bernanke noted, “a return to solid growth among the advanced economies is ultimately in the interest of advanced and emerging market economies alike.”

ICTSD reporting; “Abe warns over Japan inflation target,” FINANCIAL TIMES, 2 April 2013; “Yellen latest to hint about slowing of QE3,” FINANCIAL TIMES, 4 April 2013; “Bank of Japan unveils aggressive easing,” FINANCIAL TIMES, 4 April 2013; “Reaction to Japan easing ‘within expectations’: Bank of Japan,” AFP, 10 April 2013.

POST-2015 DEVELOPMENT AGENDA

UN Process Inches Forward on Sustainability Goals

Efforts to develop a global development framework beyond 2015 – the completion date of the Millennium Development Goals (MDGs) – have continued to advance in recent weeks, with the High-Level Panel of Eminent Persons on the Post-2015 Development Agenda holding its final formal meeting in Bali, Indonesia on 25-27 March.

This 27-member group was formed last July by UN Secretary-General Ban Ki-moon, and is co-chaired by Indonesian President Susilo Bambang Yudhoyono, Liberian President Ellen Johnson Sirleaf and UK Prime Minister David Cameron.

The panel agreed in Bali "on the need for a renewed Global Partnership that enables a transformative, people-centred and planet-sensitive development agenda which is realised through the equal partnership of all stakeholders."

The post-2015 process, which seeks to be highly participatory, is simultaneously taking place along a number of different strands, with an emphasis on internet consultations as well as actual face-to-face meetings. Areas covered comprise conflict and fragility, education, energy, environmental sustainability, food security, governance, growth and employment, health, inequality, population dynamics, and water.

More information from these consultations, held by "The World We Want" – a joint initiative between the UN and civil society – can be found [online](#).

In addition, following the UN Conference on Sustainable Development, or Rio+20, a different group has been tasked with developing a set of Sustainable Development Goals (SDGs). The Open-Ended Working Group of the UN General Assembly on SDGs met for the first time in New York from 14-15 March.

The outcomes of the two processes – which cover a wide range of issues related to sustainable development – are expected to be merged in September this year, when both groups report back to the UN General Assembly.

Bali meeting focuses on global partnerships

While earlier meetings of the High-Level Panel (HLP) focused on household and national level issues (see Bridges Weekly, [7 November 2012](#) and [6 February 2013](#), respectively), the Bali meeting focused on global level and implementation issues, with the HLP seeking to "promote global ownership of a shared development agenda."

As such, the meeting involved a set of stakeholder consultations, centred around the Academic and Research Global Forum, the Public Sector Forum, the Business Community Forum, the Civil Societies (CSOs) Global Forum, and the Youth Multi stakeholders Consultation Forum.

Throughout these meetings, equality stood out as a major topic. "It's true that the MDGs managed to reduce poverty, for example in Indonesia," Dian Kartikasari of the Indonesian Women's Coalition for Justice and Democracy said. However, she added, "the inequality remains in many aspects of human development such as the disparity between access to health in Jakarta and in Papua."

Michel Anglade, Campaign and Advocacy Director at Save the Children's Asia Regional Office, echoed those sentiments. "When you stop referring to the data, you can see that, for example, indigenous people or people who are being discriminated against, usually that kind of level of development is failing on these people, even if the MDGs are being made on an average level, you can see that these people are lagging behind," Anglade said.

After listening and consulting with the stakeholder groups, as well as among themselves, the High-Level Panel adopted a [communiqué](#) that placed particular emphasis on five sets of issues: reshaped and revitalised global governance and partnerships; protection of the global environment; sustainable production and consumption; strengthened means of implementation; and data availability and better accountability in measuring progress.

The High-Level Panel will now begin to draft a report on the post-2015 development framework, which will be submitted to the UN Secretary General in May.

SDGs process in NY hears political statements

While much of the two-day meeting of the Working Group on SDGs comprised country statements on the way forward, there was also an interactive discussion on "Conceptualising the SDGs" involving experts in the area.

The summary released by the chair at the end of the meeting noted that the topics that received most traction included "eradication of poverty and hunger; employment and decent jobs; sustainable consumption and production; gender equality and empowerment of women; access to and good management of the essentials of human well-being, such as food, water, health, and energy; and means of implementation."

During the meeting, participants explained their views on how the SDGs should relate to the broader Post-2015 Development Agenda. While all agree on the need for coherence, countries differ as to their emphasis on how close the two processes should be.

However, as recognised in the final communiqué of the HLP, "it is essential that all post-2015 intergovernmental processes and outcomes, including the Rio+20 outcomes and its follow-up, are coherent and mutually reinforcing."

The next meeting of the Working Group on SDGs is tentatively scheduled for 17-19 April, focusing on the overall framework and poverty. It will be preceded by a meeting among major groups focusing on both the post-2015 and SDG processes on 16 April, in order to facilitate coordination.

ICTSD reporting; 'Post-2015 High Level talks kick off in Bali,' JAKARTA POST, 25 March 2013; "Summary of the First session of the UN General Assembly Open Working Group on SDGs," EARTH NEGOTIATIONS BULLETIN, 18 March 2013.

INTELLECTUAL PROPERTY

India Court Rejection of Drug Patent Reignites Debate on Health Innovation, Access to Medicines

The Indian Supreme Court has announced that it will be denying pharmaceutical company Novartis a patent for Glivec, a cancer drug, in a decision that will effectively allow generics producers in the country to continue selling the unbranded equivalent at a fraction of the original's price. Last week's landmark ruling has since reignited debate among officials and analysts alike over the balance between fostering innovation and ensuring affordable access to medicines.

The news comes on the heels of several other cases involving the Indian Patent Office and multinational pharmaceutical companies, including the granting of a compulsory license for Bayer's cancer drug Nexavar and the revocation of a patent on Pfizer's cancer drug Sutent. (See Bridges Weekly, [9 May 2012](#) and [14 March 2012](#))

India is the world's third-largest pharmaceutical drug producer by volume and the largest supplier of generic drugs; in 2011 the domestic pharmaceutical market reached a record of US\$12.2 billion in sales. The patented version of Glivec costs about US\$2600 a month, while the generic equivalent can be purchased in India for approximately US\$175 per month.

Tackling "evergreening"

The decision found that the patent for Glivec, which is used to treat leukemia, does not introduce significant improvements to an earlier version in terms of therapeutic efficacy, and therefore does not meet the requirements of Indian patent law.

The ruling is aimed at tackling "evergreening," a practice through which pharmaceutical companies seek extended patent protection by introducing marginal incremental variations on existing drugs.

The WTO's Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) allows members to determine how to apply patentability criteria, such as novelty and inventive step. National policymakers can define what qualifies as innovative and what does not, thereby setting the patentability bar so as to take into account domestic objectives, including access to medicines.

In that context, the [decision](#) reiterates that the Indian patent regime imposes "qualifying standards for chemical substances/pharmaceutical products in order to leave the door open for true and genuine inventions but, at the same time, to check any attempt at repetitive patenting or extension of the patent term on spurious grounds."

During a visit to the World Intellectual Property Organization (WIPO) on Monday to mark India's accession to a key international trademark registration treaty, Minister for Commerce and Industry Anand Sharma [said](#) that – while the move was not an executive decision or government decision – there comes a point when "the intellect of the world must also then be used to protect human lives and for the common good."

Noting the debate that the Supreme Court ruling has sparked since it was announced, he also asked why his country is being criticised for denying only one patent when it has already granted 147 other patents to the Swiss company.

Novartis: Patent key for fostering innovation

Novartis – the producer of the cancer drug – expressed disappointment with the decision, contending that over 40 countries, including China, Russia, and Taiwan, have already recognised patents for Glivec.

"Patents safeguard innovation and encourage medical progress, particularly for unmet medical needs," the Swiss company said. "This ruling is a setback for patients that will hinder medical progress for diseases without effective treatment options."

It also added that the granting of the patent would not have jeopardised access to affordable drugs, as "more than 9 out of 10 patients currently taking Glivec in India will continue to receive the drug free of charge through Novartis Oncology Access programmes."

Novartis India vice chairman and managing director Ranjit Shahani has said that the company will continue to seek patents for its innovative products in the country. However, it "will be cautious in investing in India, especially with regard to the introduction of innovative medicines."

Civil society, academia welcome decision

The Supreme Court decision has been lauded by several civil society groups, many of which have argued that such patents – like the one requested by Novartis – would allow pharmaceutical companies to charge higher prices over a prolonged period without actually introducing innovative technologies.

"Instead of... claiming ever longer patent protection on older medicines, the pharmaceutical industry should focus on real innovation, and governments should develop a framework that allows for medicines to be developed in a way that also allows for affordable access," [said](#) Médecins Sans Frontières President Unni Karunakara.

Various academics and experts similarly supported the move. "[The Supreme Court] has decided that Indian consumers should only pay for expensive patented products when those products represent a genuine advance over older versions," [wrote](#) Frederick Abbott, Professor of International Law at Florida State University College of Law.

"India's Supreme Court has shown that it is independent, interprets the law faithfully, and does not easily succumb to global corporate interests," noted economist and Nobel laureate Joseph Stiglitz and Professor Arjun Jayadev in a [piece](#) published this week. "It is now up to the Indian government to use the TRIPS agreement's safeguards to ensure that the country's intellectual property regime advances both innovation and public health."

ICTSD reporting; "Low-Cost Drugs in Poor Nations Get a Lift in Indian Court," THE NEW YORK TIMES, 01 April 2013; "India's Novartis Decision," THE NEW YORK TIMES, 04 April 2013; "Novartis Loses Patent Bid: Lessons From India's 3(d) Experience", INTELLECTUAL PROPERTY WATCH, 01 April 2013; "Busting the R&D myth," THE TIMES OF INDIA, 07 April 2013.

To explore this topic further, join the ongoing discussion on ICTSD's [LinkedIn](#) group. [Editor's note – ICTSD is the publisher of Bridges.]

PREFERENTIAL AGREEMENTS

Japan TPP Bid Receives Green Light from Mexico

Japan's consultations to join the Trans-Pacific Partnership talks have gotten off to a quick start over the past few weeks, with Mexico being the latest to confirm its support for Tokyo's bid. Meanwhile, the Asian economy's discussions with the US are also said to be advancing rapidly, as Washington officials urge another regional powerhouse – South Korea – to consider pursuing entry into the talks.

"We express our sympathy, support, and backing for the interest that Japan has shown in participating in the TPP," Mexican President Enrique Peña Nieto told reporters on Monday, following a meeting with Japanese Prime Minister Shinzo Abe.

In advance of the high-level meeting in Tokyo, the Mexican president noted that Japan must aim to match TPP members' goal for a "high level" of trade liberalisation.

Abe made headlines last month when he announced that Tokyo would be formally pursuing a seat at the TPP negotiating table, a goal that his two predecessors had also aimed for but were ultimately forced to abandon due to domestic political considerations. (See Bridges Weekly, [20 March 2013](#)) Japan would – if accepted into the group – be the second largest economy in the talks, surpassed only by the US.

The Japanese leader's decision came after Abe received assurances from US President Barack Obama that Tokyo would not be required to make unilateral tariff cuts as a condition of joining the trade talks, and that there might be room for treatment of some sensitive products, like agriculture for Japan and automobiles for the US. (See Bridges Weekly, [27 February 2013](#)) The news was seen as essential for the Japanese Prime Minister to receive the necessary political backing in Tokyo to move forward with pursuing TPP entry.

Mexico is one of the most recent members to join the TPP negotiations, having formally been invited into the talks in June of last year, together with Canada. (See Bridges Weekly, [20 June 2012](#)) The Latin American country already has its own trade deal in place with Japan, though market access for agricultural products – such as pork and orange juice – remains a sensitive topic between the two sides. Tokyo is well-known for its high agricultural tariffs, an issue that is expected to take centre stage in any TPP-related negotiations.

All current TPP members must agree to the entry of any new country into the negotiations, and conduct their own domestic procedures as well. The US, for instance, must formally notify Congress and allow for a 90-day period to pass before it can sign off on extending an invite to Japan.

Notably, consultations with Washington – seen as particularly vital by trade observers for Tokyo securing entry into the discussions – are moving along swiftly, Japanese economic revitalisation minister Akira Amari has said. Bilateral preparatory discussions could be done as early as this week, according to Japanese media reports.

An announcement of support from various other TPP members is reportedly expected when trade ministers from the Asia-Pacific Economic Cooperation (APEC) countries meet later this month in Indonesia. TPP officials have traditionally met on the sidelines of these

APEC events to review progress in the talks; some have hinted that negotiators are aiming to have a final trans-Pacific pact in time for the APEC Leaders' Summit this upcoming autumn.

The next round of TPP negotiations is scheduled for next month, in Lima, Peru. Given that Japan's membership is unlikely to be agreed in time for the next round of talks, rumours have also circled about a possible round in mid-July in order to have Tokyo quickly become involved.

The eleven current members of the trans-Pacific talks include Australia, Brunei, Canada, Chile, Malaysia, Mexico, New Zealand, Peru, Singapore, the US, and Vietnam.

South Korea bid on the horizon?

Trade observers have lately been watching to see whether another Asian economy – South Korea – might be among the next to express interest in the negotiations. Washington officials have already expressed an interest in seeing Seoul pursue TPP membership, noting that it could be a natural fit for the deal.

"We do think it's natural and logical for Korea to join this negotiation," Assistant US Trade Representative Wendy Cutler said in a speech last week in Washington, in comments reported by Reuters. South Korea already has a bilateral deal in place with the US, which took effect just over a year ago. (See Bridges Weekly, [29 February 2012](#))

Other countries that have also been said to be considering a TPP bid include Thailand and the Philippines. Bangkok has already expressed an interest in becoming one of the deal's negotiating parties, but has yet to announce that it has completed the necessary domestic procedures to formally pursue entry. (See Bridges Weekly, [21 November 2012](#))

Manila officials, meanwhile, held meetings with US Assistant Secretary of State for Economic and Business Affairs José Fernández in February, stoking rumours that the Philippines might soon make a formal expression of interest.

ICTSD reporting; "UPDATE 1-U.S. encourages South Korea to join Trans-Pacific trade talks," REUTERS, 3 April 2013; "Likely U.S. nod to put Japan in TPP talks by July," THE JAPAN TIMES, 10 April 2013; "Mexico's Pena Nieto Backs Japan's Entry to TPP Trade Talks," BLOOMBERG, 9 April 2013; "Mexico backs Japan's bid to join Trans-Pacific Trade Talks," REUTERS, 9 April 2013; "Japan enters final stage before officially joining TPP talks," THE JAPAN DAILY PRESS, 9 April 2013.

PREFERENTIAL AGREEMENTS

Brazilian Minister: EU-Mercosur Talks to Pick Up Momentum This Year

The long-running trade negotiations between the EU and South American customs union Mercosur may witness a renewed push during the second half of 2013, according to Brazilian Foreign Minister Antonio Patriota. Talks for the region-to-region deal began almost fifteen years ago, but have so far failed to produce an agreement.

The talks, which began in 1999, stalled in 2004 over disagreements related to agricultural market access, among other topics, and only resumed in 2010. (See Bridges Weekly, [19 May 2010](#)) Negotiators have been meeting since then in the hopes of hammering out the terms of a final accord, with limited result.

Efforts to reinvigorate the talks in the coming months will include an offer of trading concessions from Brasilia to Brussels, according to the Financial Times. Fellow Mercosur member Uruguay, however, will formally take the lead on the EU talks during this first phase.

Patriota has not outlined a timetable or deadline for completion of the planned deal. However, he noted, the talks "have advanced more than half the way in the negotiations road map."

Long-standing sticking points – such as agriculture and auto manufacturing – remain sensitive, according to the Brazilian official. However, both sides have expressed a willingness to move forward, he added, and have a "clear political and commercial interest to reach an agreement in the shortest time possible."

EU officials have similarly expressed an interest in quickly bringing the talks to a close, as Brussels continues its push for clinching trade pacts with various partners as part of a broader strategy to boost growth and jobs in the 27-member bloc.

"We would really like to have this Mercosul [agreement], especially with Brazil," said Elmar Brok, a member of the committee on foreign affairs of the European Parliament, in a statement to the Financial Times. [Mercosul is the Portuguese term for Mercosur.]

The need for Mercosur to expand its own external agenda – having few deals with outside countries – was recently highlighted by Uruguayan President José Mujica, who currently holds the pro tempore presidency of the bloc. "We need a discussion on the direction of things that are going on in the world, along with Mercosur's internal problems, where it is very clear that we are stalled," he said in a recent letter to fellow leaders. "In addition, there is a great mobility in the world that we have to take into account."

Officials say than an EU-Mercosur deal would create one of the largest trade pacts in the world, covering some 750 million people.

Questions linger over Paraguay suspension

Along with their difficulties in resolving long-standing differences over issues such as agricultural trade, the short-term future of the EU-Mercosur negotiations had also been put into limbo over the past several months, following the suspension of Paraguay's membership from the South American customs union last July.

The suspension – the result of the Paraguayan Senate's impeachment of President Fernando Lugo – also led to the inclusion of Venezuela as a full member. Both moves were lambasted by Asunción, which questioned the legality of bringing in Caracas in its absence.

Paraguay's fellow Mercosur partners – Argentina, Brazil, and Uruguay – have since indicated that Asunción could potentially be readmitted as a full member following the country's presidential elections later this month. Negotiations with Brussels will resume after that election and the subsequent decision on whether to readmit Paraguay, according to Patriota.

While delegates from both the EU and Mercosur have met since Asunción's suspension, how much the internal reshuffling of the South American bloc's membership could affect the trade talks still remains unclear. German Ambassador to Paraguay Claude Robert Ellner has recently said that Paraguay's readmission would be a prerequisite to further talks on a bilateral trade deal.

Patriota: Trade tensions with Argentina remain

Patriota also noted last week that trade with fellow Mercosur heavyweight Argentina was "less than satisfactory," and that the trade impacts resulting from Buenos Aires' attempts to protect local industry are not in line with efforts to strengthen the Southern American customs union.

The two neighbours have long had disagreements over trade issues, particularly over delays in products crossing their shared border. The Brazilian Foreign Minister noted that Argentina's import policies – which have come under fire from many of its trading partners – have particularly hit Brazil's textile and footwear industries in recent months.

However, the Brazilian official qualified that, despite these tensions, the "health" of the Mercosur bloc has not suffered as a result.

ICTSD reporting; "Brazil says trade 'not favourable'," BUENOS AIRES HERALD, 5 April 2013; "Brazil hopeful an EU/Mercosur trade accord can be concluded this year," MERCOPRESS, 6 April 2013; "Mercosur, EU to resume trade negotiations: Brazilian FM," XINHUA, 5 April 2013; "Brasil admite problemas comerciales con Argentina," EL LITORAL, 5 April 2013; "Para Brasil, con Argentina hay 'áreas problemáticas,'" CLARÍN, 5 April 2013, "Mujica pide 'sinceridad' a socios del Mercosur para saber qué rumbo seguir," EL DIARIO, 10 April 2013.

SPECIAL SECTION

Director-General Candidates Weigh In on Future of WTO

As the whittling down of WTO Director-General candidates begins in earnest, ICTSD – the publisher of Bridges – has released a new publication aimed at helping to better understand the future of the World Trade Organization from the perspective of those vying for its leadership.

This “living document” – which will be expanded and updated as the Director-General appointment process unfolds – is part of an ongoing process initiated by ICTSD to help gain a better understanding of the key issues influencing the multilateral trading system.

In this context, candidates were asked to provide a general statement and respond to seven specific questions on plurilateral agreements, preferential trade agreements, industrial policy, food security, climate change, access to energy and energy security, natural resources, and the role of trade in promoting structural economic transformation.

The publication reaches beyond the rhetoric and conjecture swirling around the leadership race and delves into how potential leaders will approach major issues in the run-up to the Bali Ministerial Conference and beyond.

To date, five of the nine candidates – Taeho Bark (Republic of Korea), Anabel González (Costa Rica), Tim Groser (New Zealand), Alan Kyerematen (Ghana), and Mari Pangestu (Indonesia) – have provided their authoritative views. Responses from other candidates are expected and will be posted as they are submitted.

A sampling of commentary from *Global Challenges and the Future of the WTO*

“Through close monitoring and analysis, the WTO can and should do its part to help regional deals become more compatible both with each other and with the WTO framework as a whole.”

– [*Taeho Bark on preferential trade agreements.*](#)

“On the trade front, the agriculture reform contemplated in the framework of the DDA will reinforce developing countries’ resilience to food security shocks and price volatility.”

– [*Anabel González on food security.*](#)

“The challenge to negotiate a comprehensive new global climate change agreement by 2015 is every bit as challenging as the need to complete the Doha Development Agenda. The temptation to use trade measures unilaterally may increase.”

– [*Tim Groser on climate change, energy access, and security.*](#)

“The WTO can play a facilitative role in the development of disciplines to regulate fishing subsidies, which cause over-fishing and depletion of major stocks. In that regard, the progress being made in the Negotiating Group on Rules to come up with disciplines to regulate fisheries subsidies should be welcomed.”

– [*Alan Kyerematen on natural resources.*](#)

"In order to reap the full benefits of trade, a multilateral trading system has to be inclusive. That means to bring along the lesser and least developed countries so that they can benefit from greater market access."

– *Mari Pangestu on [the role of trade in promoting structural economic transformation](#).*

To view the full response from candidates, or to view all responses by issue area, [click here](#).

IN BRIEF

April Meeting Aims to Move India-EU Trade Talks Close to Finish Line

India Commerce Minister Anand Sharma and EU Trade Commissioner Karl De Gucht are slated to meet on 15 April to continue negotiations on bilateral trade deal, in the hopes of advancing the long-running talks toward a swift conclusion.

After years of missed deadlines since the talks kicked off in 2007, some observers have termed this meeting as crucial for clinching a deal, especially in light of the upcoming EU-US trade talks and the impending Indian general elections in May 2014, which some fear could slow down the negotiating process.

The talks have faced multiple obstacles over their six-year run, particularly over differences between the two sides on food safety standards, government procurement, and intellectual property. The proposed trade deal, if completed, would cover more than 95 percent of tariff lines and encompass a market of over 1.7 billion people.

ICTSD reporting; "FTA with European Union on PM's agenda, insurance cap a sticker," MONEYCONTROL, 7 April 2013; "Time running out for India-EU free trade talks?" NEWS TRACK INDIA, 9 April 2013.

Pacific Alliance Members Plan Zero Tariff Accord

Members of the Pacific Alliance bloc have agreed to sign an accord liberalising 90 percent of all products currently traded among member countries, according to Chilean Foreign Minister Alfredo Moreno. The four members – Chile, Peru, Colombia, and Mexico – will ink the deal at their upcoming summit, scheduled to be held on 23 May in Colombia.

Along with applying zero tariffs to 90 percent of products, other remaining goods will be subject to transition periods, Moreno explained. Members have said that they hope the zero tariff accord will significantly promote growth, competitiveness, trade, and foreign investment.

Formally launched in June 2012, the Pacific Alliance bloc has a combined GDP of more than US\$2 trillion and over 200 million consumers, making up 40 percent of Latin America's GDP and 55 percent of its total exports. (See Bridges Weekly, [13 June 2012](#)). While its membership stands currently at four countries, Panama and Costa Rica are formally seeking entry into the group.

ICTSD reporting; "Chile, Peru, Colombia and Mexico agree to 'zero tariff' for 90% of inter-trade," MERCOPRESS, 1 April 2013; "Países de la Alianza del Pacífico liberalizarán el 90% de su comercio interno," AGENCIA EFE, 27 March 2013.

Australia-China Trade Talks to Ramp Up, Officials Say

Canberra and Beijing are set to resume talks for a bilateral trade deal in May, officials announced this week. The news comes on the heels of an agreement between Australian Prime Minister Julia Gillard and Chinese Premier Li Keqiang to establish a strategic partnership arrangement, which would include annual meetings between leaders.

"With this agreement we know that we will command attention here in China," Gillard said following her China visit. "What we have secured is a structure that says we'll be there at the table. We won't have to compete every time to get to the table."

What this strategic partnership will mean for the Australia-China trade talks – which have been ongoing since April 2005 – however, is still unclear, though observers note that the strengthened political ties could be a boon to the trade negotiations.

The proposed bilateral deal would cover AUS\$119 billion (US\$125.5 billion, at today's exchange rate) in trade, an amount that has increased 70 percent in the past five years. Australian Trade Minister Craig Emerson has stressed that Canberra is seeking a "high ambition deal, particularly in the areas of foreign investment, agricultural tariffs and quotas, manufactured goods, services, and temporary entry of people.

ICTSD reporting; "Gillard strikes strategic partnership with China," ABC NEWS AUSTRALIA, 10 April 2013; "Julia Gillard strikes deal with China to boost Australian ties," NEWS.COM.AU, 10 April 2013; "Australia, China resume trade talks," UPI, 7 April 2013; "Aust-China free trade talks set for May," THE AUSTRALIAN, 9 April 2013.

EVENTS & RESOURCES

Events

Coming soon

15 April, Washington, US. CLIMATE POLICY ACROSS THE GLOBE: LESSONS LEARNED AND KEY CHALLENGES. This event, hosted by the Brookings Institution, will examine what policies countries from around the globe are taking to curb the effects of climate change, and to what effect, with a specific focus on the US, China, India, Brazil, and Europe. The discussion – centring on the findings of a report by the Climate Policy Initiative called “The Policy Climate” – will also address how these policies and others can be implemented in other regions of the world, and how the report’s results can influence future global climate policy. To read more about the event click [here](#).

15-16 April, New Delhi, India. B4E GLOBAL SUMMIT 2013. This conference – hosted by Business for the Environment (B4E) under the theme “Emerging Market Leadership for Global Green Growth” –will examine the role of emerging markets in driving the world’s transition to a global green economy. The summit will bring together world leaders, senior executives, and industry experts to share ideas on green business models, innovation in finance and technology, and ways to make industry commitments into a reality. For more information, click [here](#).

17-19 April, Geneva, Switzerland. SEVENTH EUROPEAN CONFERENCE ON SUSTAINABLE CITIES AND TOWNS. This event will explore how governments can take advantage of a green and socially responsible economy when trying to address local economic, social, and environmental challenges. Experts in the field of sustainability will attend the conference and outline their experiences in finding sustainable solutions, along with making recommendations for policies that can be implemented by governments to achieve a sustainable economy. More information is available [here](#).

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.

10 + 12 April: Trade Policy Review Body – Indonesia

12 April: Sub-Committee on Least-Developed Countries

17 April: Workshop – Rules of Origin

17 + 19 April: Trade Policy Review Body – Mexico

18 April – Committee on Rules of Origin

Other Upcoming Events

17 April, Geneva, Switzerland. TOWARDS A GREEN ECONOMY: ARE WE MOVING FORWARD? This public lecture, hosted by the Graduate Institute in Geneva, will feature

European Commissioner for the Environment Janez Potočnik as a guest speaker. In the event, the commissioner will discuss the current state of the European economy and the impact that it has regarding climate change, along with the positive impacts that will be a result of a green economy. Potočnik will then examine what steps EU and national leaders need to take in order to implement a more environmentally friendly economy. More information about the event can be found [here](#).

29-30 April, Paris, France. OPENING A NEW CHAPTER IN EU-JAPAN RELATIONS. This roundtable, held at the French Ministry of Foreign and European Affairs, will feature CEOs and senior executives from leading EU and Japanese firms, who will discuss and adopt general recommendations to be submitted to their domestic authorities. Attendees will also hold detailed discussions on the approaching negotiations for an EU-Japan trade deal, bilateral business cooperation especially in/with emerging economies and on resource issues, and other related topics. To learn more, click [here](#).

15-16 May, London, UK. THIRTEENTH ANNUAL WTO CONFERENCE. This conference, hosted by the British Institute of International and Comparative Law, will feature emerging ideas and developments in international trade law. Panel topics will include energy and trade, economic analysis of WTO law, dispute settlement procedure, digital trade, moving forward from the financial crisis, international finance and trade, emergence of the Technical Barriers to Trade (TBT) Agreement, and what's next for the global trade body. To learn more, click [here](#).

Resources

EXPORT RESTRICTIONS: BENEFITS OF TRANSPARENCY AND GOOD PRACTICES. By Osvaldo Agatiello and Barbara Fliess for the Organisation for Economic Cooperation and Development (March 2013). This paper explores the issue of transparency with respect to the use of export restrictions, especially focusing on the question of what information governments applying them make publicly available. It explains how transparency is operationalised in the conduct of trade policy and what its benefits are for trading firms, investors, and other stakeholders, in importing countries along with economies applying export restrictions. The paper goes on to review applicable rules and commitments elaborated in GATT/WTO, regional trade agreements, and other sources of rules. To see the publication, click [here](#).

THE GLOBAL SUSTAINABLE COMPETITIVENESS INDEX. By SolAbility (April 2013). This annual report from sustainability advisory consultancy, SolAbility, examines 176 countries through the lens of their ability to sustain or increase wealth in a resource-constrained, globalised world. The publication – which uses a competitiveness model built around the pillars of natural capital, resource efficiency, sustainable innovation, and social cohesion – assesses the countries on over 70 factors and then ranks them according to their accomplishments. To read the publication, click [here](#).

POST-CRISIS CAPITAL ACCOUNT REGULATION IN SOUTH KOREA AND SOUTH AFRICA. By Brittany Baumann and Kevin Gallagher for the Global Development and Environmental Institute at Tufts University (April 2013). This report uses South Korea and South Africa as examples of countries that have, in the ways they regulated their cross-border finance, been successful in lessening the appreciation and volatility of their currencies. It notes, however, that they were less successful in stemming asset bubbles. These findings, the authors say, indicate that emerging market and developing countries can make the policy space to regulate cross-border financial flows; however, the authors also argue that industrialised nations should take their own measures to avoid creating negative spillovers to the developing world. For more information, click [here](#).

STATE-OWNED ENTERPRISES: TRADE EFFECTS AND POLICY IMPLICATIONS. By Przemyslaw Kowalski, Max Büge, Monika Sztajerowska, and Matias Egeland for the Organisation for Economic Co-operation and Development (OECD) (April 2013). This paper discusses the extent of state ownership in the global economy, the advantages and disadvantages that SOEs can face, and how potential SOE advantages can generate cross-border effects. To read the document, click [here](#).

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