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WORLD TRADE ORGANIZATION

WTO Members Choose Brazil's Azevêdo as Next Director-General

Roberto Carvalho de Azevêdo has won the position of WTO Director-General, officials announced earlier today, beating out Mexico's Herminio Blanco for the high-profile role. Azevêdo will be the organisation's first chief from Latin America and only the second in its short history from a developing country.

The news was presented to WTO members by General Council Chair Shahid Bashir – Pakistan's ambassador to the organisation – following the last of three "rounds of consultations" with the membership, though the results broke informally on the news wires last night.

Once all 159 WTO members had submitted their preferences, the outcome, Bashir [told](#) delegations on Wednesday, was "clear and unambiguous."

"Azevêdo carried the largest support by members in the final round and has consistently done so in each round; and, he enjoyed support from members from all levels of development and from all geographic regions and has done so throughout the process," Bashir said in his report. The global trade body will meet to formally sign off on the result at a special meeting of the General Council on 14 May.

The choice of Azevêdo – who has spent the past five years as his country's ambassador to the global trade body – was [welcomed](#) by Brazilian President Dilma Rousseff, who called the news a win for the WTO.

"In presenting the name of Ambassador Azevêdo for this high position, Brazil was clear that, with his experience and commitment, he could lead the organisation in a direction of a more dynamic and fair world economic order," she said.

Mexico also extended its own congratulations to the Brazilian ambassador. "Mexico is pleased to see that, for the first time, the World Trade Organization will be directed by a Latin American," the Mexican Economy Secretary said in a [statement](#), while praising Blanco's efforts during the selection process. Blanco has already pledged his full support to Azevêdo, the statement noted.

While the process was conducted confidentially, reports had surfaced in the past few days that the US was planning to back Blanco, while the EU resolved an internal split that ultimately led to their backing the Mexican candidate as well.



International Centre for Trade
and Sustainable Development

Both the US and EU, however, made clear that they would accept either nominee. Meanwhile, Azevêdo had reportedly proved to be more popular among the emerging and developing economies.

During the campaign, Blanco and Azevêdo had both sought to dispel the notion that they were either the “rich country” or “developing country” candidate, noting in recent statements that they each enjoyed broad support from a range of countries at all levels of development.

Insider perspective vs. outsider background

Who would win the high-profile post has been a hot topic in both Geneva circles and in the international media, with pressure building in the past week as each candidate pushed to make known why he would be better suited for the job.

Before taking on the Geneva-based role of Brazil's Ambassador to the WTO, Azevêdo was posted in Brasilia as his country's Vice Minister for Economic and Technological Affairs, acting as Brazil's chief Doha Round negotiator and supervising trade talks conducted under the South American customs union Mercosur. Prior to that, he was Brazil's chief litigator in various WTO disputes, and both served on and chaired dispute settlement panels.

Blanco had previously served as his country's trade minister from 1994 to 2000, and was Mexico's chief negotiator for the North American Free Trade Agreement (NAFTA). Since concluding his time with the Mexican government, Blanco has spent the last 12 years in the private sector, advising governments, corporations, and international organisations.

While Blanco's public comments in recent weeks focused on his outside perspective and insights from his private sector work, Azevêdo stressed the importance of being familiar with the Geneva scene and the intricacies of the recent negotiations.

Trade observers such as Simon Evenett, an economics professor at the University of St. Gallen in Switzerland note that Azevêdo's status as a Geneva insider could, while having some benefits, also have its disadvantages. “He clearly knows everyone, and he's clearly well-liked, so that must help,” he commented to Bridges. “But being in Geneva so long can also narrow one's frame of options and creativity, so that's the downside as well.”

Six-month process

The process to pick a new head for the Geneva-based trade body had kicked off in December, when nine of the organisation's members submitted candidates for the post – making it the biggest field in the WTO's history. It was also the first race to feature three women vying for the job.

Along with Azevêdo and Blanco, the original nine had also included Anabel González of Costa Rica, Alan Kyerematen of Ghana, Amina Mohamed of Kenya, Mari Pangestu of Indonesia, Ahmad Thougan Hindawi of Jordan, Tim Groser of New Zealand, and Taeho Bark of South Korea. All nine, with the exception of Groser, hailed from members that are self-designated as developing countries at the WTO, though Korea and Mexico – like New Zealand – are considered developed in other forums such as the OECD.

Once nominated, the candidates then made formal presentations to the membership at the end of January regarding their visions for the future of the organisation. (See Bridges Weekly, [6 February 2013](#)) They have since spent the last few months working to shore up support for their bids.

Since the beginning of April, Bashir – as General Council Chair – together with Dispute Settlement Body Chair Jonathan Fried of Canada and Trade Policy Review Body Chair Joakim Reiter of Sweden, have been conducting consultations with members regarding

their preferred candidates for the Director-General position, with the aim of whittling down the field to one person around which the membership could build consensus.

The first round of consultations had led to the elimination of the Costa Rican, Ghanaian, Jordanian, and Kenyan candidates, after they were unable to gain sufficient support from the membership to move to the contest's next stage. The second round then saw Indonesia, New Zealand, and South Korea exit the race. (See Bridges Weekly, [18 April 2013](#) and [2 May 2013](#), respectively)

Under the selection guidelines for WTO Directors-General, members had until 31 May of this year to pick Lamy's successor. While this third round had widely been expected to be the final one, the possibility of a fourth round was originally left open in case members were unable to build a consensus around a single candidate.

Bali countdown

Azevêdo will take office on 1 September, after the term of current Director-General Pascal Lamy ends on 31 August. The WTO will then be holding its Ninth Ministerial Conference in the Indonesian province of Bali in early December, giving the incoming trade chief just a few short months to get settled into his new role.

WTO members are currently working to prepare a small package of deliverables from the Doha Round negotiations in time for December's conference, in what would mark the first major advance in years for the notoriously difficult talks. The planned package would, if successful, include an agreement on trade facilitation, as well as components involving agriculture and issues of interest to developing and least developed country members.

"[The WTO's negotiating function] is the pillar that gives us more cause for concern, for it has been effectively paralysed since the WTO was created in 1995," Azevêdo said in his submission for [Global Challenges and the Future of the WTO: Views from the Candidates Beyond the Hype of the DG Race](#), which was released by ICTSD – the publisher of Bridges. He stressed that that the time is right for making a move to break the impasse, and that achieving results in Bali would be the first step in that direction.

"Being appointed Director-General of the WTO in the summer of 2013 is a little bit of a 'mission impossible'," Jean-Pierre Lehmann, a professor of political economy at the IMD business school in Lausanne and founder of the Evian Group economic governance think tank, commented to Bridges.

Azevêdo, he noted, will face the challenges of increasing US engagement at the negotiating table, while healing the North-South rift among the WTO's members and helping restore the organisation's relevance. "The Doha Round was launched in 2001 – and between 2001 and 2013 the world has changed beyond recognition, practically," Lehmann said.

ICTSD reporting; "Mexico's WTO Candidate Seen Getting Support From European Union," BLOOMBERG BUSINESSWEEK, 7 May 2013; "Brazil in tight race with Mexico to head WTO," FINANCIAL TIMES, 6 May 2013.

DISPUTES

WTO Appellate Body Rules against Canada in Renewable Energy Case

The WTO's highest court has confirmed that the local content requirement in the Canadian province of Ontario's feed-in tariff (FIT) programme for renewable energy is inconsistent with international trade rules, officials announced on Monday.

Brussels and Tokyo had argued that the FIT system, which was established under the Ontario Green Energy Act of 2009, violates international trade rules by requiring participating electricity generators to source a minimum quota of goods and services from Ontario – in the case of wind, 25 percent, and for solar projects, 60 percent.

The complainants had said that this "local content requirement" was a barrier for foreign competitors looking to get a foothold into the Ontario market. However, Ontario officials had said that the measure aims to encourage the production of clean energy by incentivising producers to use electricity derived from renewable sources.

The Appellate Body result confirmed an earlier panel ruling that was issued last December, while revising a few specific points from that decision. Canada had filed its appeal to the case in February, citing certain points of law and legal interpretation that it wished WTO judges to review. Despite receiving a favourable outcome in December, the EU and Japan also filed their own cross-appeals, looking for clarifications in the original panel ruling. (See Bridges Weekly, [19 December 2012](#) and [20 February 2013](#))

"The Appellate Body supports the panel's conclusions that local content requirements accord preferential treatment to products made in Ontario by requiring the purchase or use of products from domestic sources, which is prohibited in the illustrative list of the [Trade-Related Investment Measures, or TRIMS] Agreement, and therefore places Canada in breach of its national treatment obligation under [the General Agreement on Tariffs and Trade, or GATT] Article III and TRIMS Agreement Article II," the report said.

Furthermore, the WTO judges also "[reject] Canada's rebuttal that the local content requirements should be considered as government procurement which can be exempted from the national treatment obligation," the findings continued, referring to one of the main arguments that Ottawa had made in its case.

Parties respond to the ruling

The dispute ([DS412](#) and [DS426](#)) had been a particularly high-profile one for the global trade arbiter, in light of its potential to elucidate the extent to which governments can help their domestic producers and suppliers in promoting renewable energy – particularly given the number of other countries designing their own clean energy support schemes.

"Today's ruling is good news for everyone caring about clean energy and the environment: it has been made clear that use of quality, cost-effective technologies should not be hampered by protectionist measures," said EU Trade Spokesman John Clancy in a [statement](#). "The EU supports the promotion of renewable energy but considers this must be done in a manner consistent with international trade rules."

Japanese officials similarly welcomed the result. "Japan considers this ruling can be highly evaluated from the viewpoint of preventing protectionism in the renewable energy sector,

which can be regarded as a major growth industry," Toshimitsu Motegi, Japan's Minister of Economy, Trade, and Industry [said](#).

Canadian federal officials, for their part, have said that they will comply with the ruling. However, it remains unclear how or when the Government of Ontario – which falls under a separate jurisdiction – will comply.

"Canada will comply with its obligations," a Canadian Government official told Bridges. "But the specifics on how that might be and the implications of the ruling would be a matter for the Government of Ontario to respond to."

Because countries can only be represented at the WTO in a federal capacity, the Government of Ontario could not represent itself in Geneva. And while the Canadian federal government is obligated to implement the Appellate Body ruling, it cannot compel the province to change its policy.

"We have no legislative power to do anything specifically about the programme," the official said.

Ontario has not yet issued a statement on how it plans to comply with the ruling, but underscored its commitment to the green energy initiative. "Our renewable energy sector has already created over 31,000 jobs and leveraged billions of dollars in investment," Ontario Energy Minister Bob Chiarelli told CBC News, Canada's national public broadcaster.

Recurring topic

The topic of how governments can support their renewable energy sectors while meeting their international trade obligations is set to play out in another WTO dispute in the coming months. In mid-February, the US filed a complaint over a local content requirement in India's national solar programme, which Washington claims discriminates against foreign equipment manufacturers relative to their domestic counterparts. (See Bridges Weekly, [13 February 2013](#)) That case is currently in the consultations phase – the first stage in dispute settlement proceedings.

New Delhi, for its part, raised its own questions last month about Washington's support to US renewable energy producers. "India is concerned that some of these subsidy schemes have provisions relating to local or domestic content requirements, which raises issues of consistency" with parts of the GATT, TRIMS, and SCM Agreements, New Delhi said in a notification filed with the Committee on Subsidies and Countervailing Measures.

In light of the growing global demand for energy, and the burgeoning questions of how these relate to current and future trade rules, WTO Director-General Pascal Lamy recently called for increased dialogue at the global trade body on the relationship between the two subjects. (See Bridges Weekly, [2 May 2013](#))

ICTSD reporting; "Canada loses WTO appeal over Ontario's green energy program," CBC NEWS, 6 May 2013.

RENEWABLE ENERGY

EU Plans Provisional Anti-Dumping Duties on Chinese Solar Panels

The European Commission is set to impose provisional anti-dumping duties on imports of Chinese solar panels, according to media reports published earlier today. The planned duties are expected to average at around 47 percent.

The anti-dumping duties are the result of an investigation that the Commission launched last September, in response to a complaint by the European Pro Sun coalition, a group of 25 European solar panel manufacturers headed by the German-based SolarWorld. The same coalition of companies have also filed a separate complaint alleging that China's producers had received unfair subsidies; the results of that investigation are expected by August. (See Bridges Weekly, [November 2012](#))

The practice of dumping involves companies selling their products abroad at prices below normal market values, causing harm to the domestic industry of the importing country.

EU Trade Commissioner Karel De Gucht met earlier today with other EU Commissioners to agree on the duties, according to Reuters. A formal statement from the EU trade chief had not been made at the time of this writing.

However, De Gucht is reportedly open to the possibility of a negotiated solution, media reports say. Chinese government officials have warned that these duties could hurt Brussels-Beijing relations, as well as having an adverse impact on trade.

In order for anti-dumping duties to be imposed, an investigation must find that there has been dumping by the exporters concerned, and that the EU industry has suffered material injury as a result. The investigation must also show that imposing these measures does not prove more costly to the EU economy when compared to the benefits that the complainants receive from these duties – a benchmark known as the "Union interest test."

EU member states must next sign off on the provisional duties, which is expected as early as June. The Commission must then determine whether to alter – or revoke – the final duties when they conclude the full investigation in December.

Industry response

The EU is China's main export market for solar panels, making up nearly 80 percent of all Chinese export sales, according to European Commission data. In 2011 alone, China exported €21 billion worth of solar panels and their main components to the 27-member EU bloc.

The proposed duties have sparked a mixed response within the EU solar industry. While solar panel producers, such as EU ProSun, have long called for measures to level the allegedly unfair playing field, others, such as the Alliance for Affordable Solar Energy (AFASE) – a coalition of 450 European companies – have argued that the duties could have adverse consequences for downstream solar energy producers, such as installers or importers.

"Punitive tariffs – no matter at what level – could cause irreversible damage to the entire European Photovoltaic (PV) value chain," AFASE [said](#) in a statement. "Those levels now reported would cost the EU PV industry and the whole of the EU economy dearly."

Long-running disagreements

Brussels and Beijing have found themselves repeatedly at odds over the last several months over renewable energy, with China also in the process of conducting its own domestic probes into alleged dumping and unfair subsidies of EU exports of solar polysilicon components to the Asian country.

These disagreements have, in one instance, even made their way to the WTO, with China lodging a complaint late last year regarding local content requirements under renewable energy feed-in tariff programmes in two of the EU's member states. That case ([DS452](#)) is currently in the consultations phase. (See Bridges Weekly, [7 November 2012](#))

Meanwhile, two separate cases involving the alleged dumping and unfair subsidisation of solar glass, respectively, are also under investigation by Brussels. These were both launched at the request of EU ProSun Glass, an ad hoc group representing over 25 percent of solar glass industry production in Europe. (See Bridges Weekly, [8 March 2013](#)) Those processes are each expected to take several months.

Commission proposal could facilitate future investigations

The European Commission has recently proposed a revision to the way it conducts trade defence investigations, which could – among other changes – make it easier for Brussels to initiate trade investigations without an official request from industry. (See Bridges Weekly, [18 April 2013](#)) Trade analysts have suggested that this could make it easier to undertake more cases involving Beijing, as it could protect European industry from potential retaliation.

The legislative proposal still requires the approval of the European Council and the European Parliament to come into effect. If successful, the Commission has said that the changes would likely not become law until 2014.

ICTSD reporting; "UPDATE 2-EU agrees China solar panel duties in boldest move yet," 6 May 2013; "EU plans to impose anti-dumping duties on Chinese solar panels," DEUTSCHE WELLE, 6 May 2013.

DISPUTES

Disputes Roundup: Cuba Challenges Australia Tobacco Rule; Compliance Deadline Set in US-China Steel Case

The past week has seen multiple developments on the WTO dispute settlement front, as Cuba – lodging its first-ever complaint – challenged an Australian measure intended to make packaging for cigarettes less appealing to consumers. In a separate case, an arbitrator has established the deadline for China to bring into compliance its trade defence measures on certain US steel imports, which were deemed WTO-illegal last year.

Cuba lodges WTO challenge on Australia plain packaging rule

Cuba has filed a formal WTO challenge against Australia's controversial plain packaging law for tobacco products, officials announced on Monday. The case ([DS458](#)) marks Havana's first dispute at the global trade arbiter, as either a complainant or respondent.

At issue is a measure that requires all tobacco products to be sold in standardised, single-colour, logo-free packaging, with a significant portion of the package being devoted to health warning labels. The legislation, known as the Plain Packaging Act, was approved in late 2011 and took effect in December 2012.

Havana argues that the Australian law appears to be inconsistent with Canberra's obligations under the WTO's Agreement on Trade-Related Aspects of Intellectual Property (TRIPS), as well as the General Agreement on Tariffs and Trade (GATT) and the Technical Barriers to Trade (TBT) Agreement.

The request for consultations is the first step in the WTO dispute settlement process. Should the parties to the dispute be unable to reach a resolution after 60 days of talks, then Cuba will have the right to ask that a WTO panel be established to hear the complaint.

Australia's plain packaging legislation has come under fire from other WTO members as well, with the Dominican Republic, Honduras, and Ukraine already having lodged separate complaints over the measure.

The three members have similarly argued that the law is inconsistent with the WTO's intellectual property rules and could have large negative impacts on local industries. ([DS441](#), [DS435](#), and [DS434](#), respectively). However, Australian officials have countered that the legislation is designed to meet the "legitimate objective" of protecting public health.

While the Ukraine challenge has led to the establishment of a panel, it will likely not be composed until the other complaints also reach that stage, so that a panel can hear the cases jointly.

Compliance time set in US-China steel row

In other disputes news, an arbitrator has established that Beijing will have until the end of July to comply with the recommendations and rulings of the WTO's Dispute Settlement

Body (DSB) in its row with Washington over countervailing and anti-dumping duties on imports of US steel.

The compliance deadline has been set at 8 months and 15 days from when the DSB adopted the panel and Appellate Body reports from this dispute, back in November.

The Appellate Body had confirmed last year that the duties, which were applied to US-produced grain oriented flat-rolled electrical steel (GOES), were WTO-illegal. Specifically, the WTO judges found that China had not followed the procedures outlined in the WTO's Antidumping Agreement, as well as its Subsidy and Countervailing Measures Agreement, though it did confirm some aspects of Beijing's approach. (See Bridges Weekly, [24 October 2012](#))

This particular type of steel is used primarily for power generation, such as in transformers, rectifiers, reactors, and large electric machines, and is manufactured in the US states of Ohio and Pennsylvania. While the steel had benefitted from the 2009 American Recovery and Reinvestment Act and certain state procurement laws, the legality of this support was not the subject of the WTO dispute.

ICTSD reporting.

INTELLECTUAL PROPERTY

US Report on Global IP Protection Flags Ukraine as Priority Concern

The US has deemed Ukraine to be a "priority" offender in terms of intellectual property (IP) rights violations, according to a report released last week by the Office of the United States Trade Representative (USTR). The government ranking – which lists countries according to the USTR's perceived level of their IP protection – has also placed ten countries in the "Priority Watch List," the next worst category.

The [Special 301 Report](#) has been published every year since 1988. The report focuses on the global state of IP protection, enforcement, and market access. It also outlines Washington's current initiatives toward enhancing rights holders' protection, as well as its capacity-building efforts with its trading partners in this area.

Along with listing Ukraine as its worst offender, the 1 May report also places particular attention on misappropriation of trade secrets by some of its trading partners – especially China – as well as trademark counterfeiting, copyright infringement, and digital piracy.

"This year's Special 301 Report demonstrates US resolve to take strong action to support critical jobs and exports in IP-intensive industries," Acting USTR Demetrios Marantis [said](#) following the report's release

"The actions reflected in this year's report send a message to all trading partners on the Priority Watch List and the Watch List that the United States is prepared to use the Special 301 process to its full effect, both to recognise positive action and, where necessary and appropriate, to identify deterioration of the IPR protection and enforcement systems that play such a vital role in international trade," he continued.

Ukraine tops IP offender list, while Canada and Israel show improvement

According to the USTR report, Ukraine's designation as a "priority foreign country" (PFC) – the highest negative ranking – comes as a result of the "severe deterioration of enforcement in the areas of government use of pirated software and piracy over the Internet," and of the mismanagement of royalties collecting societies. This is the first time in seven years that a country has received this label.

"Recent efforts on the side of the Government of Ukraine have not gone far enough to demonstrate a commitment to resolving long-standing problems," the report said, noting specifically a 2010 IPR Action Plan agreed between Washington and Kiev.

Ukraine had already been flagged once as a PFC, from 2001 to 2005. Following the original designation, the country lost its eligibility for the US' Generalised System of Preferences – the trade scheme that grants preferential duty-free entry for up to 5,000 products when imported from certain developing countries. Kiev was reinstated into the programme in January 2006.

In response to the USTR report, Ukrainian Deputy Prime Minister Kostiantyn Hryshchenko countered that the new designation is not indicative of the real situation in the country. The official also argued that the report fails to acknowledge government efforts to raise legal standards in the IP domain.

"Appropriate government work will continue in close cooperation with all the concerned agencies, organisations, and companies holding the rights both domestically and abroad," Hryshchenko added.

The USTR has 30 days from the publication of the report to determine whether to launch an investigation into the practices that led to Ukraine's designation as a priority foreign country; if this investigation does occur, Washington will initiate consultations with Kiev in an effort to resolve these concerns.

Ten countries were included in this year's "Priority Watch List," the second-most urgent category: Algeria, Argentina, Chile, China, India, Indonesia, Pakistan, Russia, Thailand and Venezuela.

In response, the government of Chile has [said](#) that it does not recognise the Special 301 process, as it is conducted outside the margins of the free trade agreement between Chile and US.

"In effect, the 'Special 301 Report' lacks clear criteria for categorising the different countries," Chile said. "Rather, it is more of a reflection of the interests of North American industry selectively applying intellectual property standards to other countries."

Santiago's remarks echoed similar comments [made](#) by Canada in 2007, which had also criticised the USTR watch list process as lacking "reliable and objective analysis."

IP scholars and NGOs have traditionally expressed doubts about the methodology used by USTR in classifying countries in its unilaterally-established categories.

The lower level watch list grouped thirty countries, including Canada and Israel – both having improved from the upper tier – as well as Brazil and Mexico. Barbados, Bulgaria, Paraguay, and Trinidad and Tobago were added to the watch list, whereas Brunei and Norway are no longer on the list.

Civil society raises public health questions

Following the report's release, public health groups were quick to voice their concerns over the USTR's criticisms of recent compulsory licensing decisions by India and Indonesia.

"India's decision to restrict patent rights of an innovator based, in part, on the innovator's decision to import its products rather than manufacture them in India, establishes a troubling precedent," the report cautions, referring to two separate decisions issued in India this past year.

In April, New Delhi denied Swiss company Novartis a patent on a cancer drug. Last year, India granted a compulsory license allowing a local producer to market another anti-cancer drug patented by the German drugmaker Bayer. (See Bridges Weekly, [11 April 2013](#) and [9 May 2012](#), respectively)

"While the report claims to respect the [WTO's 2001 Doha Declaration], it is clearly critical when a country exercises its rights under the TRIPS Agreement and issues a compulsory license," Washington-based NGO Knowledge Ecology International (KEI) [said](#). The WTO declaration is aimed at ensuring that countries can use the health-related flexibilities in the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS), such as compulsory licensing.

The industry group Pharmaceutical Research and Manufacturers of America (PhRMA), however, [praised](#) the Special 301 process for garnering "high-level attention... that is needed to redress intellectual property violations and market access concerns." The

association also expressed "dismay" at the USTR's decision not to conduct an out-of-cycle review for India.

LDC extension

The report also says that Washington also remains open to a "mutually agreeable solution with LDC and other WTO members" concerning the requested extension of the transition period for the organisation's poorest members to implement the TRIPS Agreement.

The current transition period is set to expire this July. (See Bridges Weekly, [27 February 2013](#)) WTO members are therefore hoping to agree on a possible extension at next month's meeting of the TRIPS Council, which is the body tasked with administering the agreement.

ICTSD reporting; "Hryshchenko seeking foreign partners' support to protect intellectual property in Ukraine," UKRINFORM, 3 May 2013.

IN BRIEF

Liechtenstein Ratifies Revised GPA

Liechtenstein has become the first WTO member to ratify the revised Government Procurement Agreement (GPA), officials [announced](#) last week. The plurilateral pact currently covers 42 WTO members and gives them a framework for the procurement of goods, services, and capital infrastructure by public authorities (See Bridges Weekly, [6 March 2013](#)).

The amended agreement still needs to be ratified by two-thirds of the GPA's parties before it can come into force. Many hope this process can be completed in time for the revised deal to come into force by December, when the WTO holds its Ninth Ministerial Conference in Bali, Indonesia.

"By having completed its ratification process, Liechtenstein is showing the way," said WTO Director-General Pascal Lamy. The revised text of the Agreement and expansion of related market access commitments were negotiated by the parties for over a decade before being agreed at the 2011 WTO ministerial. (See Bridges Daily Update #2, [16 December 2011](#))

ICTSD reporting.

Obama, Peña Nieto Pledge Deeper Economic Ties

Mexican President Enrique Peña Nieto and US President Barack Obama have [agreed](#) to establish a High Level Economic Dialogue (HLED) to boost commercial ties between their countries, in their first meeting since the former's taking office.

"I believe we've got a historic opportunity to foster even more cooperation, more trade, more jobs on both sides of the border, and that's the focus of my visit," Obama [told](#) reporters in announcing the move. The two neighbours exchanged over US\$500 billion in bilateral goods and services trade in 2011, according to US [statistics](#), and are – together with Canada – parties to the North American Free Trade Agreement, or NAFTA.

Aimed at deepening economic integration, the new agreement would involve annual meetings – beginning this autumn – of top cabinet members of each administration, including US Vice President Joe Biden.

"We have emphasised trade and commerce during this visit because we have made a thorough analysis of the US and Mexico trade relations – have analysed trade flows and how our economies complement each other," Peña Nieto said. "And there is potential if we truly want to become a more productive and more competitive North America region, well, that's what we need to do first to compete with other regions in the world."

ICTSD reporting.

Bolivia, Ecuador Advance in Efforts to Join Mercosur

Bolivia and Ecuador have moved forward in recent weeks in their efforts to formally join South American trade bloc Mercosur. The group currently counts Argentina, Brazil, Paraguay, Uruguay, and Venezuela as full members, though Asunción's suspension remains in effect.

Bolivia has recently completed its presentation of the Mercosur incorporation protocol, paving the way for the parliaments of current members to start considering its membership for possible ratification. The news comes just months after President Evo Morales signed the accession document (See Bridges Weekly, [12 December 2012](#)).

Meanwhile, Ecuadorian President Rafael Correa announced earlier this week that his country plans to begin negotiating to become a member of the bloc. However, Correa has said that he hopes a region-to-region deal between Mercosur and the EU might be completed before Quito's membership talks are finalised. European officials have lately said that an EU-Mercosur deal could be done by early 2014.

"The strategy is to begin negotiations with Mercosur which will take eight to ten months and in that time we expect to have closed the trade agreement with the EU," Correa said, in comments reported by MercoPress.

ICTSD reporting; "EU confident trade accord with Mercosur will be signed at the beginning of 2014," MERCOPRESS, 6 May 2013; "Bolivia full incorporation to Mercosur now rests on legislative approval from other members," MERCOPRESS, 6 May 2013; "Ecuador planea iniciar negociaciones para unirse a Mercosur," WALL STREET JOURNAL AMERICAS, 6 May 2013.

EVENTS & RESOURCES

Events

Coming soon

10 May, London, UK. **THE SPECTRE OF CURRENCY WAR.** This event, hosted by Chatham House, will feature Larry Summers – an economist who has served as Director of the US National Economic Council and previously as US Treasury Secretary – and Stephanie Flanders, BBC Economics Editor. The focus of this discussion will be on Japan's recent announcement of its new inflation target, and the resulting concern that this and other developed country monetary policies could potentially lead to competitive devaluations, trade protectionism, and destabilising capital inflows to the emerging world. The event is by invitation-only, and will be held under the Chatham House Rule. To learn more, please click [here](#).

15 May, London, UK. **AFRICA RISEN?** This panel discussion, hosted by the Overseas Development Institute and the All-Party Parliamentary Group on Overseas Development (APGOOD), will focus on Africa's economic progress and the 'Africa Rising' narrative. Speakers will include The Economist's Africa Editor, Oliver August; Ricardo Fuentes-Nieva, Oxfam's Head of Research; London School of Economics professor Thandika Mkandawire; and the IMF's Assistant Director of the Fiscal Affairs Department, Martine Guerguil. Baroness Kinnock of Holyhead will chair the event. More information is available [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](#).

WTO Events

An updated list of forthcoming WTO meetings is posted [here](#). Please bear in mind that dates and times of WTO meetings are often changed, and that the WTO does not always announce the important informal meetings of the different bodies. Unless otherwise indicated, all WTO meetings are held at the WTO, Centre William Rappard, rue de Lausanne 154, 1211 Geneva, Switzerland, and are open to WTO Members and accredited observers only.

13 + 15 May: Trade Policy Review Body - Macao, China

15 May: Committee on Customs Valuation

Other Upcoming Events

19-27 May, Addis Ababa, Ethiopia. **21st AFRICAN UNION SUMMIT.** The 21st Ordinary Session of the African Union (AU) Summit will convene under the theme "Pan Africanism and African Renaissance." The summit will feature the following three events: the 26th Ordinary Session of the Permanent Representatives Committee (PRC) from 19-20 May; the 23rd Ordinary Session of the Executive Council of the AU from 22-23 May; and the

21st Ordinary Session of the Assembly of the AU from 26-27 May. More information is available [here](#).

23 May, Washington, US. WRITING THE RULES FOR 21ST CENTURY TRADE: NEW SOLUTIONS FOR OLD PROBLEMS IN THE TRANS-PACIFIC AND TRANS-ATLANTIC NEGOTIATIONS. This event, hosted jointly by the International Food & Agricultural Trade Policy Council (IPC) and the US Chamber of Commerce, will focus on various countries' perspectives on the opportunities offered by regional trade agreements, as well as efforts to address longstanding trade barriers through new and existing mechanisms. More information and registration is available [here](#).

28-29 May, Beijing, China. GLOBAL SERVICES FORUM. This event, organised by the United Nations Conference on Trade and Development (UNCTAD) together with the Chinese Ministry of Commerce and the People's Government of Beijing Municipality will be held concurrently with the second China International Fair on Trade in Services (CIFTIS). The purpose of this event is to deepen the understanding of opportunities and challenges for developing countries in fostering sustainable and inclusive development through services. The Global Services Forum aims to gather together prominent players in the services sector, from governments, the business world, and academia. Event organisers hope that the ideas emerging from the interaction of participants will help create and strengthen networks and partnerships for the development of the services sector. More information is available [here](#).

17-21 June, Washington, US. AMERICAN UNIVERSITY, WASHINGTON COLLEGE OF LAW – ENVIRONMENTAL LAW SUMMER 2013 SESSION. This "Trade and Environment Seminar," hosted by American University's Washington College of Law as part of its Environmental Law Summer 2013 session, aims to provide students with a comprehensive overview of the issues of trade and environment in the context of the sustainable development agenda. The programme will be organised into a series of modules, each of which will highlight areas of trade law and international environmental law and domestic policy, together with technical issues involving the relationship between trade and environment. For more information, please click [here](#).

19 June, London, UK. EXPERT GROUP MEETING OF LDC IV MONITOR: TRACKING THE INTERNATIONAL COMMITMENTS. This expert group meeting, organised jointly by the International Centre for Trade and Sustainable Development (ICTSD) and the Commonwealth Secretariat, aims to discuss and finalise the draft of the Biennial Monitor Report, which will be the LDC IV Monitor's first publication. The LDC IV Monitor is a partnership which aims to monitor and assess the outcome of the Fourth UN Conference on the Least Developed Countries (UN LDC IV). To learn more about the event, or the LDC IV monitor, please click [here](#).

Resources

AGRICULTURAL DOMESTIC SUPPORT AND SUSTAINABLE DEVELOPMENT IN CHINA. By Ni Hongxing for the International Centre for Trade and Sustainable Development (ICTSD) (May 2013). China's fast-growing farm subsidies have generated new interest in whether these programmes can help achieve public policy goals, without distorting trade and production. In this study, the author finds that agricultural support could help boost low rural incomes and tackle food insecurity, while also calling for more attention to be paid to environmental sustainability. It is part of an ICTSD [series on policy reforms in major economies](#) that will also include analysis on the US, EU, India, and Brazil. To learn more, or to download the study – available in both English and Mandarin – please click [here](#).

MAPPING PREVAILING IDEAS ON INTELLECTUAL PROPERTY: PRELIMINARY FINDINGS FROM A SURVEY. By Jean-Frédéric Morin for the International Centre for Trade and Sustainable Development (ICTSD) (May 2013). This study examines the question of where intellectual property (IP) ideas and beliefs originate, and how they are transmitted. The findings build off of a survey completed by more than 1600 IP professionals, which was conducted with the goal of deriving some policy-relevant implications. To learn more, or to download the publication, please click [here](#).

LDC ISSUES AT BALI. Published by the IDEAS Centre (6 May 2013). This newsletter is aimed at proposing analyses and outlining avenues for reflection on topics and concerns of importance for least developed countries (LDCs) in the run-up to the WTO's Ninth Ministerial Conference in Bali, Indonesia this December. Subsequent editions will be published as the ministerial approaches. To read the newsletter, please click [here](#).

TRADE MONITORING DATABASE. Published by the World Trade Organization (May 2013). This new trade monitoring database provides detailed information on trade measures implemented by WTO members and observers since October 2008. The trade policy data is taken from the regular trade monitoring reports prepared by the WTO Secretariat, and will be updated each time a new trade monitoring report has been discussed by the membership. The information contained within the database can be displayed in several ways, including by implementing country, by country affected by the measure, by type of measure, and by products affected. The database can be accessed through the WTO [website](#).

THE FUTURE OF GLOBAL POVERTY: WHAT IF THERE WERE MULTIPLE HORIZONS FOR AID. By Peter Edward and Andy Sumner for the Overseas Development Institute (ODI) (April 2013). In this paper, the authors introduce a new model of growth, inequality, and poverty, which is designed with the goal of allowing for systematic, methodologically transparent, comparative analyses of poverty estimates in the future based on a range of different methods. The authors use the model to explore how estimates of the scale and location of future poverty varies by approach. The publication is available [here](#).

GERMANY IN AN INTERCONNECTED WORLD ECONOMY. Edited by Ashoka Mody for the International Monetary Fund. This book focuses on the possible economic role of Germany and finds that the quantitative effects of a German fiscal stimulus would be small on the heavily indebted euro area periphery countries that most need the boost. The publication finds that Germany itself faces a growth challenge and that efforts to raise its own growth potential are important for the country, and that more rapid growth of domestic demand will more powerfully stimulate European economic growth through its expanded demand for imports. For more information or to buy the book, click [here](#).

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