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WASHINGTON

Trade, Climate Issues on the Horizon as Obama Begins Second Term

US President Barack Obama was sworn in for a second term on Monday, pledging in his [inaugural address](#) to make climate change one of the priority items in his administration's agenda. While not mentioned explicitly in his speech, various trade issues are also looming on the horizon as Obama begins his next – and final – four-years in office, including possible trade negotiations with the EU, the expected launch of services talks with at least 20 other WTO members, efforts to conclude the 11-country Trans-Pacific Partnership Agreement, and the appointment of a new US Trade Representative.

Climate change

Obama's first four years in office were widely seen by climate observers as not living up to the expectations set at the beginning of his term. When the US President first took office in 2009, he outlined a strong position on climate change that many had seen as promising for the international negotiations on the subject, which are held under the auspices of the UN Framework Convention on Climate Change (UNFCCC). However, the US has since taken a backseat in the talks, to the disappointment of many environmental groups.

Lately, however, events such as the US drought – one of the worst in recent memory – and Hurricane Sandy have again raised the domestic profile of the issue. During Monday's speech, Obama highlighted climate change as a topic that would be one of the components of his second-term agenda.

"We, the people, still believe that our obligations as Americans are not just to ourselves, but to all posterity," he said. "We will respond to the threat of climate change, knowing that the failure to do so would betray our children and future generations. Some may still deny the overwhelming judgment of science, but none can avoid the devastating impact of raging fires, and crippling drought, and more powerful storms."

In his speech, Obama also stressed the importance of transitioning toward using more sustainable energy sources, though acknowledging that the path "will be long and sometimes difficult."



International Centre for Trade
and Sustainable Development

"America cannot resist this transition; we must lead it," he said. "We cannot cede to other nations the technology that will power new jobs and new industries – we must claim its promise."

The US renewable energy industry spent much of last year in news headlines, primarily over the high-profile collapse of US-based solar cell manufacturer Solyndra in late 2011. The fall of the company, which received more than US\$500 million in government guarantees, had caused some observers to question the financial viability of green technologies and the benefits of providing support for the industry.

It also brought added attention to China's support of its own renewable energy producers, an often contentious topic between Washington and Beijing. This past winter, the US Commerce Department imposed anti-dumping and countervailing duties on solar panels and wind towers from the Asian economic powerhouse, in response to separate petitions from US manufacturers of those respective products. (See Bridges Weekly, [10 October 2012](#) and [19 December 2012](#), respectively)

China, for its part, has criticised the Commerce Department duties, while conducting its own investigations into Washington's support of its renewable energy programmes.

Possible US-EU trade talks

While the inaugural address did not specifically include trade issues, the first quarter of this year is expected to see significant developments on the US' international trade agenda.

One of the most high-profile of these is the expected announcement of whether and when Washington and Brussels might launch bilateral trade talks – a move that, experts say, could yield substantial gains for the world's largest trading relationship.

The two sides currently trade €700 billion annually in goods and services; while already having low tariffs between them, experts note that the lowering of non-tariff barriers could have a significant impact on the volume of bilateral trade.

The idea of a US-EU trade deal resurfaced in November 2011, when Obama – together with European Commission President José Manuel Barroso and EU Council President Herman Van Rompuy – directed the Transatlantic Economic Council to form a joint working group in order to assess options for deepening the US-EU economic relationship. (See Bridges Weekly, [30 November 2011](#))

The resulting EU-US High-Level Working Group on Jobs and Growth, led by US Trade Representative Ron Kirk and EU Trade Commissioner Karel De Gucht, issued an interim report in June that found that such a pact would likely be the best option for creating jobs and fostering growth for both sides. (See Bridges Weekly, [27 June 2012](#))

However, the final recommendations – which had been expected this past December – have yet to be released. In the meantime, EU national leaders have publicly reiterated their support for the negotiations in recent weeks, with UK Prime Minister David Cameron pledging to make it a priority during his country's G-8 presidency, and Ireland promising the same as it takes on the EU presidency. (See Bridges Weekly, [16 January 2013](#))

Trade sources have noted that Washington has been more guarded about whether to agree to negotiations, given long-standing disagreements between the two sides on issues such as regulatory standards. US officials, however, have stressed that they want to be sure that the substance is right and that negotiations can indeed be completed in a reasonable timeframe.

The new date for the release of the recommendations has yet to be formally announced; while some have said that the report will be issued this month, others have suggested that the timing might be set to coincide with Obama's annual State of the Union address on 12 February.

Trans-Pacific Partnership

Another trade initiative that is expected to be high on the Washington agenda this year is the Trans-Pacific Partnership (TPP), a set of ongoing negotiations between the US and ten other countries.

The other countries currently involved in the TPP talks are Australia, Brunei, Canada, Chile, Mexico, Malaysia, New Zealand, Peru, Singapore, and Vietnam. Thailand Prime Minister Yingluck Shinawatra has expressed interest in having her country join the negotiations; however, a timeframe for Bangkok to join the talks has not been announced, with all current TPP members having to agree.

Launched in 2005 by four countries before eventually expanding to the current 11 – with Canada and Mexico being the latest to join – the proposed deal has been billed by its proponents as a “21st century” agreement.

According to an [outline](#) released in November 2011, the proposed pact will slash tariffs and other barriers to goods and services trade and investment; the goods covered will represent some 11,000 tariff lines. Negotiators also plan to incorporate into the pact issues involving regulatory coherence; competitiveness and business facilitation; small- and medium-sized enterprises; and economic development and governance.

Participating countries had hoped to finalise the negotiations by the end of 2012, before eventually abandoning that deadline. Officials have since said that they hope to finish the talks by October of this year. (See Bridges Weekly, [21 November 2012](#))

The next round of TPP negotiations is slated for 4-13 March in Singapore.

Services

The US is also one of 21 WTO members currently involved in discussions over beginning negotiations for a plurilateral deal on liberalising trade in services.

The group of WTO members – termed the Real Good Friends (RGF) of Services – has been meeting over the past year to evaluate whether to formally launch the talks, amid scepticism from some other countries over whether such a plurilateral approach could undermine progress in the Doha Round of trade negotiations and the multilateral trading system. The push for a plurilateral services pact comes amid the continued stall in the Doha Round services negotiations, which have seen little movement in recent years.

RGF members finalised an agreement in principle for a framework for negotiations last December, sources told Bridges at the time. (See Bridges Weekly, [12 December 2012](#)) The framework is meant to help those members who need a mandate from their capitals to formally participate in negotiations, once those are launched. For others, the framework essentially serves as a summary of the talks to date.

In that context, US Trade Representative (USTR) Ron Kirk formally notified Congress last week of the US' intention of being part of the negotiations, explaining that “an ambitious, high-standard international services agreement presents a tremendous opportunity to... boost US economic growth and support additional jobs.”

Trade sources have said that negotiations are likely to be launched in March, with the goal of concluding the talks quickly. No set timeline for finishing the talks has been announced.

Trade Promotion Authority

Another battle that may loom in Washington is whether to restore the expired Trade Promotion Authority (TPA), also known as "fast track" – the ability for the US executive branch to negotiate trade deals and then submit them to Congress for a straight up-or-down vote, without amendments.

The authority expired in 2007, though it still applied to the US deals with Colombia, Panama, and South Korea that were ratified by Congress and signed by Obama in 2011, which all entered into force in 2012. (See Bridges Weekly, [24 October 2012](#)) While Kirk said early last year that the White House was interested in asking for the renewal of TPA, the issue has yet to be formally addressed.

Observers have said that the efforts to finalise the TPP and launch talks with the EU could make the renewal of Trade Promotion Authority a major item for both the White House and the new session of Congress as 2013 gets underway.

USTR Kirk announces February departure

Obama's top trade official also [announced](#) yesterday his plans to leave his post in late February. Kirk had already made clear in recent months that he would not be staying on for the President's second term, making him one of several Cabinet-level officials to be leaving the Obama Administration.

"It has been no less than my greatest professional privilege to serve President Barack Obama alongside the dedicated professionals of USTR," Kirk said. "Together, we have made great strides to bring about the President's vision of a more robust, responsible, and responsive trade policy that opens markets to products stamped 'Made-in-America' and enforces Americans' trade rights around the world – and does so in a way that is more consistent with America's core values on issues like the rights of workers and the environment."

Kirk's tenure saw, among other events, the ratification of the above-mentioned trade deals with Colombia, Panama, and South Korea – a process that took years of negotiations and was the subject of a difficult battle in Congress – and the repeal of the Jackson-Vanik amendment on new WTO member Russia. Before serving in Obama's cabinet, Kirk had previously been the mayor of the US city of Dallas.

Rumours around trade circles of who might replace Kirk – who took on the role of Washington's chief trade negotiator in March 2009 – have mentioned Michael Froman, Deputy National Security Advisor for International Economic Affairs, Deputy USTR and US Ambassador to the WTO Michael Punke, Deputy USTR Demetrios Marantis, and Treasury Under Secretary for International Affairs Lael Brainard as among the possible contenders for the job.

Once Obama announces his nominee for the post, Kirk's successor will have to be confirmed by the US Senate.

ICTSD reporting; "Speech Gives Climate Goals Center Stage," NEW YORK TIMES, 21 January 2013; "Kirk set to depart trade job in late February," THE HILL, 22 January 2013; "E.U. Officials Impatient Over Lack of Progress on Trade Pact With U.S.," NEW YORK TIMES, 14 January 2013; "Ways and Means announces subcommittee chairmen," THE HILL, 15 January 2013; "Trade Rep Kirk to step down, successors eyed," REUTERS, 22 January 2013.

WORLD TRADE ORGANIZATION

WTO Members Look to Davos for Early Signals on Bali, Director-General's Race

The annual World Economic Forum officially kicked off today in the Swiss mountain resort of Davos, against the backdrop of a tentative global economic recovery that many warn could still be at risk in the months ahead. Among the various events slated during the five-day gathering is the traditional meeting of trade ministers on the conference sidelines, where officials are expected to discuss possible next steps in preparing for the WTO's December ministerial in Bali, Indonesia. Several candidates for the role of WTO Director-General are also expected to be present at Davos, as the race to run the Geneva-based trade body gets underway.

Tentative – and fragile – recovery

The 23-27 January Davos meeting – also known as the Annual World Economic Forum – comes as the global economic environment begins to post signs of recovery. However, many analysts caution that risks remain, particularly given the uncertainty surrounding some of the upcoming policy battles in developed economies.

Both World Bank and International Monetary Fund (IMF) top officials have urged policymakers in recent weeks against becoming complacent, insisting that no one can yet afford to return to “business as usual.” IMF [estimates](#) released on Wednesday found that global growth is likely to reach 3.5 percent in 2013, up from 3.2 percent in 2012. However, the institution noted, the euro area still poses a substantial downside risk to global prospects.

“We stopped the collapse, we should avoid the relapse, and it's not time to relax,” IMF Managing Director Christine Lagarde [told](#) reporters last Thursday in Washington.

The new growth estimates come as Washington lawmakers begin preparing themselves for a second “fiscal cliff”-style fight in as many months, this time on raising the US debt ceiling. Meanwhile, the EU's struggles are set to continue, with the 27-country bloc now facing the possibility that Britain may choose to reassess the nature of its membership, amid other potential challenges. Japan, for its part, has lately had to undertake additional quantitative easing in order to meet an inflation target of two percent – a move that has reignited concerns of an international “currency war.”

Trade mini-ministerial on Saturday

Trade ministers from some of the WTO's members are also slated to meet on the sidelines of Davos, in a mini-ministerial gathering hosted annually by Switzerland. These events have traditionally served as a way to assess progress in the Doha Round of trade talks, which are now in their twelfth year.

As 2013 will be a ministerial year for the Geneva-based trade body – with trade ministers from the WTO membership planning to meet in Indonesia this December – many will be watching Davos for any early indications of how the Bali preparation process might unfold in the upcoming months.

"I think Davos will be important, notably for more generally defining where we are going in 2013 and what we will see at the end of 2013 in Bali," one developed country delegate commented to Bridges. "In that sense, it's important, but let's not overstate it. We're not going to see any major breakthroughs at Davos – it'll just be a chance for ministers to touch base."

Others added that it was probably too early to say what might come out of this weekend's mini-ministerial, while noting that the planned Bali package is expected to be among the topics of discussion.

WTO members are aiming to conclude a scaled-down package of deliverables from the Doha negotiations in time for the Bali meet, including a possible deal on trade facilitation, which involves easing customs procedures and other border restrictions. Selected components from the Round's agriculture talks or regarding special and differential treatment (S&DT) issues are also among those being considered for a December agreement.

However, given the limited amount of time that WTO members have to prepare the hoped-for package of Doha deliverables – and the membership's difficult history with this round of trade talks – many are still cautious about overhyping the prospects for the Bali gathering.

In that context, WTO Director-General Pascal Lamy urged members last month to be realistic in their preparations for the upcoming ministerial, noting that any sort of "Christmas-tree" syndrome in compiling a Doha deliverables package could have "destabilising effects on the entire process, jeopardise the ministerial conference itself, and dent the credibility of the WTO." (See Bridges Weekly, [12 December 2012](#))

As negotiating processes back in Geneva begin to kick into gear, delegates speaking to Bridges have expressed a similar tone of cautious optimism. Sources note that some meetings are already occurring on trade facilitation to begin clearing up the remaining brackets in the draft text, while an informal meeting of the agriculture negotiating group was held last Friday (for more on the agriculture discussions, see related article, this issue).

"At the end of last year, we were talking about meeting [back in Geneva] early this year for any ideas, proposals for the Bali package to turn out," one developed country official said. "But again, you can't stop someone from putting something forward at the last minute, so I guess we'll have to wait and see."

Some candidates for top WTO post expected at Davos, sources say

With the race well underway to find a successor for WTO Director-General Pascal Lamy – who will step down from his post in August – sources expect several of the contenders for the job to appear at the Davos meet as they begin their efforts to build support among the organisation's membership. (See Bridges Weekly, [16 January 2013](#))

The WTO Director-General contest is being closely watched by the international community, with questions abounding in Geneva circles as to whether the next global trade chief will be from a developing country – which has only happened once in the organisation's history, with Supachai Panitchpakdi of Thailand – and what effect, if any, having a new organisation head might have on re-energising the Doha Round talks.

Nine nominees are currently in the running for the post, with eight of them being from members self-designated as developing countries. It is uncertain at this stage whether geography or political alliances will be meaningful as delegates and observers increasingly voice their hope that competence and skills serve as the primary criteria for selection.

The list of candidates, made up of prominent current or former trade ministers or ambassadors to the WTO, includes well-known trade economists such as former Indonesian Trade Minister Mari Elka Pangestu; current South Korean Trade Minister Taeho Bark; and Herminio Blanco, Mexico's former minister of trade and industry who also served as his country's chief negotiator for the North American Free Trade Agreement (NAFTA).

The nominees also include well-known international and trade law experts such as Kenya's Amina Mohamed, who was previously her country's WTO Ambassador; Costa Rican Foreign Trade Minister Anabel González, who in the past ran the WTO's Agriculture and Commodities Division; and former Ghanaian Minister of Trade and Industry Alan John Kwadwo Kyerematen, also an economist.

Long-standing and experienced career diplomats, such as Tim Groser of New Zealand, who serves as his country's Minister of Trade, Minister for Climate Change Issues, and Associate Minister for Foreign Affairs, and Roberto Carvalho de Azevêdo, Brazil's current ambassador to the WTO, are also in the running. Ahmad Thougan Hindawi, an engineer and businessman who was previously Jordan's Trade and Industry minister, is also vying for the role.

The candidates will all have the chance address the WTO membership at a meeting of the General Council – the organisation's highest decision-making body outside of its ministerial conferences – from 29-31 January. Lamy's successor is expected to be announced by the end of May, at the latest.

A full report on the Davos trade ministers' meet will be featured in the 30 January issue of Bridges, while an update on the General Council presentations will be made available in the 6 February edition.

ICTSD reporting.

PREFERENTIAL AGREEMENTS

EU Trade Talks with India, Canada Nearing Finish Line, Officials Say

The European Union is on the brink of clinching trade deals with both Canada and India, officials have said over the past week. The negotiations for both of these high-profile agreements have faced a series of hurdles and delays in the past, with Brussels launching talks with New Delhi over five years ago and with Ottawa in May 2009.

German ambassador: EU-Canada pact could be done by February

Over three years after their launch, officials have stressed that the talks for the Canada-EU Comprehensive Economic and Trade Agreement (CETA) have made substantial progress, with only a few obstacles left toward completion.

The two sides have reportedly been struggling over intellectual property protections, public procurement, and agricultural market access. Both sides had hoped to conclude the talks by the end of 2012, to the point where the country's top trade officials – EU Trade Commissioner Karel De Gucht, and Canadian Trade Minister Ed Fast – met in November in an effort to resolve some of the more contentious issues at a political level. (See Bridges Weekly, [5 December 2012](#)) That deadline, however, was ultimately left unmet.

After failing to reach an agreement by December, some observers have since suggested that there is even more pressure to get the deal done as quickly as possible. "There's a bit of concern that the more time slippage goes on, the more things can unravel," former trade representative for the Canadian federal government Lawrence Herman told Postmedia News, a national news agency.

However, officials have expressed renewed optimism as 2013 kicks off that the negotiations might be completed in the coming weeks.

"What we see at present early in 2013 is, of course, the readiness on both sides, the Canadian government side and the EU side, to really finish the negotiations on [the trade pact]," German ambassador to Canada Werner Wnendt told Postmedia News last week. "It is, and should be, possible to do it as soon as possible – and as soon as possible could be next month."

According to a joint study conducted by the two trading partners, a bilateral deal could create real income gains of approximately €11.6 billion for the EU and €8.2 billion for Canada within seven years of implementing the pact. More specifically, increases in bilateral exports could amount to €17 billion, or 24.3 percent, for Brussels, and €8.6 billion, or 20.6 percent, for Ottawa.

The value of bilateral trade in goods between the two trading partners was €52.5 billion in 2011, according to European Commission [data](#), with Canada ranking as the EU's 12th largest trading partner in that same year. The EU, meanwhile, stands as Canada's second largest trading partner after the US.

While officials hope negotiations will be completed by early February, both sides will still have to ratify the pact domestically before it can enter into force.

EU-India pact expected by spring, Indian ambassador predicts

Meanwhile, last week, Shri Dinkar Khullar – India's ambassador to Belgium, Luxembourg, and the EU – told EurActiv that he expected negotiations on his country's planned deal with Brussels to conclude by this spring.

However, he cautioned, "whether [the negotiators] are able to do so will depend on both the negotiators and the political will." Once completed, the deal is expected to cover over 95 percent of tariff lines between India and the EU.

Negotiators had been previously aiming to complete the Brussels-New Delhi talks – which have struggled over topics such as procurement and services – last year. At the India-EU summit, held last February, European Commission President José Manuel Barroso had announced that the two sides were hoping to finish the talks by autumn 2012 – despite earlier hopes that the negotiations might be done in time for the high-level gathering. (See Bridges Weekly, [15 February 2012](#))

While trade with India amounts to only 2.6 percent of the EU's exports, the EU is India's single biggest trading partner. The value of EU-India trade grew from €28.6 billion in 2003 to €79.9 billion in 2011, [according](#) to the European Commission.

ICTSD reporting; "Indian envoy: EU must remain a global balancing force," EURACTIV.COM, 18 January 2013; "Canada closing in on free trade pact with EU," OTTAWA CITIZEN, 18 January 2013.

AGRICULTURE

WTO Agriculture Negotiators Set Sights on Bali

WTO agriculture delegates held their first informal meeting of the year on Friday, with an eye towards eventually agreeing on deliverables in time for the global trade body's ninth ministerial conference, which is slated to be held in Bali this December.

Over the last few months, components of the Doha Round's agriculture negotiations have been tabled as possible items to balance out a deal from a different area of the talks – trade facilitation.

The latter, which deals with easing customs and border procedures, has been increasingly talked about in Geneva circles as a possible centrepiece of any Bali mini-package. However, after many members insisted that trade facilitation alone could not serve as a "self-balancing" pillar, negotiators have been examining other areas of the talks – including agriculture – for possible items that could be extracted to achieve that balance.

In that context, separate proposals from two developing country coalitions in the WTO – the G-20 and the G-33 – have been raised so far as possible agriculture-related deliverables. (See Bridges Weekly, [21 November 2012](#)) The proposals deal with the administration of Tariff Rate Quotas (TRQ) and public stockholding for food security, respectively.

However, whether these components, or any others, will ultimately be approved by WTO members in time for Bali is still unclear, sources say.

Adank: Time to "intensify" negotiations

At Friday's meeting, New Zealand ambassador to the WTO John Adank – chair of the organisation's agriculture talks – encouraged officials to share any new proposals as soon as possible to "intensify" the negotiating process in the coming weeks.

A prerequisite for further discussions, he said, were answers to two questionnaires circulated in December by the WTO secretariat. The questionnaires were an attempt to inform those proposals currently under consideration by cataloguing the structure of public stockholding for food security, domestic food aid programmes, export credits, export guarantees, and insurance programmes. One delegate described the data requested as an "important catalyst" to move the talks forward by Easter.

Cautioning against turning the Friday meeting into a "technical workshop," Adank noted that more focused discussions should start by mid-February. The negotiating proposals submitted last fall offer plenty of ground for "the technical and political decisions" needed for a Bali compromise, a developing country delegate told Bridges.

Several Geneva-based trade officials echoed Adank's observation that discussions on the G-33 proposal on public stockholding for food security are at an earlier point in their "evolution" than those on the G-20's call for improved TRQ administration.

"This year will be spent on understanding each others' policies," observed one delegate when asked to comment on the proposals and the work ahead. Another remarked that "all activities are geared towards Bali," adding that there is "reduced short-term" ambition,

given both the limited time between now and next December, and how little was achieved at the previous ministerial in 2011.

Two additional proposals are rumoured to be under consideration, one on export competition, taken from the fourth draft of agriculture modalities – known in Geneva jargon as Rev. 4 – and another on the food security needs of Net Food Importing Developing Countries. Delegates speaking to Bridges noted that those discussions were at a very early stage.

Expectations for the Bali ministerial are being managed by Geneva-based officials, with one developed country delegate anticipating not much more than “warm weather, no rain” on the tropical island in December. With negotiations off to a slow start this year, many are waiting to see what happens after the World Economic Forum’s summit in Davos, Switzerland. (For more on the Davos meet, see related story, this issue)

ICTSD reporting.

TRADE AND ENVIRONMENT

Comprehensive Mercury Treaty Agreed

An international binding treaty to curb mercury pollution was agreed to by more than 140 countries this past Saturday, bringing to a close four years of negotiations on the subject. The Minamata Convention on Mercury – named after the landmark Japanese town whose residents suffered the consequences of mercury poisoning some 50 years ago – will open for signature in October at a diplomatic conference in Minamata itself.

The convention will enter into force once it has been ratified by at least 50 countries, a process that could take three to four years.

"Everyone in the world stands to benefit from the decisions taken this week in Geneva – in particular the workers and families of small-scale gold miners, the peoples of the Arctic and this generation of mothers and babies and the generations to come," UN Environment Programme (UNEP) Executive Director Achim Steiner said following the fifth and final round of negotiations. "I look forward to swift ratification of the Minamata Convention so that it comes into force as soon as possible."

Franz Perrez, head of the Swiss negotiating delegation in Geneva, said the adoption of the Convention "demonstrates the vitality of the UN system and the willingness of states to work together to find solutions to global problems."

While mercury is a naturally-occurring chemical, there is no level of exposure considered safe for humans. Mercury is commonly found in a number of products, such as thermometers and energy-saving light bulbs, and is also released through a number of processes, including mining and cement and coal-fired power industries.

The Minamata convention seeks to curb mercury by targeting several products for phase-out by 2020. Those products include mercury thermometers, certain blood pressure measuring devices, most batteries, certain types of electric switches, some fluorescent lamps, and certain soaps and cosmetics. Exceptions have been allowed for some medical products for which a mercury-free alternative does not exist.

Article three of the convention deals with trade-related issues, with procedures related to consent and certification of safe handling capabilities being required for imports/exports. These procedures will be further elaborated in the future, and will apply both to party and non-party countries.

Mixed response

While many welcomed the treaty, some groups felt the language was too vague on gold mining and coal-fired plants – the largest mercury sources – in particular. Others that had been lobbying for a phase-out of the mercury-containing additive thimerosal, which is used in vaccines, similarly criticised the final language in this area.

Dentist groups were also left disappointed. While the treaty does seek to phase-out dental fillings that use mercury amalgam, no specific dates for the phase out were stated. Overall, many of the necessary actions will be taken during extensive phase-in periods, and not all action is mandatory. Some groups also took issue with national governments, which they argue have not done enough to regulate the dangerous metal.

"This is the first time that an environmental treaty contains explicit action on prevention and treatment of mercury poisoning," said Juliane Kippenberg, senior children's rights researcher at Human Rights Watch. "Although this treaty is a historic development, governments could and should have done more to make health strategies mandatory."

ICTSD reporting: "U.N. clinches global deal on cutting mercury emissions," REUTERS, 21 January 2013; "Groundbreaking Mercury Treaty Adopted by 140 Countries," BUSINESS INSIDER, 20 January 2013; "140 countries agree mercury treaty," THE GUARDIAN, 19 January 2013; "What is mercury poisoning?" SCIENTIFIC AMERICAN, 19 December 2008.

INTELLECTUAL PROPERTY

European Parliament Calls for Binding Instrument on Genetic Resources

A binding legal instrument would be the surest way to prevent the misappropriation of genetic resources (GRs) and traditional knowledge originating from biodiversity-rich developing countries, European Parliament members said last week. Their [resolution](#) – adopted by an overwhelming majority – also underlines the importance of a coherent global governance system to support these measures.

The resolution is based on a report by French member of the European Parliament (MEP) Catherine Grèze, which had previously been adopted by the parliamentary Committee on Development.

"There is a strong case for protecting traditional knowledge, particularly when it is associated with genetic resources of economic value to industry," Parliament members explained, stressing the need for preventing the negative effects of the intellectual property (IP) system on indigenous peoples' application of traditional knowledge, and their ability to use that knowledge in relation to genetic resources.

Most genetic resources' providers and traditional knowledge holders are from developing countries, with 70 percent of the world's poor depending directly on biodiversity for their subsistence.

"The report adopted today outlines the problem and sets out measures to protect the intellectual property rights for genetic resources and traditional knowledge in poorer countries and regions," Grèze [noted](#) after the vote.

According to the resolution, the misappropriation of genetic resources is often caused by the lack of national regulations in biodiversity-rich countries and the absence of compliance mechanisms in countries that use genetic resources. A binding legal instrument would help mitigate that situation, Parliament members said.

The resolution also urges the EU and its member states to call for swift ratification of the Convention on Biological Diversity's (CBD) Nagoya Protocol, which focuses on access to genetic resources and the fair and equitable sharing of the benefits that arise from their use.

Although non-binding, a resolution has political relevance for European institutions, given that it indicates the political orientation of MEPs regarding specific topics within and outside the EU.

LDC trade deals should avoid "far-reaching" IP standards; global governance system needed

The resolution also calls on the EU to avoid from pushing developing countries, particularly least developed countries (LDCs), into accepting far-reaching IP standards in future bilateral and regional trade pacts particularly regarding seeds and medicines.

Notably, it says that such future agreements that aim “at harmonisation, and in particular those concerning the scope of exceptions and limitations to patent rights, will require careful scrutiny from a development perspective.”

At the multilateral level, a coherent international governance system on intellectual property rights (IPRs) and genetic resources is also important, the resolution says. Since 2001, the WTO's Council for Trade-Related Aspects of Intellectual Property Rights (TRIPS) has been mandated to address the relationship between the organisation's TRIPS Agreement and the CBD.

“International IP arrangements, notably the WTO's TRIPS agreement, must be reformed to ensure they support the overarching goals of the CBD on genetic resources, rather working against them,” Grèze concluded.

In order to align TRIPS with the CBD and the Nagoya Protocol, developing countries have proposed that the WTO agreement be amended with an article requiring that patent applicants disclose the origin of genetic resources and associated traditional knowledge in their inventions, as well as provide evidence of prior informed consent and benefit sharing with communities.

The resolution adopted last week calls upon the EU to support the amendment, while adding that such requirements could also be introduced via a new international legal instrument(s) – a topic that is currently under discussion at the World Intellectual Property Organization's (WIPO) Intergovernmental Committee on Genetic Resources, Traditional Knowledge, and Folklore (IGC).

The IGC is next slated to meet from 4-8 February in Geneva and will focus on genetic resources.

ICTSD reporting.

EVENTS & RESOURCES

Events

Coming soon

28 January, Washington, US. EMERGING MARKETS AND SUSTAINABILITY. This panel discussion, hosted by the United Nations Association of the National Capital Area (UNA-NCA) Sustainable Development Committee, will address the topic of sustainable innovations and advancements. The panel will explore the changing conversation around emerging markets, and discuss what aspects of the UN Millennium Development goals still need to be achieved in reference to sustainability. To register for the event, please click [here](#).

28-29 January, Washington, US. TRANSATLANTIC RESEARCH ON POLICY MODELING WORKSHOP. This workshop, hosted by the Millennium Institute as part of the EU Crossover Project, will seek to inform policymakers and legislators on how the effective use of Information Communication Technology (ICT) tools for governance and policy modelling can improve the evidence base for supporting better policymaking. The event will provide an opportunity for legislators, policy analysts, and decision makers to discuss the current state of policy modelling efforts and to inform decision-making on available tools and on critical policy decisions. To learn more, please visit the event [website](#).

28-30 January, Geneva, Switzerland. EXPERT MEETING ON REGIONAL INTEGRATION AND FDI IN DEVELOPING AND TRANSITION ECONOMIES. Organised by UNCTAD's Division on Investment and Enterprise, the meeting will link trade and investment issues and focus on the experience of long-established regional groups to shed light on the relationship between regional integration and foreign direct investment (FDI) flows. Participants will analyse how trade and other policy measures related to regional integration impact investment and assess the importance of economic and policy fundamentals in promoting investment for sustainable development and inclusive growth. The meeting will bring together a diverse group of experts and policymakers to discuss trends and developments, with a view to identifying best practices that could further advance the relationship between regional integration and FDI for sustainable development. Registration is [mandatory](#). For more information, visit the event [website](#).

30 January, Lausanne, Switzerland. HOW TO REKINDLE THE INTEREST OF THE PRIVATE SECTOR IN THE WTO? By September of this year it is expected that the WTO will have a new Director-General (D-G), with nine candidates currently vying for the role. This panel discussion, hosted by the Evian Group at IMD, will play host to a majority of the candidates and provide them a forum to discuss what their future policies would be if given the position of Director General, particularly regarding how they might try to attract more private sector interest to the Geneva-based organisation. Event organisers hope that the discussion will provide attendees with insights into how these candidates see the future of world trade and trade regulation. To register, please 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.

28 January: Dispute Settlement Body

29-31 January: General Council

Other Upcoming Events

31 January-2 February, New Delhi, India. DELHI SUSTAINABLE DEVELOPMENT SUMMIT. Hosted by The Energy and Resources Institute (TERI), this event will host several heads of state, policymakers, academics, industry leaders, and other stakeholders to discuss various sustainable development-related topics. The summit aims to provide a forum for the leaders to examine themes such as adapting the impacts of climate change, the employment and growth potential of a green economy, and other selected topics. To learn more about the summit, please visit their [website](#).

31 January- 28 February, online. SUSTAINABILITY AND GROWTH. This online discussion, hosted by The World We Want, provides a venue for individuals to ask questions and discuss matters on sustainability and growth. The discussion will be moderated by Rizwanul Islam, an independent expert on employment, and Aurelio Parisotto, Senior Economist at the International Labour Organization. This event is one of four e-discussions on growth and employment designed to give individuals the opportunity to convey their opinions to global leaders and policymakers who are involved in the post-2015 development agenda process. For more information or to join the discussion, visit the event [website](#).

14 February, London, United Kingdom. THE CIRCULAR ECONOMY: REDESIGNING THE FUTURE. This event, hosted by Chatham House, will delve into the sustainability of the current global economy. Dame Ellen MacArthur, the event's guest speaker, is expected to lecture on how the world's current economy and systems of production are inherently unsustainable. MacArthur will also examine an alternative model and the possibility of transitioning to a more sustainable and regenerative – also referred to as "circular" – economy. More information about the event is available [here](#).

27 February-1 March, Wels, Austria. WORLD SUSTAINABLE ENERGY DAYS. The World Sustainable Energy Days will bring together decision makers, scientists and technical experts to discuss sustainable energy production and use, energy efficiency, and renewable energy sources for buildings and industry. The event comprises a series of conferences, including: the European Pellet Conference; the European Nearly Zero Energy Buildings Conference; the WSEDnext Conference for young researchers; the Energy Efficiency Watch Conference; and the "LED - innovative lighting solutions" conference. To learn more, visit the event [website](#).

Resources

ENABLING TRADE: VALUING GROWTH OPPORTUNITIES. Published by the World Economic Forum, Bain & Company, and the World Bank (January 2013). This report is the outcome of a nine-month research project which examined supply chain barriers to international trade by combining macroeconomic analysis with a series of 18 in-depth case studies on individual companies or industries. Among other findings, the project determined that reducing supply chain barriers to trade could increase GDP up to six times more than removing tariffs, and argues that governments should take a holistic approach that considers entire supply chains, with a focus on those policies that impact supply chain efficiency. To learn more, or to download the report, please click [here](#).

THE IMPORTANCE OF TRADE AND CAPITAL IMBALANCES IN THE EUROPEAN DEBT CRISIS. By Andrew Hughes Hallett and Juan Carlos Martínez Oliva for the Peterson Institute for International Economics (January 2013). This work analyses the effect that the financial crisis has had on Europe, and specifically the eurozone. This paper suggests that intra-European payments imbalances are the source of instability of the Economic and Monetary Union (EMU). The authors also note that payment imbalances between Northern and Southern Europe have contributed to large stocks of foreign debt, while flows of foreign capital ceased to finance productive investments that might have contributed to debt repayments. Once the system is driven into disequilibrium by a real exchange rate misalignment, the authors say, the longer the payments imbalance will persist and the harder the eventual adjustment will be. Capital reversals, by shifting portfolio balances, then lead the system toward instability, sovereign default, and the collapse of the exchange rate regime, the paper finds. The full publication is available [here](#).

THE PROLIFERATION OF GLOBAL VALUE CHAINS: TRADE POLICY CONSIDERATIONS FOR INDONESIA. By Julia Tijaja for the International Institute for Sustainable Development's Trade Knowledge Network (TKN) Publications (January 2013). This paper examines the specific position of Indonesia in Global Value Chains. The author describes how – and to what effect – the island nation has introduced measures that aim to improve its position in GVCs. The author then argues that the policy intervention approach Indonesia should take in this area must be holistic and coherent. With the aim of facilitating the development of an informed strategy for Indonesia's participation in GVCs, the paper also discusses those areas that affect the potential outcomes of that participation. To learn more, or to download the publication, please click [here](#).

TiVA INDICATORS. Published by the Organisation for Economic Co-operation and Development (OECD) and the World Trade Organization (WTO) (January 2013). This database – the result of a joint OECD-WTO initiative – of Trade in Value Added indicators presents information for 40 countries (all OECD countries, Brazil, China, India, Indonesia, Russia, and South Africa) covering the years 2005, 2008, and 2009, broken down by 18 industries. Indicators in the database include decomposition of gross exports by industry into their domestic and foreign content; the services content of gross exports by exporting industry (broken down by foreign/domestic origin); bilateral trade balances based on flows of value added embodied in domestic final demand; and intermediate imports embodied in exports. More information about the database is available [here](#).

GLOBAL ECONOMIC PROSPECTS: ASSURING GROWTH OVER THE MEDIUM TERM. By Andrew Burns and Theo Janse van Rensburg for the World Bank (January 2013). This report finds that, four years following the onset of the global financial crisis, the world economy remains fragile and growth in high-income countries is weak. Developing countries

therefore need to focus on raising the growth potential of their economies, while strengthening buffers to deal with risks from the Euro Area and fiscal policy in the United States, the World Bank publication argues. The full report is available for download [here](#).

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