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INTELLECTUAL PROPERTY

WIPO Adopts Treaty for Visually Impaired in Marrakesh

Member states of the World Intellectual Property Organization (WIPO) adopted a ground-breaking treaty last week aimed at facilitating access to copyright protected works by visually impaired persons. The "Marrakesh treaty," named after the city where it was agreed, is the first international intellectual property agreement in recent years whose main goal is to address the needs of a specific category of users, rather than to strengthen copyright protection – as has been traditionally the case in this area.

"This treaty is a victory for the blind, visually impaired, and print disabled, but also for the multilateral system," said WIPO Director General Francis Gurry. "The international community has demonstrated the capacity to tackle specific problems, and to agree a consensus solution."

"We have shown that globalisation has a human face," underlined Morocco's Minister of Communications Mustapha Khalfi, who chaired the two-week diplomatic conference, which ended on 28 June.

"There is no winner and loser; this is a treaty of all for all," he added.

Addressing the "book famine"

According to the World Blind Union (WBU), which played a significant role in the mobilisation leading to last week's treaty, only five percent of all published books in developed countries and less than one percent in developing countries are ever produced in accessible formats – such as Braille, large print, and audio.

This "book famine" is aggravated by the fact that relatively few countries have limitations and exceptions in their national laws to ensure that copyrighted works can be made into accessible formats. More importantly, these limitations and exceptions only apply in the country in question. Works made into accessible formats in one country cannot be shared with visually impaired persons in another country, thus causing considerable unnecessary duplication of book production in accessible formats.

Last week's agreement, formally known as the "Marrakesh Treaty to Facilitate Access to Published Works for Persons who are Blind, Visually Impaired, or otherwise Print Disabled," seeks to address this problem by establishing a system of cross-border



International Centre for Trade and Sustainable Development

exchange of accessible format works by "authorised entities" that serve those people who are blind, visually impaired, and print disabled.

Discussions on this issue have been ongoing for several years at the WIPO Standing Committee on Copyright and Related Rights (SCCR). In 2009, Brazil, Ecuador, and Paraguay jointly submitted a draft treaty to the Committee, which was prepared by the WBU. The US and the EU, initially lukewarm to the idea of a legally binding agreement, ultimately joined the consensus for a treaty.

Controversial issues resolved in Marrakesh

Disagreements on a number of key issues persisted until the final stages of the negotiations, and were only resolved at the Marrakesh diplomatic conference itself.

Such thorny issues included, most notably, the references to the "three-step-test" that regulates the implementation of limitations and exceptions under international copyright rules; the wording on technological protection measures that allow right holders to prevent unauthorised access to copyrighted content in the digital environment; and whether the system of cross-border exchange should be subjected to the requirement of commercial availability.

During the diplomatic conference, news reports indicated that the American film industry – through its powerful lobbying arm, the Motion Picture Association of America (MPAA) – was pressing the US to harden its stance on some of these issues, out of fear that the treaty could "set a costly precedent" and be harmful to film and publishing industries in a digital age where users can easily access content illicitly.

In particular, the MPAA had reportedly called for stricter language on the "three-step-test" and for removing the concept of "fair use" from the treaty, which under US law would allow copyright material to be used without permission in certain circumstances, such as for non-profit educational purposes.

However, such demands were apparently not heeded, given that the exclusion of audiovisual works from the treaty's scope – a key concern of the film industry – had already been agreed to in discussions in Geneva last year.

The treaty is also the first intellectual property treaty ever to contain a reference to human rights. Its preamble recalls "the principles of non-discrimination, equal opportunity, accessibility, and full and effective participation and inclusion in society, proclaimed in the Universal Declaration of Human Rights and the United Nations Convention on the Rights of Persons with Disabilities."

Ultimately, many countries hailed the treaty as "balanced." Developed countries pointed out that the treaty provided "practical solutions" to the problems faced by visually impaired persons. Brazilian Minister of Culture Marta Suplicy, speaking in the final session, highlighted that the treaty "addressed the needs of visually impaired persons without weakening the rights of right holders."

"It is a victory for the intellectual property system," she added, pointing out that WIPO, by carrying out this humanitarian mission, was fulfilling its mandate as a UN agency.

Algeria, on behalf of the African Group, mentioned that the treaty should be seen as a "first step towards balancing global intellectual property regimes, which had been too much tilted in favour of private interests, sometimes at the expense of the larger public interest."

All countries expressed their hope that the "spirit of Marrakesh" would carry on to help WIPO address other pressing challenges on its agenda.

Reactions from civil society, industry

The conclusion of the Marrakesh treaty was welcomed by both civil society and industry organisations.

The WBU head of delegation in Marrakesh, Maryanne Diamond, [praised](#) a "very good treaty which will take another step forward in the inclusion of persons who are blind in society."

Industry representatives, while welcoming the treaty, highlighted that it was "unique in the way it addressed a very specific humanitarian need." International Publisher's Association (IPA) Secretary-General Jens Bammel added that the treaty "stands out, and should therefore stand alone," while IPA president YoungSuk "Y.S." Chi called for the agreement's "responsible implementation." He further pointed out that the "treaty alone will not solve the book famine," while reaffirming that the publishers were committed to integrating and mainstreaming accessibility into book production.

Treaty adoption: first step

Fifty-one countries signed the new treaty at last week's closing ceremony. However, the agreement will only enter into force three months after 20 countries have ratified it. Music legend Stevie Wonder, who performed a concert after the closing ceremony to celebrate the treaty's adoption, called on countries to build on the Marrakesh momentum and to ratify the agreement as soon as possible:

"While the signing of this treaty is a historic and important step, I am respectfully and urgently asking all governments and states to prioritise ratification of this treaty so that it will become the law of the land in your respective countries and states," he [said](#).

ICTSD reporting; "Filmmakers' group tries to reshape treaty that would benefit the blind," WASHINGTON POST, 22 June 2013.

CLIMATE CHANGE

European Parliament Approves Carbon Permit “Backloading” Plan

The European Parliament has signed off on a proposal that would allow for delaying the auctions of millions of carbon permits, in an effort aimed at propping up prices in the EU's struggling carbon market. The measure passed in a narrow vote of 344 to 311 on Wednesday afternoon, reversing the results of an earlier decision blocking the plan.

Climate observers had been closely watching the result of this week's vote, and what the outcome would mean for carbon permit prices, which have dropped from €30 per tonne in 2008 to an average of around €5 per tonne – well below what analysts say is necessary to foster low-carbon investment and energy generation.

The low prices have, in turn, sparked questions over whether the EU's Emissions Trading System (ETS) – which relies on these permits – will be able to survive in the long-term, and whether the bloc will be able to meet its climate goals, such as reducing emissions by 20 percent from 1990 levels by 2020.

The backloading debate is not over, however. Under the 28-country bloc's co-decision rules, the European Council must still sign off on the plan before the Commission can act. Countries like Poland, which has a large coal sector, are expected to oppose the move.

“We now have a mandate, as Parliament endorsed our proposals,” [said](#) Matthias Groote, a German member of the S&D group who serves as the legislation's rapporteur in Parliament. “We will start negotiations with EU ministers as soon as possible and seek a common solution that will allow the ETS to fulfil its purpose,” he continued, stressing that the emissions scheme should not be a “victim” of short-term concerns.

“Common sense sometimes takes longer than it should, but normally it prevails in the end. Also today,” EU Commissioner for Climate Action Connie Hedegaard said in a post on social media website Twitter. “Now, waiting for Council.”

Second time around

Wednesday's decision marked the second time that the backloading proposal was in front of the full Parliament, after EU lawmakers rejected an earlier version of the plan in April. (See Bridges Weekly, [18 April 2013](#))

The original proposal then went under several revisions by the Parliament's environment committee in the hopes that such changes would help the legislation succeed in a second vote – despite criticism from some that the changes had rendered the measure “toothless.” (See Bridges Weekly, [27 June 2013](#))

However, many of the compromise amendments that were deemed necessary for the backloading legislation to pass through Parliament were defeated on Wednesday, much to the surprise of analysts and pundits alike.

Under the current legislation, 900 million allowances would be withheld from the 2013-2015 period. While the environment committee had approved a compromise amendment last month that would reintroduce those permits just a year after the last one had been

retained, MEPs rejected the change – ostensibly reverting to the original plan of bringing the allowances back in the 2019-2020 period.

Other compromise amendments, such as those ensuring that two-thirds of the revenue from the delayed auctions would go toward funding the development of low-carbon technologies, were also defeated on Wednesday.

An amendment that was retained, however, was the guarantee that backloading – if implemented – would only be a one-time event.

Just "buying time"?

Both proponents and detractors alike had been ratcheting up pressure in the weeks leading up to Wednesday's vote. EU energy and environment ministers from 12 member states – the UK, Germany, France, Italy, the Netherlands, Denmark, Portugal, Finland, Slovenia, Slovakia, and Estonia – had all signed a letter urging Parliament to pass the measure.

Detractors have argued that backloading is only a temporary solution to a much deeper problem, and could increase energy prices and dampen confidence in the system. Both sides, however, have said that the EU ETS will have to undergo major changes, beyond just delaying permit auctions, if it is to survive in the long-term.

"Backloading is only an instrument to buy the necessary time to maintain the Emissions Trading Scheme, as we need structural reform," Groote told EurActiv newspaper ahead of the vote. He added that, should prices fall much lower, then even delaying permit auctions would have little impact.

The EU scheme is currently the largest in the world, and also includes neighbouring states Iceland, Liechtenstein, and Norway. Nearly 8 billion carbon allowances were traded in 2011 alone, according to European Commission figures – amounting to US\$147.9 billion in value.

EU carbon prices under scrutiny as Australia debates carbon tax's fate

The fate of the EU ETS is also being watched closely by other countries, most notably Australia, which instituted its own carbon tax just a year ago with the plan of transitioning to an ETS in 2015. Canberra's emissions scheme would then be linked to Brussels' own, allowing Australian businesses the chance to buy permits from the EU – a move that proponents have said would likely provide a boost the European carbon market. (See Bridges Weekly, [12 September 2012](#)) Australian permits, however, would not be available in Europe for another three years.

Under the Australian system, carbon permit prices were initially fixed at A\$23 (€16.2, at today's exchange rate) per metric tonne during their first year. These prices are set to rise annually at 2.5 percent until 2015. They rose to A\$24.15 this week, as the tax entered into its second year.

Whether or not Australia's own system remains in place is, however, in limbo in light of the impending elections in the island nation. Opposition leader Tony Abbott has repeatedly promised to repeal the carbon tax should he win office, while Kevin Rudd – who recently displaced fellow Labor politician Gillard to become the country's Prime Minister – has been a long-time backer of an ETS.

Elections must be held before September of this year. While Abbott had been leading Gillard in the polls, Rudd's surprise return to power last month now has the two main parties, Liberal and Labor, almost evenly matched.

The Business Council of Australia has already pushed for Rudd to consider moving to an ETS a year earlier if he remains in office, an idea that the Prime Minister has himself advocated in the past.

Companies have argued that, under the current fixed-price scheme, they are having to pay higher prices for pollution than their overseas competitors, given the disparity between EU and Australian markets. Some say they would prefer a floating system so that Australian permit prices can align themselves with prices globally.

Others, however, fear that linking to the EU scheme – given Europe's struggles in keeping carbon prices from falling – could drag Australian prices too low, especially given that a condition of linking the two schemes was that the Australian government would agree to drop its A\$15 price floor.

For his part, Abbott has pledged that neither a fixed-price carbon tax nor an ETS would be an option in his government if he wins the upcoming leadership contest.

"Whether it's a fixed tax or a floating tax, it's still a tax and if we were to move to an emissions trading scheme, we are basically saying to bureaucrats in Europe, you can set tax rates in Australia," Abbott told reporters earlier this week.

ICTSD reporting; "Carbon tax, ETS all the same: opposition," AAP, 2 July 2013; "Rudd could push for an early ETS," AAP, 27 June 2013; "EY carbon price surges amid optimism," HERALD SUN, 21 June 2013; "Ministers and blue chips unite in call to save EU carbon market," BUSINESS GREEN, 2 July 2013; "Zombie carbon markets to be shocked back to life," EURACTIVE, 2 July 2013.

AFRICA

Obama Unveils Trade, Energy Initiatives on Africa Trip

Trade and energy topped the agenda during US President Barack Obama's visit to Africa this week, with the announcement of various initiatives aimed at doubling electricity access in the sub-Saharan region, facilitating intra- and inter-regional trade, and combating illegal wildlife trafficking.

The trip, which featured stops in Senegal, South Africa, and Tanzania, aimed to highlight Washington's growing interest at developing deeper economic ties with the region. Africa is currently home to six of the ten fastest growing economies in the past decade, and US trade with the continent amounts to more than US\$7 billion.

"In our global economy, our fortunes are linked like never before," Obama [told](#) a forum of business leaders in Tanzania on Monday. "So more growth and opportunity in Africa can mean more growth and opportunity in the United States."

AGOA renewal, East Africa trade

In Tanzania, Obama declared his support for the renewal of the African Growth and Opportunity Act (AGOA), a preferential scheme launched in 2000 that is set to expire in 2015. The AGOA programme allows for nearly all goods from eligible African countries to enter the US duty-free.

Many African countries already benefit from duty-free entry for some of their products under Washington's Generalized System of Preferences (GSP). Sub-Saharan countries that qualify for the GSP and also meet AGOA's eligibility criteria, however, can have additional products fall under that list.

[According](#) to the Office of the US Trade Representative, over 93 percent of imports from AGOA-eligible countries entered the US duty-free under either AGOA, GSP, or zero-duty most favoured nation (MFN) rates. AGOA's non-petroleum exports more than tripled from about US\$1.2 billion to US\$4.5 billion between 2001 and 2011.

Continuing AGOA past 2015 will require Congressional approval, and would likely be paired with an expansion of the list of participating countries – currently at 37 – and the inclusion of smaller businesses in order to make a deeper impact in the region.

Along with renewing the legislation, Obama said, Washington will also need to make decisions on how to make the scheme more effective. "Today the vast majority of our trade with Africa is with just three countries – South Africa, Nigeria, and Angola," he noted. "We need to broaden that. We need to make sure more Africans are taking advantage of the opportunity to export to the United States."

The US President also announced the Trade Africa initiative, which among other goals aims to facilitate and deepen trade within the East African Community (EAC), as well as increase EAC exports to the US. The five states of the regional group are Burundi, Kenya, Rwanda, Tanzania, and Uganda.

Notably, Obama was accompanied on his Africa visit by newly-minted US Trade Representative Mike Froman, in what marked the official's first overseas trip in his new role. Froman is also scheduled to host the annual AGOA forum next month in Addis Ababa, Ethiopia.

Doubling electricity access

During his trip, Obama also announced the Power Africa scheme, a US\$7 billion initiative aimed at doubling access to electricity in sub-Saharan Africa. The plan would initially involve six partner countries, with the goal of increasing electricity access by at least 20 million new households and commercial entities, according to a White House [factsheet](#).

Currently over two-thirds of the population of sub-Saharan Africa lack electricity, with that number reaching 85 percent in rural areas. The Obama Administration initiative would focus on developing geothermal, hydro, wind, and solar energy, along with using the region's oil and gas reserves.

The plan would also build upon private sector investments, with these partners already having contributed US\$9 billion toward the generation of new electricity.

China presence in the background

Analysts have been quick to question whether the Obama trip was a sign of Washington trying to counter – or at least match – Beijing's own influence in the fast-growing region. Xi Jinping already visited the continent in March during his first overseas trip as China's new Premier, and the Asian economy recently surpassed the United States as sub-Saharan Africa's largest trading partner.

Though Obama said several times during his visit that he did not feel threatened by Beijing's involvement in Africa, he did caution the region to "make sure it's a good deal for Africa" when selecting trade and investment partners.

China has come under scrutiny in recent years over concern that its investment strategies could potentially be stifling African countries' own efforts to foster their domestic industries.

Washington aims to help the continent "build Africa for Africans," the US President said.

Wildlife trafficking initiative

In addition to the trade initiatives announced over the course of his visit, Obama also declared the formation of a Presidential Task Force on Wildlife Trafficking, an expert team from various government agencies that would be tasked with creating a national strategy to eliminate the practice.

To aid efforts in the region, the US State Department has pledged US\$10 million to provide training and technical assistance to combat poaching, which would be split between South Africa, Kenya, and a bloc of sub-Saharan Countries.

Poaching is one of the largest illegal markets in the world, and the high demand for products such as ivory and rhino horn – particularly from Asia – has had a devastating effect on African wildlife.

ICTSD reporting; "Obama Tries to Forge an African Legacy," WALL STREET JOURNAL, 2 July 2013.

TRADE PREFERENCE SCHEMES

US Suspends Bangladesh from Trade Preference Scheme

The US has suspended Bangladesh from its Generalized System of Preferences (GSP) scheme, according to an announcement released last week by Washington's top trade official. The news comes following growing concerns over labour conditions in the Asian country, particularly after a garment factory collapse in April that killed over 1100 workers.

"Our GSP statute requires basic standards for worker rights and worker safety as a condition of eligibility," US Trade Representative Mike Froman [said](#) in explaining the Obama Administration's decision. "Despite our close engagement and our clear, repeated expressions of concerns, the US government has not seen sufficient progress towards those [labour] reforms."

The US had already been reviewing whether to keep Bangladesh in the scheme before April's factory collapse, given other instances of reportedly unsafe working conditions. (See Bridges Weekly, [16 May 2013](#)) A separate factory fire in November 2012, for instance, had killed over 100 workers.

Under the GSP – a scheme that dates back to 1974 – developing countries deemed eligible by Washington can export certain goods to the US duty-free. Currently 127 countries count as GSP beneficiaries. Until last week's suspension from the programme, Bangladesh was able to export some products – mainly tobacco, sports equipment, porcelain china, and plastic products – duty-free.

The country's exclusion was announced as part of the US' annual review of the scheme. The removal from the GSP does not, however, prevent the US from buying goods from the country.

Bangladeshi officials have questioned the move, calling it an "unfortunate development," while stressing that they are "absolutely respectful" of their trading partners' decisions. However, "[Dhaka] expresses its deep concern that this harsh measure may bring in fresh obstacles in an otherwise flourishing bilateral trade," the country's foreign ministry said in a [statement](#).

The developing country has already enacted some measures to respond to international pressures for industry reform, such as raising the minimum wage for garment workers and allowing trade unions to be formed without the prior consent of factory owners, and is currently considering additional modifications to its labour laws.

"It cannot be more shocking for the factory workers of Bangladesh that the decision to suspend GSP comes at a time with the government of Bangladesh has taken concrete and visible measures to improve factory safety and protect workers' rights," the foreign ministry added.

Mixed reactions

While many in recent months had called for Washington to put pressure on Dhaka to improve labour conditions in the developing country, the decision to suspend Bangladesh

from the US scheme has garnered a mixed response from some analysts, with some arguing that other measures might be more effective in eliciting change.

Kim Elliott of the Center for Global Development, for instance, has [argued](#) that the US should instead offer duty-free, quota-free market access to all least developed countries (LDCs), including Bangladesh, since suspending it from the GSP – given that clothing is not covered – is “purely symbolic.”

“The carrot of duty-free market access would be far more effective at encouraging Bangladesh to do something serious on worker rights than the GSP suspension,” Elliott said.

[Others](#) have welcomed the move as a way to urge the Bangladeshi government to push harder on labour reforms, especially given that the GSP exclusion will not directly hurt the garment workers.

EU suspension?

Bangladesh is also a beneficiary of the EU's “Everything But Arms” scheme, which is part of the bloc's Generalised System of Preferences. That scheme – unlike Washington's – does indeed include Bangladeshi apparel, meaning that any suspension by Brussels would have an impact on the country's garment sector. The EU is also Bangladesh's largest trading partner.

Shortly after the April incident, EU Trade Commissioner Karel De Gucht and High Representative of the Union for Foreign Affairs and Security Policy Catherine Ashton [said](#) that they were considering “appropriate action,” including through their GSP, in order to “incentivise responsible management of supply chains involving developing countries.”

De Gucht has since [met](#) with Bangladesh Foreign Minister Dipu Moni, after which the two sides said they had agreed to safeguard EBA benefits “through determined action to improve health and occupational safety standards in the export-oriented Ready-Made Garment factories in Bangladesh.”

However, whether the US decision could prompt the EU to reconsider Bangladesh's preferential access remained unclear at the time of this writing.

ICTSD reporting; “Obama to Suspend Trade Privileges With Bangladesh,” THE NEW YORK TIMES, 27 June 2013; “U.S to Revoke Bangladesh Trade Benefits,” BLOOMBERG, 27 June 2013; “U.S. Suspends Bangladesh's Preferential Trade Status,” THE WALL STREET JOURNAL, 27 June 2013.

PREFERENTIAL AGREEMENTS

EU-US Talks to Begin As Scheduled, Despite Spying Claims

The first round of EU-US trade talks will begin in Washington next week as scheduled, the European Commission [confirmed](#) on Tuesday, despite growing unease among EU member states over claims that US intelligence agencies have engaged in spying on their trans-Atlantic partners.

The usually amicable EU-US relationship hit a snag over the weekend following a report by German magazine Der Spiegel that claimed that US intelligence services had bugged the EU mission in New York, as well as the embassies of France, Greece, and Italy in Washington and Commission headquarters in Brussels.

The allegations were based on documents released by former US National Security Agency contractor Edward Snowden, whose unauthorised disclosure of confidential government files ignited an international debate on privacy last month.

With talks set to begin in Washington on Monday, many had wondered whether the diplomatic row would spell trouble for the bilateral negotiations before they even began. The Commission statement, while reiterating "the strong concerns over the allegations... and the urgency of a clarification by the US," appeared to dispel such questions for the time being by confirming that talks would not suffer any delays.

However, the brief statement also stressed that the EU side "will make it clear that for such a comprehensive and ambitious [trade] negotiation to succeed, there needs to be confidence," and noted that member states and European institutions were still working on coordinating their positions on the spying subject.

Even if the talks do proceed as scheduled, questions are likely to remain on what the row might mean for the initial tone of the talks, especially for those provisions of the trade pact involving data protection – which were already expected to prove contentious.

The two sides have the world's largest trading relationship, with bilateral flows of goods and services averaging US\$2.7 billion a day in 2012, [according](#) to US data.

France continues push for temporary delay

Coming just weeks after Brussels and Washington formally launched their trade negotiations in Northern Ireland at the Group of Eight summit, the spying allegations have prompted a strong public backlash from European officials and leaders alike.

One of the most vocal critics has been French President François Hollande, who cautioned on Monday that the spying claims – if proven true – could derail the trade talks. He has since said that the negotiations should only commence if Washington can provide guarantees that they have ceased the spying.

"We don't want to abandon negotiations on the free trade agreement with the US, but it seems wise to suspend them temporarily, for 15 days, as we wait for the information we have demanded," French government spokeswoman Najat Vallaud-Balkacern told reporters yesterday, in comments reported by the Wall Street Journal.

Similar complaints have also been voiced by Germany, which was reportedly one of the NSA's major spying targets within Europe. "We are no longer in a Cold War," said Steffan Siebert, a spokesman for German Chancellor Angela Merkel.

Several EU parliamentarians have also issued calls for putting the talks on a temporary hold until the US provides some answers on the subject. "We need a full explanation, not just an apology," said Belgian MEP Guy Verhofstadt of the Liberals and Democrats Party (ALDE).

US officials respond

US President Barack Obama sought to ameliorate the situation from Tanzania, where he spent the first part of the week on a three-country Africa tour focused on trade. (For more on the Africa trip, see related story, this issue)

While not confirming that such spying had taken place, he did note that the alleged intelligence activities were not unusual for such an agency, and that any type of espionage did not necessarily signify a lack of trust between the two sides.

US Secretary of State John Kerry reiterated the stance at a regional security conference in Brunei, stating that intelligence gathering is "not unusual for lots of nations." The US has said that they will address the issue with the EU through diplomatic channels.

ICTSD reporting; "Hollande: Bugging allegations threaten EU-US trade pact," BBC News, 1 July 2013, "Barack Obama seeks to limit EU fallout over US spying claims," THE GUARDIAN, 2 July 2013; "Washington pushed EU to dilute data protection," THE FINANCIAL TIMES, 12 June 2013; "France Wants EU-U.S. Trade Talks Suspended," WALL STREET JOURNAL, 3 July 2013; "MEPs call for freezing EU-US trade talks over spying allegations," EURACTIV, 2 July 2013.

IN BRIEF

TISA Preparations Continue; Offers Not Likely Until Autumn

Preparations among a subset of WTO members to develop an agreement to liberalise services trade continued in Geneva last week, with sources familiar with the talks characterising them as "productive." However, market access offers are unlikely to be tabled until autumn, at the earliest.

The members negotiating the so-called "Trade in Services Agreement" have made "good progress" on the text, sources say, while adding that the language has not been "stabilised yet." For instance, how closely the text should model the WTO's General Agreement on Trade in Services (GATS) remains an open question, given the possibility of trying to multilateralise the deal in the future.

Countries would like to be clear on what exactly the rules are before they submit any offers, one source explained, which is why earlier plans to table market access offers before the summer break have been pushed back.

While last week's session mainly focused on the TISA text, other discussions also addressed the state of horizontal provisions, some of the main clauses – such as national treatment and market access – and possible sectoral rules and differences. Mode 4, some professional services, and information and communication technology (ICT) also came up during the meeting, sources confirmed to Bridges.

The next TISA session is scheduled for the week of 16 September.

ICTSD reporting.

UNCTAD Reports Slower Foreign Investment Growth

Global foreign direct investment (FDI) inflows fell by 18 percent in 2012 – down from a revised US\$1.65 trillion in 2011 to US\$1.35 trillion – according to the 2013 World Investment Report released by the United Nations Conference on Trade and Development (UNCTAD).

The slowdown was mainly due to sustained macroeconomic instability and policy ambiguity for investors, the UN report said. These inflows are expected to rise only moderately over the next two years, remaining close to 2012 levels with an upper range of US\$1.45 trillion. However, risks to this recovery include structural weaknesses in the global financial system, weaker growth in the EU, and policy vagueness in zones critical for investor confidence.

Nonetheless, FDI inflows to developing nations have “proved to be much more resilient” than flows to developed nations, with the former absorbing an unprecedented US\$142 billion more than the latter. While FDI inflows to developed countries contracted considerably to US\$561 billion, inflows to developing economies reached US\$700 billion – the second-highest level ever recorded.

Notably, the BRICS countries – Brazil, Russia, India, China, and South Africa – have become important outward investors, the report said, with their outward FDI rising by 10 percent of world flows.

ICTSD reporting.

Report: Switzerland Retains Top Spot in Innovation Rankings

Switzerland has kept its position as the world's most innovative economy, according to a report released this week by Cornell University, business school INSEAD, and the World Intellectual Property Organization (WIPO). The European country was followed by Sweden, the UK, the Netherlands, and the US in the annual rankings.

The [Global Innovation Report](#), which has been published since 2007, ranks countries according to a [Global Innovation Index](#) (GII) – a composite indicator measuring several innovation-related variables, including institutional capacity, human capital, market sophistication, and creative outputs.

This year's report placed a special focus on the local dynamics of innovation. “One key message is that too many innovation strategies have been focused on trying to replicate previous successes elsewhere, like Silicon Valley in California,” a joint press release by the organisations [read](#).

“However, fostering local innovation requires strategies that should be deeply rooted in local comparative advantages, history and culture. They should be combined with a global approach to reach out to foreign markets, and attract overseas talent,” they continued.

While a “persistent innovation divide still exists,” the innovation landscape has displayed encouraging trends, the report said, such as the fact that research investments in emerging economies – particularly in China, Argentina, and Brazil – have risen faster than in high-income countries.

A regional breakdown shows that Latin America, led by Costa Rica, has experienced the most significant improvement in the GI.

ICTSD reporting.

EVENTS & RESOURCES

Events

Coming soon

8-10 July, Geneva, Switzerland. **FOURTH GLOBAL REVIEW OF AID FOR TRADE.** This year's event, held at the WTO, will focus on the theme "Connecting to Value Chains." The biennial meeting will bring together ministers from developed and developing countries, heads of international agencies and regional organisations, representatives from private sector companies and associations, and an array of trade and development experts. The Review will examine the economic opportunities that trade in value added offers, and the constraints that firms in developing, and in particular least developed, countries face in connecting and moving up value chains. Discussions will also address ways that Aid for Trade can assist in this process. The event builds on the results of an extensive monitoring and evaluation (M&E) exercise undertaken jointly by the OECD and WTO, in collaboration with various others. More information is available [here](#).

9 July, Geneva, Switzerland. **AID FOR TRADE - MAINSTREAMING CLIMATE CHANGE.** This event, co-organised by the International Centre for Trade and Sustainable Development (ICTSD), the Permanent Mission of Canada to the WTO, the Permanent Mission of Denmark to the WTO, the International Trade Centre, and the International Institute for Sustainable Development (IISD), will be held on the occasion of the WTO's Fourth Global Review of Aid for Trade. It will focus on the subject of how to ensure environmental sustainability in global value chains (GVCs), especially given the role of GVCs in engaging developing countries in global market. The event will present Aid for Trade case studies in order to demonstrate best practices in value chain sustainability. For more information, please visit the event [website](#).

9 July, Geneva, Switzerland. **FROM STANDARDS COMPLIANCE TO SHARED VALUE: MAKING VALUE CHAINS MEET DEVELOPMENT CHALLENGES.** This event, co-organised by the International Centre for Trade and Sustainable Development (ICTSD), the UN Industrial Development Organization (UNIDO), the Institute of Developing Economies (IDE-JETRO), and the Overseas Development Institute (ODI), is being held on the occasion of the WTO's Fourth Global Review of Aid for Trade. The side event will focus on the interconnectedness of different elements of quality infrastructure (standards, accreditation, and certification) and value chain development. Taking different value chain examples, participants will analyse major challenges that developing country producers need to overcome in order to integrate into global supply chains. The panellists will flag what kind of support is most needed by different actors in the public and the private sector to surmount these obstacles and link these efforts to the AfT Initiative. More information is available [here](#).

WTO Events

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

11 July: Council for Trade in Goods

Other Upcoming Events

7 August, Washington, US. "HOW WILL THE TRANS-PACIFIC PARTNERSHIP (TPP) AFFECT AGRICULTURE TRADE?" Organised by the International Agricultural Trade Research Consortium, the conference focuses on the TPP and its importance in eliminating barriers in agricultural trade. The event is geared toward researchers, industry experts, market participants, and policy analysts. Sessions will address questions on how the TPP stands out compared to other trade deals, the status of the negotiations, and the pact's likely effects on specific agricultural sectors. For more details, please click [here](#).

8 - 10 September 2013, Coimbra, Portugal. ENERGY FOR SUSTAINABILITY 2013. "SUSTAINABLE CITIES: DESIGNING FOR PEOPLE AND THE PLANET." Organized by the Institute for Research and Technological Development in Construction Sciences, this forum brings together stakeholders, researchers, and academic practitioners from interdisciplinary fields to discuss and share their expertise on how to tackle the need for a more sustainable world. This year, the challenges posed by the increasing concentration of the world's population in cities will be debated under the four main categories: smart cities, buildings and end-uses, clean energy supply, and policy and assessment. For more information or to register, please click [here](#).

10-11 September, Beijing, China. ASIA-PACIFIC TRADE FACILITATION FORUM 2013: "TOWARDS MORE EFFICIENT AND INCLUSIVE SUPPLY CHAINS: PUBLIC AND PRIVATE SECTOR PERSPECTIVES." Attracting two- to three-hundred participants from 30 countries each year, this annual forum serves as a regional platform for exchanging information, experiences, and practices for trade facilitation in Asia-Pacific, identifying priority areas for regional cooperation and integration, and learning about new tools and services which can increase the efficiency of cross-border transactions. The event is being co-organised by the UN Economic and Social Commission for Asia and the Pacific (ESCAP) and the Asian Development Bank. Event organisers hope the gathering can help strengthen regional cooperation and coordination of Aid for Trade and related technical assistance and capacity building in trade facilitation. For more information, please visit their [website](#).

26-28 September, Incheon, South Korea. INTERNATIONAL SYMPOSIUM ON SUSTAINABLE CITIES: EMPOWERING LOCAL GOVERNMENTS THROUGH CAPACITY BUILDING. Organised by the United Nations Office for Sustainable Development (UNOSD), this symposium will bring together government officials, along with representatives from international organisations, the private sector, and civil society in order to share good practices on how to foster sustainable cities. Critical areas will be identified in which further capacity building is inevitable, including best strategies for meeting capacity gaps. For more details or to register, please visit their [website](#).

29 September – 2 October, Noordwijkerhout, The Netherlands. FIRST INTERNATIONAL CONFERENCE ON GLOBAL FOOD SECURITY. In light of the ongoing process to establish a set of Sustainable Development Goals (SDGs), this interdisciplinary conference will address food production and access, and the trade-offs between competing environmental, economic, or social objectives and outcomes. To find out more or to register, please click [here](#).

1-3 October 2013, Geneva, Switzerland. WTO PUBLIC FORUM: "EXPANDING TRADE THROUGH INNOVATION AND THE DIGITAL ECONOMY." This annual WTO event aims to provide a platform for public debate across a range of trade issues and topics. This year's forum specifically looks at the future of trade in an era of innovation and digitalisation. A call for proposals for sessions is now open, and online registration for attending the event is also available. More information can be found at the Public Forum [website](#).

17 October, Brussels, Belgium. CLOSING THE FUNDING GAP: COMPETITION AT THE HEART OF THE SINGLE MARKET. Organised by the [European Capital Markets Institute](#)

(ECMI), in collaboration with Carefin - Università Bocconi and the Belgian Financial Forum, the conference will bring together market participants, policymakers, and academics to discuss challenges for capital markets and European integration. This year's theme will focus on exploring the multi-faceted concept of competition within an economically and financially integrated area. For registration or more information, please visit their [website](#).

21-22 November, Edinburgh, UK, WORLD FORUM ON NATURAL CAPITAL. Organised by the Scottish Wildlife Trust, in association with the United Nations Environment Programme and other international environmental organisations, this inaugural event will bring together business leaders, natural capital experts, and other senior decision makers to advance the Natural Capital Declaration launched at Rio+20. It aims to help companies understand their impacts and dependencies on natural capital, and to incorporate such considerations into their products and accounting. For more information or to register, please click [here](#).

Resources

COPYRIGHT IN THE EU DIGITAL SINGLE MARKET. By Giuseppe Mazziotti for the Centre for European Policy Studies (CEPS) (June 2013). This report addresses challenges on how to modernise EU's copyright framework, given the goal of achieving an EU Digital Single Market. It contains the conclusions and policy recommendations of the CEPS Digital Forum Task Force on Copyright in the EU Digital Single Market, centring around three main themes: licensing rules and practices in the online music and film sectors, the definition and implementation of copyright exceptions in the digital environment, and the present and future of online copyright enforcement in Europe. To read the full report, please click [here](#).

THE 2013 FARM BILL: LIMITING WASTE BY LIMITING FARM-SUBSIDY BUDGETS. By Vincent H. Smith for the Mercatus Center at George Mason University (June 2013). In this study, the author analyses how the current Farm Bill proposals by the US Congress' two chambers might affect the structure of US agricultural policy. The study concludes that farm subsidies could be reduced by at least US\$9-10 billion per year – about 10 percent of current farm bill spending – without any measurable effect on agricultural production. To read more on the findings, please click [here](#).

US-EUROPEAN TRADE TALKS START. Produced by the Peterson Institute for International Economics. (July 2013) This interview with Jeffrey J. Schott, Senior Fellow of the Peterson Institute for International Economics, assesses the obstacles and opportunities inherent in the upcoming Transatlantic Trade and Investment Partnership (TTIP) talks. Topics addressed include how audiovisual protection and cyber-espionage claims could impact the discussions. To listen to the full podcast, please click [here](#).

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