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WORLD TRADE ORGANIZATION

Lamy: WTO Members Must "Run Faster" to Reach Bali Finish Line

WTO members must "run faster" if they hope to achieve a set of relevant deliverables in time for December's ministerial conference in Bali, Director-General Pascal Lamy cautioned on Monday at a meeting of the global trade body's General Council.

The trade chief spoke in more detail to members at an informal meeting of the Trade Negotiations Committee (TNC) – which is tasked with the Doha Round negotiations – last Friday, sources say. At the TNC, Lamy told WTO members that the current state of play – while showing some movement – is still not advancing quickly enough, urging them to "shift to a higher gear."

The 158-member organisation – which will see Tajikistan join its ranks on Friday – is currently aiming to conclude a small package of deliverables from the Doha Round of trade negotiations in time for its ninth ministerial conference – or MC9 as it is known in trade shorthand – in Bali, Indonesia.

The Doha negotiations, launched in September 2001, were formally declared at an impasse during the last WTO ministerial in December 2011, in an event that has since been called a "housekeeping exercise." Lamy cautioned on Friday that a repeat of that "will not be in line with the need to strengthen the multilateral trading system" – a sentiment that has also been repeated by members.

In the works for the upcoming ministerial is a package that would – if completed – likely feature a trade facilitation agreement, a few agriculture-related components, and some provisions aimed at addressing developing country and least developed country (LDC) issues.

With just nine months until Bali – and less than 20 working weeks until the summer break – members plan to take stock of progress toward this three-pronged mini-package at the next TNC in April.

Trade facilitation: Political work in capitals key, Lamy says

An agreement on trade facilitation – which deals with easing customs procedures and cutting time at border crossings – would be the centerpiece of a Bali package. The current draft text on trade facilitation, while advanced, still has various brackets remaining, sources confirmed to Bridges.



International Centre for Trade
and Sustainable Development

"There are some real technical issues around customs cooperation that look like they'll be quite difficult to solve," one delegate commented to Bridges. Other areas that remain difficult, sources say, include technical and financial assistance for countries to implement commitments under a trade facilitation deal.

The Director-General cautioned that members should avoid "getting lost" in details of customs procedures and regulations, and to also find a formula that will provide the necessary assurances for members regarding the implementation of commitments and capacity-building. He also noted the importance of needs assessments, and matching up individual needs with donor support.

At this stage of the negotiations, Lamy urged members on Friday to mobilise in their respective capitals the necessary resources and support to achieve the objectives of a trade facilitation agreement, stressing the value of political work and coordination with ministries in clinching a deal.

Members who intervened at the TNC generally stressed the importance of advancing the trade facilitation talks quickly, while noting some of the difficulties that have arisen in this area. While there is now greater clarity regarding the issues involved, clarity also "reveals gaps," and does not necessarily bridge them, the US reportedly said.

Agriculture

During Friday's TNC meeting, members also discussed progress on two proposals that have been under review in the Committee on Agriculture's special session in recent months.

One proposal, put forward by the G-33 coalition of developing countries, suggests that the global trade body's rules be amended to make it easier for developing countries to buy food at administered prices from poor farmers when building public foodstocks or providing domestic food aid. (See Bridges Weekly, [14 November 2012](#))

The other proposal has been tabled by the G-20, another developing group, which favours reform of developed country farm policies – not to be confused with the G-20 group of major economies. It suggests that progress could be made on issues such as the administration of tariff rate quotas or export competition. (See Bridges Weekly, [3 October 2012](#))

While the Director-General described a "willingness" among members to achieve a deliverable for Bali regarding the G-20 proposal on tariff rate quotas, he noted that the G-33 public stockholding proposal is meanwhile undergoing a two-stage process that will involve several technical meetings to better understand the nature of the plan. (See Bridges Weekly, [20 February 2013](#))

Members who spoke at Friday's meeting generally commended the G-20 proposal for being well-advanced with regards to technical work. However, several noted that the G-33 plan is less developed in this respect, with some – including the US – also questioning whether it was well calibrated to the rest of the negotiations.

Some members also raised at Friday's TNC two other long-standing sticking points of the WTO's agriculture talks: export subsidies and cotton. At the Hong Kong ministerial conference in 2005, members had decided that developed countries would eliminate export subsidies this year, a point that was reportedly mentioned by Brazil, the Cairns Group of agricultural exporters, and Uruguay. Members that have made use of these measures, such as the EU, have traditionally said that this agreement was dependent on broader progress in the Doha talks as a whole.

The Cotton-4 group – Benin, Burkina Faso, Chad, and Mali – meanwhile raised concerns at Friday's meeting that the contentious issue of cotton had not seen any recent progress.

"The impasse within the Doha Development Agenda worries, to a great degree, African cotton-producing countries, who still do not understand why the commitment made by ministers in December 2005 in Hong Kong to address cotton 'ambitiously, quickly, and specifically' has yet to be implemented," Burkina Faso said on behalf of the C-4. The group urged that members try new negotiating approaches ahead of the Bali ministerial.

Developing country, LDC issues

The third area of deliverables that members are currently reviewing for Bali relates to developing country and least developed country (LDC) issues. On this, the Director-General told members that work is continuing in the Special Session of the Committee on Trade and Development, with meetings being held every two weeks in an "open-ended" format.

Under discussion in this area have been three clusters of topics. The first involves the 28 Cancún proposals, which were part of a group of 88 proposals aimed at strengthening the special and differential treatment (S&DT) provisions in various WTO agreements. These 28 were agreed in principle ahead of the WTO's 2003 ministerial conference in Cancún; however, they were ultimately not harvested.

Also under discussion is the so-called Monitoring Mechanism, which would review the functioning of provisions in WTO rules for special and differential treatment in favour of developing countries, and possibly suggest improvements to those provisions. Negotiations on the mechanism date back over a decade; however, questions remain over the mandate of such a scheme, a point that the Director-General noted in his remarks.

Some progress has also been made on six Agreement-specific proposals, relating to the Sanitary and Phytosanitary (SPS) and Import Licensing Procedures Agreements, Lamy said.

With regards to LDC-specific issues – specifically regarding preferential treatment to services from LDCs, duty-free quota-free market access, and cotton – members are reportedly still awaiting proposals from the LDC group.

An extension of the transition period for LDCs to implement the WTO's rules on intellectual property rights is another topic under review, Lamy said. Least developed countries' exemption from implementing the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) expires in July of this year; a proposal to extend this deadline further is scheduled to be discussed at next week's meeting of the organisation's TRIPS Council.

Other efforts, post-Bali prep

Meanwhile, other initiatives – such as an effort to expand the coverage under the WTO's Information Technology Agreement (ITA) – are continuing in other venues, a point that was mentioned by both the EU at Friday's TNC and by Lamy at Monday's General Council. Whether or not the ITA expansion effort – which is an initiative among some members of the WTO's plurilateral deal on information technology products to expand the agreement's coverage – will be ready in time for Bali, however, is still unclear.

The Director-General has also begun to hold a first round of consultations on a potential post-Bali agenda, sources confirmed, while stressing that this process should not detract from the main goal of clinching a set of deliverables in time for the ministerial.

Members have generally stressed that results in Bali should not be the end for the Doha Round, but rather a "stepping stone" along the way. However, delegates speaking to

Bridges privately have noted that – while establishing plans for after Bali is important – there is a nervousness among some of the membership about discussing other topics too early in the ministerial preparation process, given the risk that such topics could ultimately cause complications.

Avoid "Christmas tree," members warn

Given the little time between now and Bali – and the WTO membership's history of missing negotiating deadlines – various members repeated earlier cautions on Friday against any sort of "Christmas tree" approach in preparing for the ministerial.

"We need to all remember however, that the only reason why we have a chance of reaching agreement in MC9 is precisely because all of us have shown a remarkable ability to control our appetites," EU Ambassador Angelos Pangratis [said](#).

Director-General's race

The Bali preparations come as WTO members gear up to choose a new Director-General to replace Lamy when he steps down at the end of August. Nine candidates – eight of which are from developing country members – are currently vying for the role; whoever wins the leadership contest will take office in time for the upcoming ministerial. (See Bridges Weekly, [6 February 2013](#))

Delegates in Geneva have commented to Bridges that – while the Director-General's race has not played a major role in the Bali preparations yet – a new WTO head will need to be ready to hit the ground running on 1 September, given the timing of the ministerial conference so shortly thereafter.

The process, which took centre stage in Geneva during the last week of January as candidates made their pitches to the General Council, has now shifted to its next stage, with the nominees now travelling around the globe in an effort to build support among the membership ahead of the consultation rounds – which are set to begin in April. The consultations will be conducted by a so-called "troika," made up by the new heads of the General Council, Dispute Settlement Body, and Trade Policy Review Body, who were formally announced on Monday.

The new General Council Chair will be Ambassador Shahid Bashir of Pakistan, as had been expected. The chair of the Dispute Settlement Body will be Ambassador Jonathan Fried of Canada, and the chair of the Trade Policy Review Body will be Ambassador Joakim Reiter of Sweden.

Members will have to choose a new WTO head by the end of May, at the latest.

ICTSD reporting.

PREFERENTIAL AGREEMENTS

Obama-Abe Meeting Sends Signals on Possible Japan TPP Entry

Tokyo will not be required to unilaterally eliminate all tariffs as a condition of entering the Trans-Pacific Partnership (TPP) talks, Japanese Prime Minister Shinzo Abe and US President Barack Obama said after meeting in Washington last Friday. The affirmation has been widely seen by trade observers as a sign that Japan may soon begin to formally pursue entry into the 11-country negotiations.

Whether or not Tokyo will commit to pursuing entry into the TPP talks – an initiative that proponents have billed as a “21st century” agreement – has been an open question since Japan, Canada, and Mexico first expressed an interest in joining the negotiations in November 2011. (See Bridges Weekly, [16 November 2011](#))

While Ottawa and Mexico City have since become members of the initiative, Tokyo has been hesitant to formally begin consultations with existing TPP countries given the strong domestic opposition to the talks in Japan – which have mainly been over how deep the Asian country's concessions would have to be to enter the negotiations.

In a joint [statement](#) following the Friday meeting in Washington, Abe and Obama said that – should Japan become one of the parties negotiating the TPP – all goods would be on the table. However, they also acknowledged that there are “sensitive” items for both trading partners – such as some agricultural products in Japan and some manufactured goods in the US – and that “it is not required to make a prior commitment to unilaterally eliminate all tariffs upon joining the TPP negotiations.”

The remark has been interpreted by some trade analysts as providing the necessary political leeway for Tokyo to pursue the TPP, as the prospect of losing agricultural import tariffs on items such as rice has made joining the 11-country talks a controversial subject in Japan.

The two sides also said that they would continue consultations on Japan's possible interest in joining the talks, noting that work is still needed in areas such as non-tariff measures, concerns regarding automotive and insurance sectors, and other “high TPP standards.”

Abe working to create buy-in in Tokyo

Following last week's high-level meeting, Abe has spent the early part of this week trying to shore up political support in Japan to formally pursue TPP entry, according to local press reports.

The new prime minister – who had previously held office from 2006 to 2007, and resumed office following a landslide election this past December – has been holding meetings both with his party, the Liberal Democratic Party (LDP), and its coalition partner, the New Komeito, regarding the TPP over the past few days.

In discussions with the LDP Board on Monday, Abe stressed the positive nature of the Obama meeting outcome, particularly in light of the LDP's election pledge not to participate in the TPP talks if it “presupposes the abolition of all tariffs without exception.”

"I want you to leave the decision to me, including whether and when to join the talks," Abe added, in comments reported by Japanese newspaper the Asahi Shimbun. No LDP members disagreed, according to media reports.

Natsuo Yamaguchi – the head of the New Komeito – reportedly told Abe on Tuesday that whether or not to join the TPP would largely be in the prime minister's hands, following a meeting of party executives, asking that he keep the public well informed on the process.

The news comes ahead of the 16th round of TPP talks, which is set to begin in Singapore next week. Current TPP members – which, along with the US, also include Australia, Brunei, Canada, Chile, Malaysia, Mexico, New Zealand, Peru, Singapore, and Vietnam – have said that they are aiming to clinch a deal this year. (See Bridges Weekly, [21 November 2012](#))

Monetary policy not mentioned

Trade observers were also watching to see whether or not Obama would – directly or indirectly – endorse, or at least not condemn, Japan's controversial monetary policies from the last few months at the Abe meeting.

However, no mention was made in the joint statement about the Bank of Japan's intensified efforts at monetary easing – what some have termed "Abenomics" – which has been controversial given the potential impact that such policies could have on exchange rates and, as a result, export competitiveness. (See Bridges Weekly, [20 February 2013](#))

The US has come under fire for its own such policies, especially after the September announcement that the Federal Reserve – the US' central bank – would be embarking in a third round of what is known as quantitative easing, specifically by increasing its asset purchases to US\$85 billion a month until US employment figures improve. (See Bridges Weekly, [26 September 2012](#))

ICTSD reporting; "Komeito leaves TPP up to Abe," JIJI PRESS, 27 February 2013; "Abe-Obama talks set stage for TPP entry," THE JAPAN TIMES, 23 February 2013; "LDP gives Abe free rein in gearing up for TPP talks," THE ASAHI SHIMBUN, 26 February 2013.

INTELLECTUAL PROPERTY

WIPO Members Agree on Draft Text for Visually Impaired Treaty

Negotiations aimed at improving access to copyrighted material for the visually impaired and print disabled continued making progress toward a treaty last week. World Intellectual Property Organization (WIPO) members will use this text as a basis for a diplomatic conference – the highest level of negotiations at the UN body – to be held in Morocco later this year.

Last December, the WIPO General Assembly decided to convene a diplomatic conference in June of this year to complete negotiations on a treaty to improve access to published copyright-protected work for visually impaired persons and persons with print disabilities.

In that context, last week's meeting of the WIPO Standing Committee on Copyright and Related Rights (SCCR) – which was held from 18-22 February in Geneva – had the objective of conferring a cleaner text to the diplomatic conference to be used in the final negotiations, according to WIPO Assistant Director General Trevor C. Clarke. Another meeting will be held in April in order to finalise the text ahead of June's conference.

According to the World Blind Union, there are 285 million visually impaired people worldwide, the majority of which live in poverty and have limited access to education.

Limitations, exceptions resolved

In an effort to clean up the remaining brackets in the text, delegations tried to reach a compromise on several open issues, such as the standards of application of exceptions and limitations, the impact of the future instrument on members' existing rights and obligations under other international treaties, and the modalities of accessible format copies' cross-border exchange.

A source of contention at previous SCCR meetings had been the so-called "three-step test," a provision that regulates the exceptions and limitations of a copyright holder's rights. The concept dates back to the Berne Convention for the Protection of Literary and Artistic Works and is also included in the WTO's Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) and in the more recent Beijing Audiovisual Performances Treaty.

The provision has been historically controversial in international negotiations because of different interpretations on how to apply it. In this context, developed countries fear that not including a reference to it in the text might set an unwarranted precedent for future instruments. Developing countries, meanwhile, were wary of a reference to the three step test that would be restrictive in the provision's interpretation.

Last week, the World Blind Union (WBU) stated that any compromise on this point should not hamper the effective implementation of the future agreement.

"We are not copyright experts – we don't have a particular view on the three-step test or fair dealing or fair use," the WBU explained. Rather, its main concern is only that the final treaty language helps facilitate "the practical implementation of a system that allows the maximum access to material by blind and visually impaired persons throughout the world."

The latest version of the draft treaty now shows that WIPO members were able to find a compromise on the subject. The text establishes the responsibility for contracting parties not to derogate from their existing obligations; it also includes specific references to the provisions in other copyright-related treaties that refer to the three-step test.

Cross-border exchange remains an issue

During the weeklong gathering, both developed and developing countries emphasised the importance of ensuring the successful implementation of the cross-border exchange system that would be set up by the agreement. The proposed mechanism would allow authorised entities to send accessible format copies across national borders in all signatory countries.

Accessible format copies include, for instance, products available in Braille or another format that suits the needs of the visually impaired or print disabled.

"It's the cross-border dimension of this treaty that makes a difference," Brazil said. The US delegation echoed this sentiment, defining the cross-border scheme as "the greatest achievement of this agreement."

However, the text issued at the end of the week shows that no progress was achieved on this issue, particularly with respect to a provision on commercial availability, which would require authorised entities to ensure that there are no commercially available copies of the accessible works in the market prior to importing them. Some developing countries argue that it would be difficult for their authorised entities to implement this requirement; this could, in turn, limit their countries' access to imported books.

For their part, right-holders associations reiterated that cross-border exchange should be allowed under specific commercial availability requirements. The International Federation of Reproduction Rights Organisations (IFRRO) – an organisation representing the interests of authors and publishers – said that "exceptions in favour of the print disabled should be made subject to copies not being commercially available, which is particularly important with respect to the cross-border transfer of accessible format copies."

However, other observers emphasised that market forces will still favour commercial publishing, and that it is unnecessary to introduce a specific requirement on the subject in the treaty text.

"If works are truly commercially available on reasonable terms and reasonable prices, they will always be the primary source for people with print disabilities to access information," said the Library Copyright Alliance, an observer representing three major library associations in the US and Canada. "They will only turn to authorised entities if the work is not commercially available."

Next steps

"Last week's agreement would appear to have removed a lot of the politics and mistrust from the text negotiations," the EBU – WBU's European regional body – said following last week's outcome. "Without this agreement, the rest of the work to complete the text and sign the treaty in Marrakesh would have had little chance of happening."

WIPO members will hold informal negotiations on 18-19 April, and an extraordinary session of the SCCR will then be convened on 20 April. The diplomatic conference will take place on 16-30 June in Marrakesh.

ICTSD reporting.

DISPUTES

Disputes Roundup: Trade Remedies in the Spotlight in Geneva, Brussels

Trade remedies found themselves in the spotlight this week in Geneva, with a WTO dispute panel finding yesterday that some of China's practices of conducting anti-dumping investigations on imported x-ray scanners from the EU were inconsistent with global trade rules. Two other rows involving dumping – between the US and Brazil on orange juice, and Washington and Hanoi on shrimp – also advanced at today's meeting of the WTO's Dispute Settlement Body. Meanwhile in Brussels, the European Commission confirmed on Friday that it would indeed be imposing anti-dumping duties on imports of bioethanol originating from the US.

WTO panel rules on EU-China dumping row

China's anti-dumping duties on imports of x-ray security scanners from the EU violated global trade rules, according to a WTO panel ruling that was issued yesterday. ([DS425](#))

Brussels brought the dispute in July 2011 after Beijing imposed duties ranging from 33.5 to 71.8 percent on the x-ray scanners. (See Bridges Weekly, [25 January 2012](#)) The EU exports approximately €70 million of these scanners to China annually.

China imposed the duties after the EU had applied anti-dumping duties on Chinese cargo scanners one year earlier, which some viewed at the time as a "tit-for-tat" move.

The panel report primarily focused on procedural issues in Beijing's investigation, specifically regarding how China calculated the anti-dumping margin, loosely defined as the difference between the price – or cost – in the foreign market and the price in the importing domestic market.

Beijing included more expensive "high-energy" scanners – which do not "look remotely like" the cheaper scanners, according to the panel report – in calculating the average domestic price, even though only cheaper "low-energy" scanners were exported. The panel found that this price comparison was "not consistent with an objective examination of positive evidence" required under WTO rules.

The panel also found that Beijing did not comply with certain due process and transparency requirements before imposing the duties.

The panel did not rule with the EU on all points, however, noting that Brussels had not established that Beijing had acted inconsistently in certain other procedural matters.

"I expect China to remove the measures immediately," EU Trade Commissioner Karel De Gucht said on Tuesday in response to the panel ruling. "I will not accept tit-for-tat retaliation against European companies through the misuse of trade defence instruments."

Under WTO rules, both sides have 60 days to appeal the ruling. In a statement, China's Ministry of Commerce indicated that they would make a serious assessment of the case and reserved the right to appeal.

Brazil, US announce mutually agreed solution over orange juice row

At a meeting today of the Dispute Settlement Body (DSB), the United States and Brazil reported that they had reached a mutually agreed solution to their on-going dispute over the methodology that Washington used in calculating anti-dumping duties on Brazilian orange juice. ([DS382](#)) Brasilia first lodged the complaint in 2008, and a panel decision was issued in March 2011. (See Bridges Weekly, [30 March 2011](#))

The panel had concluded that the US violated WTO rules in its use of "zeroing" in administrative reviews – a controversial practice in which products sold above market standard are not counted when calculating dumping margins, and are therefore "counted as zero."

The two sides had signed an agreement in April of last year in which they agreed to consult until the end of 2012 to find a mutually agreed solution.

The status report describing the solution notes that the US Department of Commerce modified its procedures in February 2012 regarding the use of "zeroing" in anti-dumping reviews, and later that year revoked those anti-dumping duties covered in the dispute. The revocation applied retroactively, through 9 March 2011.

Vietnam shrimp case advances to panel stage

Also at Wednesday's DSB meeting, Vietnam tabled a second request for the establishment of a panel in its dispute concerning anti-dumping duties collected by the US on certain imports of frozen warm-water shrimp ([DS429](#)).

A previous request for a panel had been blocked by the US in January. (See Bridges Weekly, [16 January 2013](#)). Under WTO rules, however, a second request automatically results in the establishment of a panel.

While Hanoi already succeeded in an earlier dispute challenging the US practice of "zeroing" for two administrative reviews over warm-water shrimp ([DS404](#)), this dispute centres around the claim that the US failed to meet a July 2012 implementation deadline for revising its methodology for calculating dumping margins in order to bring it in line with WTO rules.

The US abandoned "zeroing" in original investigations in 2007, but still employs it in administrative reviews of existing dumping cases. A panel decision in this case could be issued before the year's end.

The US makes up a major part of the Vietnamese shrimp market, taking in over 20 percent of the latter's shrimp exports.

EU confirms ethanol duties on imports from US

Meanwhile, the European Commission has confirmed that it will be imposing a five-year anti-dumping duty on imports of bioethanol from the US, after an internal investigation concluded that low-priced imports were harming the European Union's domestic bioethanol industry.

The 9.5 percent duty will be imposed on all US producers exporting to the 27-nation bloc, according to an [entry](#) published in the EU's Official Journal on Friday, in line with an earlier proposal issued by the Commission in January. (See Bridges Weekly, [30 January 2013](#))

Brussels had concluded on the basis of a 15-month investigation into a number of US producers that domestic policies aimed to encourage clean energy constituted an illegal subsidy and lead to artificially low-priced imports being "dumped" on the EU market.

Washington, in turn, has expressed "serious concerns" about the methodology used in conducting the investigation, and US producers have decried the decision. "We believe there was no evidence of any dumping or injury," said Jason Searl, a representative for POET Ethanol Products, one of the producers reviewed by the EC's investigation.

ePURE – the industry association that first asked the Commission to launch the investigation – welcomed the Commission's move. ePURE's members produce 80 percent of Europe's bioethanol.

"This decision represents a legitimate recognition of damage suffered by the European ethanol industry," said Rob Vierhout, ePURE secretary-general. "The Commission has taken a very wise decision in this case by applying a reasonable anti-dumping duty rate."

ICTSD reporting; "EU imposes blanket tariff on U.S. bioethanol," REUTERS, 22 February 2013.

DISPUTES

New Zealand Confirms Plans for Introducing Cigarette Packaging Law

Wellington plans to formally introduce legislation requiring plain packaging for tobacco products this year, officials said last week. Should the planned initiative indeed become law, New Zealand would be the second country to implement such a measure after Australia – whose own policy has been the source of significant controversy.

However, New Zealand Prime Minister John Key has indicated that his government will not implement the plain packaging measures until the legal challenges on Australia's policy – including the WTO complaints that have been tabled by some of Canberra's trading partners – are resolved.

The move by New Zealand comes after Wellington gave [support](#) in principle to plain packaging last year. The proposed law would require standardised packaging, a drab monotone design, and prominent health warnings on cigarette packaging, with only a small line of text to distinguish one brand from another. The goal is to "remove the last remaining vestige of glamour from these deadly products," according to the country's Associate Health Minister Tariana Turia.

The proposed legislation enjoys broad – but not universal – political support in New Zealand. "All plain packaging will achieve is the creation of inevitable lawsuits which will cost taxpayers millions of dollars," Winston Peters – leader of one of the country's political parties, New Zealand First – has said.

However, some domestic advocacy groups – such as those that are members of the Smokefree Coalition – have estimated that plain packaging could save 5000 lives and NZ\$2 billion (US\$1.65 billion, at today's exchange rate) in health care costs annually.

Australia WTO case in the background

Australia introduced its plain packaging legislation in 2011, giving tobacco companies until December 2012 to make the necessary changes in their production. In response, the Dominican Republic, Honduras, and Ukraine have all lodged complaints with the WTO, alleging that the law will curtail competitiveness and is inconsistent with global trade rules. ([DS441](#), [DS435](#), and [DS434](#), respectively)

While a panel has been established in the Ukraine case, second panel requests by Honduras and the Dominican Republic have yet to be tabled, after both of their first requests were blocked late last year. Should Tegucigalpa and Santo Domingo both make second requests – which would automatically lead to the establishment of panels, in line with WTO rules – a single panel would be composed to hear the three cases jointly.

Canberra's measure has also faced challenges on other legal fronts. The Australian High Court already rejected a separate claim that the Australian law violated the country's constitution. (See Bridges Weekly, [12 September 2012](#)) Meanwhile, Hong Kong-based Philip Morris Asia Limited (PMA), owner of Australian affiliate Philip Morris Limited, has also challenged the law under an existing Australia-Hong Kong bilateral investment treaty (BIT). The results of that case are still pending. (See Bridges Weekly, [29 June 2011](#))

Wellington has acknowledged the potential legal difficulties. "To manage this, the cabinet has decided that the government will wait and see what happens with Australia's legal cases, making it a possibility that if necessary, enactment of New Zealand legislation and/or regulations could be delayed pending these outcomes," Turia said in a [statement](#).

"We're hopeful that there will be a WTO ruling, and we're hopeful that we can make progress on this issue," Key said last week. "But New Zealand's always been a country from what I can recall, or see, that's observed WTO rulings."

Discussion on New Zealand proposal expected at TRIPS Council

The New Zealand proposal is currently slated to be discussed by WTO members at next week's meeting of the organisation's Trade-Related Aspects of Intellectual Property (TRIPS) Council, according to the latest version of the proposed meeting agenda.

The Australian law has already been the subject of multiple TRIPS Council discussions in the past, with some developing countries – in particular, tobacco producers such as the Dominican Republic and Ukraine – arguing that such a measure may be inconsistent with the WTO's intellectual property rules and could have large negative impacts on local industries. (See Bridges Weekly, [7 March 2012](#)) Australian officials have, in turn, responded that the law is key for achieving public health objectives.

ICTSD reporting; "Key: NZ will stick to WTO ruling on plain packaging," 3NEWS, 20 February 2013; "Appeal to WTO may yet deliver Big Tobacco Victory," THE AUSTRALIAN, 18 August 2012.

PREFERENTIAL AGREEMENTS

EU-Canada Hurdles Remain, as Brussels Ramps Up for Washington Talks

Trade talks between the EU and Canada are still struggling to reach resolution, though officials from both sides have insisted that the negotiations remain on track and could soon be completed. The process of building additional buy-in within the EU for another set of trade talks – specifically, those that Brussels has announced with Washington – is meanwhile currently underway.

De Gucht: "Additional steps" needed to clinch Canada deal

Despite plans to try and clinch an EU-Canada deal in the immediate future, the two sides are still not quite ready to close a deal, officials said last week.

"What was on the table simply didn't please me, so I didn't make an agreement," EU Trade Commissioner Karel De Gucht told the European Parliament's international trade committee in Brussels last Thursday. "They need to make additional steps and, if not, there will not be an agreement."

Although top officials have reiterated their commitment to closing the books on the trade talks – particularly given that previous deadlines of finishing the talks last year were left unmet – several hurdles in traditionally contentious areas for the two trading partners are reportedly still on the table. These include, namely, intellectual property protections, public procurement, and agricultural market access. (See Bridges Weekly, [21 November 2012](#))

Public procurement in particular is said to be a sticking point for Canada as of late, given concerns about preserving municipalities' ability to "buy Canadian." There has lately been some speculation that Ottawa and Brussels may be considering the elimination of any protection of procurement on the provincial level, according to Canadian press reports. This has prompted several municipalities – including Toronto – to pass resolutions asking to be exempted from any deal's procurement provisions.

MEPs welcome US trade talks, though challenges ahead

The efforts to close the Brussels-Ottawa negotiations come as the EU prepares to launch talks with its largest trading partner, the US. (See Bridges Weekly, [13 February 2013](#)) Just this past Tuesday, German Foreign Minister Guido Westerwelle expressed his country's hopes that negotiations between the EU and the US could begin this summer, a view that has been similarly expressed by other EU officials.

"We see a window of opportunity," Westerwelle said during a joint news conference with visiting US Secretary of State John Kerry. Other officials, such as De Gucht, have suggested that the talks could – once launched – be done within two years.

However, despite broadly backing the planned talks with Washington, members of the European Parliament (MEPs) have warned of the difficulties that may lie ahead once negotiations formally kick off. At last week's international trade committee meeting,

nearly all MEPs cautioned that strong public criticism could be expected from the European public, citing systemic differences between the EU and the US.

Multiple MEPs have already raised concerns over the differences between the two trading partners on animal and plant health standards, as well as genetically modified crops and hormones in beef. In addition, any agreement will ultimately need the approval of both the US Congress and the European Parliament, a hurdle that could affect trade negotiations on both sides.

However, top EU and US officials have repeatedly stressed that, even with their long-standing differences on subjects such as regulations and standards, a deal could still provide a meaningful impact on growth and jobs on both sides of the Atlantic – especially if they move forward quickly.

"Now, these negotiations will not be easy," European Commission President José Manuel Barroso said earlier this month. "But we also recognise that we should move fast."

ICTSD reporting; "EU's De Gucht Tells Canada to Improve Free-Trade Offer," BLOOMBERG, 21 February 2013; "Germany wants US-EU trade zone negotiations to begin in summer," REUTERS, 26 February 2013; "MEPs excited at prospect of EU-US trade talks but warn of difficulties ahead," EUROPA, 21 February 2013; "On the Brink of a Canada-EU Trade Deal: a Recap," GEOPOLITICAL MONITOR, 24 February 2013; "U.S. entry adds pressure, but officials insist Canada-EU trade remains close," CTV NEWS, 13 February 2013.

EVENTS & RESOURCES

Events

Coming soon

3-14 March, Bangkok, Thailand. CITES COP 16. The 16th meeting of the Conference of the Parties (COP 16) to the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) will address proposals to amend the convention appendices and several administrative, strategic, and financial issues. CITES was adopted in Washington on 3 March 1973, and the 40th anniversary of the Convention will be celebrated at the March 2013 event. For more information, visit the event [website](#).

4-5 March, Turin, Italy. INTER-AGENCY WORKSHOP ON EMPLOYMENT AND SOCIAL INCLUSION IN A GREEN ECONOMY. This workshop is being organised by the International Labour Organisation (ILO) in collaboration with the Un Environment Programme (UNEP), the UN Industrial Development Organization (UNIDO) and the UN Institute for Training and Research (UNITAR) under the Partnership for Action on Green Economy (PAGE) and the Green Growth Working Group of the Donor Committee for Enterprise Development (DCED). The event will review the approaches that a variety of countries are taking to create jobs and promote social inclusion in the green economy. Case examples from Indonesia, Kenya, Malaysia, Mexico, South Africa, and Turkey will be among those discussed. For more information, 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.

4 March: Committee on Trade and Development (followed by Inf.)

5-6 March: Council for Trade-Related Aspects of Intellectual Property Rights

6-7 March: Committee on Technical Barriers to Trade

Other Upcoming Events

7 March, Washington, US. WHAT'S NEXT AT THE WTO? A DISCUSSION WITH DEPUTY USTR MICHAEL PUNKE. This event will be a moderated discussion with US Ambassador and Permanent Representative to the WTO Michael Punke. During this event, the ambassador will speak about recent developments at the WTO, including plans for a possible trade facilitation agreement, the preparations for the upcoming Bali ministerial conference, and the selection of the global trade body's new Director-General. To learn more, click [here](#).

21-22 March, Geneva, Switzerland. UNFSS OFFICIAL LAUNCH. This conference will mark the official public launch of the United Nations Forum on Sustainability Standards. The UNFSS is a platform created to provide information and analysis on voluntary sustainability standards (VSS), with a particular focus on the potential value of VSS as

tools for developing countries to achieve their sustainable development goals. The forum also aims to inform key decision-makers in government and the private sector about the strategic importance and benefits of setting voluntary sustainable standards. For more information, click [here](#).

11-12 March, Geneva, Switzerland. THE FUTURE OF THE WORLD TRADING SYSTEM: ASIAN PERSPECTIVES. This conference, jointly hosted by the Asian Development Bank and the Centre for Trade and Economic Integration at the Geneva-based Graduate Institute of International and Development Studies, will seek to promote a comprehensive examination of the key changes in the multilateral trading system from the perspective of Asian nations. The event will also discuss how Asia has a key role in shaping economic development across the globe. To learn more, click [here](#).

26-27 March, Durban, South Africa. FIFTH BRICS SUMMIT. South Africa will host the fifth annual BRICS summit and play host to the heads-of-state of the five member group, which also includes Brazil, Russia, India, and China. The summit will convene to seek common ground on areas of importance for the major economies. Talks will represent spheres of political and entrepreneurial coordination, in which member countries have identified new business opportunities and openings for economic coordination. To learn more, visit the [website](#).

8-10 May, Cape Town, South Africa. WORLD ECONOMIC FORUM ON AFRICA 2013. Under the theme "Delivering on Africa's Promise," the 23rd World Economic Forum on Africa aims to provide a platform for regional and global leaders from business, government, and civil society to deepen the continent's integration agenda and renew commitment to a sustainable path of growth and development. The forum will include discussion on accelerating economic diversification and boosting strategic infrastructure within Africa. For more information, visit the [website](#).

Resources

BRUSSELS BRIEFING ON ENVIRONMENT. Published by viEUws. (February, 2013). In this video, environment journalist Sonja van Renssen provides an update on the EU Emissions Trading Scheme, proposals for "backloading" carbon allowances, and the European Commission's review of REACH – the EU's regulating body on chemicals and their safe use. The video includes statements from various EU officials, including European Council President Herman Van Rompuy. The run time of the video is just over four minutes. To see the report, click [here](#).

CLIMATE IMPACTS ON AGRICULTURE: A CHALLENGE TO COMPLACENCY? By Frank Ackerman and Elizabeth Stanton for the Global Development and Environment Institute at Tufts University (February 2013). This paper delves into the debate of climate change and the effect that it has on agriculture. The authors disagree with the theory that higher temperatures and increased carbon dioxide emissions levels will lengthen the growing season and result in larger crop yields. They discuss how research on climate change in the last decade has led to a more ominous outlook for agriculture, and that the end results of global warming is a decrease in the productivity of farmland. To read the publication, click [here](#).

MAIN ECONOMIC INDICATORS, VOLUME 2013, ISSUE 2. Published by the Organisation for Economic Co-operation and Development (OECD) (February 2013). This publication provides statistics on a myriad of economic indicators, including GDP, imports and exports, industrial production, tourism, inflation, and employment, for the 34 OECD countries, the eurozone, and some non-OECD countries. To read the publication, click [here](#).

PETERSON PERSPECTIVES INTERVIEWS ON CURRENT ISSUES: PROSPECTS FOR A US-EUROPEAN TRADE DEAL. By Jeffrey J. Schott for the Peterson Institute for International Economics (February 2013). This two-part podcast is a lecture discussing the planned negotiations for an EU-US trade deal. The discussion is presented by Jeffrey J. Schott, who outlines what the two sides might need to implement in order to successfully complete the trade talks. He also discusses the possible benefits the two sides would experience from a trade agreement. To listen to the lecture, click [here](#) for part one, and [here](#) for part two.

TRADE AND LABOUR MARKET ADJUSTMENT. By Susan Stone, Patricia Sourdin and Clarisse Legendre for the Organisation for Economic Co-operation and Development (OECD) (February 2013). In this paper, the authors use a dataset based on labour force surveys from Canada, Israel, United Kingdom, the United States, Brazil, and South Africa. The publication compares short-term labour impacts from trade across the countries and suggests that occupational-level analysis can provide policy makers with more vivid insight when compared to industry-level analysis. To read the text, click [here](#).

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