

BRIDGES WEEKLY

Global trade news from a sustainable development perspective

VOLUME 17, ISSUE 8, 6 MARCH 2013

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WASHINGTON

US Trade Policy to Focus on TPP, EU Talks in 2013

US President Barack Obama will direct his 2013 trade efforts toward moving the Trans-Pacific Partnership (TPP) talks toward a conclusion and launching trans-Atlantic negotiations aimed at establishing a trade and investment partnership with the EU, according to a report that was submitted to Congress last Friday.

The annual [Trade Policy Agenda](#), which by statute must be delivered to Congress by 1 March, also makes a brief but significant reference to seeking approval for trade promotion authority, which would allow potential trade deals to be fast-tracked through the Congressional approval process.

The Agenda further underscores Obama's commitment to meeting his well-publicised goal of doubling US exports and adding up to two million additional US jobs by 2015. (See Bridges Weekly, [3 February 2010](#)). The TPP and EU trade deals, once completed, will likely play a key role in achieving the goal, but securing fast track authority will be crucial for assuring partner countries that any agreed deal will not become bogged down in procedural red tape.

In a statement, US Trade Representative Ron Kirk – who is expected to step down from his post in the coming weeks – noted that US exports are already at record levels and that further growth would translate into a more robust domestic job market.

"Under the President's trade policy, US producers are selling more goods around the world stamped with 'Made in America' than ever before, and trade is supporting more 21st century jobs and industries here at home," Kirk said. "In 2013, trade will continue to move us forward toward President Obama's goal of an economy built to last – one that is globally competitive and that will support a thriving American middle class for generations to come."

"Intensify push" for TPP

Negotiations aimed at clinching a trade deal for Asia-Pacific countries accelerated and expanded over 2012. The 2013 Agenda pledges to "further intensify" negotiations with Washington's 10 other TPP partners, with the aim of concluding the talks by the end of the year.

"In 2013, the United States will work with TPP partners to bring TPP negotiations



International Centre for Trade
and Sustainable Development

toward an ambitious conclusion," the report reads. "TPP negotiators already are working diligently toward the goal put forward by President Obama and fellow TPP Leaders in November 2012 – to strive to complete the negotiations this year."

The 11-country talks kicked off their 16th round of negotiations in Singapore earlier this week, amid speculation that Japan could be within weeks – or even days – of announcing its formal pursuit of entry to the discussions. (See Bridges Weekly, [27 February 2013](#))

Obama met with Japanese Prime Minister Shinzo Abe just last month, after which the two sides said that unilaterally eliminating tariffs would not be a condition for joining the talks. This point was seen as providing Abe with the necessary political cover to pursue TPP entry, given Tokyo's long-standing fear over agricultural import tariffs being slashed, particularly for rice.

Trans-Atlantic trade deal to kick into gear

Washington will also be looking eastward to "further strengthen the world's largest trade relationship" in the coming years through a major trade deal with Brussels, the Agenda says. Following months of speculation, the trans-Atlantic trade talks were formally announced in February when the EU-US High-Level Working Group on Jobs and Growth released a final report recommending the initiative. (See Bridges Weekly, [13 February 2013](#)) EU officials have said that the talks, once launched, could potentially be concluded within as little as two years.

Once clinched, the EU-US deal – otherwise referred to as the Trans-Atlantic Trade and Investment Partnership – would represent one of the most significant trade pacts to date, with the largest gains likely to come from resolving long-standing differences in regulations and standards.

Already, trade in goods and services between the US and EU amounts to some €2 billion a day, according to European Commission estimates. In an [op-ed](#) in the Financial Times, Max Baucus, chairman of the US Senate Finance Committee – which holds jurisdiction in that chamber on trade – said the pact would represent "the biggest trade deal since the World Trade Organization was founded nearly 20 years ago."

Baucus, a Democrat, said the deal will be crucial to helping stimulate the economies of both parties, which have been on an unsure footing since 2008. "This is a deal that must be done, it must be done now, and it must be done right," he asserted.

Fast track authority key to unlocking pacts

Political analysts, however, say garnering support from Democrats for both the trans-Atlantic and trans-Pacific deals could potentially be an uphill battle. Thus, those following the trade talks are scrutinising the small passage supporting the renewal of Trade Promotion Authority – better known as "fast track" – which some say is an initial requirement for ushering the deals through the US Congress.

"To facilitate the conclusion, approval, and implementation of market-opening negotiating efforts, we will also work with Congress on Trade Promotion Authority," the report reads. "Such authority will guide current and future negotiations, and will thus support a jobs-focused trade agenda moving forward."

Under "fast track authority," trade deals negotiated by the executive branch are then presented to the US Congress for a straight up-or-down vote, without any amendments. The provision expired in 2007, though it still applied to the Colombia, Panama, and South Korea trade deals, which were underway at the time, but not ratified until 2011.

Some analysts have interpreted the statement as a positive sign that the provision could become a reality this year, but some key Republicans and the US business community say the Obama Administration needs to quicken the pace of the fast track initiative and make concrete progress. In 2012, US Trade Representative Ron Kirk had similarly called for the renewal of fast track authority; however, the initiative was not pursued further by the White House in the then-difficult election year climate.

"I am disappointed that the Administration has not engaged with Congress concerning Trade Promotion Authority," Republican Dave Camp, Chairman of the Ways and Means Committee – the House panel that deals with trade – wrote in a statement. "This authority is necessary both to set out the negotiating objectives that Congress sees as vital at the outset of negotiations, to define the terms for Congressional consultations during the negotiations, and to establish the rules for consideration of implementing bills after the negotiations."

Multilateral front

While US trade policy has shown a growing focus on bilateral and regional trade deals in recent years, the report made some reference to the US' commitments at the WTO, including areas that are expected to be featured prominently at the organisation's ninth Ministerial Conference in Bali later this year – such as a potential trade facilitation deal.

"At the WTO, we will continue to advance promising pathways for 21st century trade liberalisation and to seek to revitalise Members' work in Geneva, including on trade facilitation," the report states.

The Agenda also refers to the ongoing talks to expand the WTO's Information Technology Agreement (ITA) – the plurilateral deal regarding trade in information and communication technology products – which are currently underway among a group of approximately 20 ITA members in Geneva, including the US. (For more on the ITA talks, see related story, this issue).

In addition, the Agenda pays considerable attention to another initiative that the US is pursuing together with a subset of the WTO's membership – the so-called "International Services Agreement." The proposed pact, which is currently being discussed among 21 of the WTO's members, has been the subject of various technical discussions over the past year, with formal negotiations on a possible legal text expected to start as early as this month. (See Bridges Weekly, [6 February 2013](#))

ICTSD reporting; "White House says it will seek "fast-track" trade authority," REUTERS, 1 March 2013; "EU trade chief hopes to clinch U.S. trade deal by late 2014," REUTERS, 27 February 2013; "Transatlantic trade deal is a US priority," FINANCIAL TIMES, 3 March 2013; "Obama outlines trade policy agenda for 2013," XINHUA, 2 March 2013.

AGRICULTURE

WTO: Food Stockholding Talks Intensify as Unofficial Deadline Looms

Countries have intensified informal consultations on a developing country proposal to ease WTO farm subsidy rules for food stockholding, trade sources say. The talks have shifted gear ahead of an unofficial Easter deadline for reviewing progress on measures to be adopted at the global trade body's ministerial conference in Bali, Indonesia, this December.

While governments have acknowledged that the WTO's long-running Doha Round is currently at an "impasse," they are keen to fast-track progress on a subset of measures to be agreed when ministers meet at the year's end.

The informal consultations have been led by the G-33 – a group of developing countries with large populations of smallholder farmers, which first tabled the proposal in November following an initiative from India. Meanwhile, the chair of the agriculture trade talks has moved ahead with parallel discussions aimed at deepening members' understanding of how food stockholding programmes function in practice in countries around the world. (See Bridges Weekly, [20 February 2013](#))

The chair, New Zealand ambassador John Adank, convened meetings today during which Indonesia and Brazil described how their own schemes run, with China, India, and Pakistan having already done so last week. The Philippines is due to make a presentation on Friday.

Some members are reportedly also debating whether and how to put forward a new proposal on export subsidies and similar measures – although the scope and content of any such submission is still being discussed by negotiators.

Seen as causing particularly severe trade distortion, ministers [agreed](#) to phase out use of these instruments by the end of 2013 when they met in Hong Kong seven years ago. However, progress in doing so has been held hostage to the broader stalemate in the talks.

G-33: counter-proposals required

The stockholding proposal, which would allow countries more latitude to purchase food at administered prices from low-income, resource-poor producers, has run into opposition from both developed and developing countries who fear it could lead to subsidised food being exported to world markets. (See Bridges Weekly, [14 November 2012](#))

Although the measure has been put forward as a proposal to enhance food security, some countries are reportedly concerned that their own poor farmers could be adversely affected by the move. Several members of the G-33 now say that they recognise that more work may be needed on the proposal.

"It seems there's a general understanding that the proposal should be revised," one negotiator acknowledged.

However, there was "a strong sentiment" in the G-33 coalition that other countries should now table counter-proposals in order to advance progress on the issue.

Thailand's "paddy pledging" scheme

Several trade officials told Bridges that controversy over Thailand's "paddy pledging" scheme, which has helped spark an increase in rice prices following subsidised purchases from domestic farmers, is among factors fuelling concern over the potential side effects of the G-33 stockholding proposal.

The scheme prompted questions from Canada and the US at the November meeting of the WTO's Committee on Agriculture, as well as a special informal meeting between around a dozen concerned countries and Thailand to discuss the issue beforehand.

Developing countries were amongst those expressing concern that the paddy pledging scheme could affect global rice markets and their own producers, especially in the absence of greater certainty over the procedure for the release of government stocks.

"Other members are quite worried," said one developing country negotiator, who argued that the Thai government was "not sure" how best to dispose of the accumulated stocks on domestic or international markets.

Thailand has argued that it takes market conditions into account when releasing rice from government stocks. While Bangkok is preparing officially to notify the WTO about the scheme, the government also says that detailed information about some aspects of how stocks are released is confidential.

New or reformed food stockpiling proposals have recently been put forward in other countries. Brazil this week announced new measures to combat food price inflation, while India unveiled budget figures for expanding the country's domestic food subsidies under a new Food Security Bill, due to be rolled out this year. (See Pontes, [March 2013](#))

"Stabilised" text?

Negotiators have discussed the extent to which reliable data is available on the stockpiling and domestic food aid schemes that are already in place.

Trade sources say that issues of the definition of "low-income, resource-poor" producers is also likely to add complexity to the discussion in this area, with governments in different world regions using starkly different definitions, and even using different standards within a given country in some cases. (See Bridges Weekly, [14 November 2012](#)).

Some developing countries have reportedly suggested that the G-33 proposal could be modified to guarantee that food stockpiling schemes would not adversely affect their own domestic producers. However, other negotiators have questioned whether further changes should be made to language from the draft Doha agriculture text that had previously been seen as "stabilised" – or essentially agreed, subject to an accord on the overall package.

Other proposals currently under discussion - such as a proposal on tariff quota administration - draw on "stabilised" text in order to maximise the chances of adoption at the Bali ministerial. (See Bridges Weekly, [3 October 2012](#))

In recent years, the US has however questioned whether the draft text circulated in 2008 should even form the basis of a future deal.

"I think some members have a different understanding of what's meant by 'stabilised'," one delegate familiar with the informal consultations said.

ICTSD reporting; "Budget pays lip service to food security," THE HINDU, 1 March 2013.

WORLD TRADE ORGANIZATION

WTO Plurilaterals: GPA, ITA Aim for Possible Advances Ahead of Bali

Parties to the WTO's plurilateral agreement on government procurement could aim to have the revised version of the pact enter into force in time for the Bali ministerial conference this December, sources told Bridges this week. Meanwhile, efforts to expand another plurilateral WTO deal – the Information Technology Agreement – continue underway, with the global trade body's ministerial also being seen as a tentative date for concluding the talks.

GPA: Implementation date, possible new members eyed

Parties to the WTO's deal on government procurement could have the revised pact put into effect in time for the Bali ministerial conference, Government Procurement Committee chair Bruce Christie of Canada said following a meeting last Wednesday. In response, the majority of delegations present at the gathering – including the EU, US, and Canada – have said that they are willing to work toward such a goal.

The Government Procurement Agreement – a 42-country plurilateral pact under the aegis of the WTO – commits members to certain core disciplines regarding transparency, competition, and good governance, covering the procurement of goods, services, and capital infrastructure by public authorities.

Negotiations to revise the GPA – which took place over the span of a decade – finished within minutes of the kick-off of the December 2011 ministerial conference in Geneva. (See Bridges Daily Update #2, [16 December 2011](#)) However, the new version of the deal has yet to be implemented, requiring two-thirds of those that are party to the pact to ratify it domestically.

To date, no parties have submitted their instruments of ratification, sources told Bridges. However, some of these ratifications could be completed in the coming weeks and months as parties finalise their necessary domestic procedures, with Liechtenstein and Norway expected to be among the first.

Upon entry into force, the revised GPA is set to liberalise US\$100 billion in public contracts, in addition to the US\$500 billion already covered by the original pact. The market access gains are largely expected to come from adding new entities to the deal's coverage, such as government ministries and agencies, as well as bringing more services and goods into the agreement. The revised deal also includes new and simpler rules on transparency and due process in helping fight hidden protectionism and corruption, as well as facilitating the accession of other parties.

Efforts for new parties to join onto the plurilateral deal also continue underway, the most high-profile of these being China, which had submitted a third revised offer to join the deal last year. China, with its large government procurement sector, agreed to join the GPA in its 2001 WTO accession protocol, but subject to special negotiations.

When China submitted its third revised offer last year, fellow GPA parties – while noting the improvements made over Beijing's previous offers – ultimately asked for additional concessions, saying that the latest offer still included overly high thresholds and did not

incorporate any new coverage of state-owned enterprises. (See Bridges Weekly, [12 December 2012](#))

At Wednesday's committee meeting, GPA parties reiterated their earlier request that China submit a fourth revised offer by July. However, China said that it could not commit to such a timeframe, given that the Asian country is in the midst of a leadership change and, therefore, a reorganisation of its government.

Other accessions raised during last week's meeting also included Jordan, Moldova, New Zealand, and Ukraine. Sources say that "significant developments" are likely to be seen in GPA accessions from countries in Eastern Europe, with the initial offer that Ukraine tabled in mid-December having been received positively by members, and with Moldova's accession process also being notably active.

While Jordan's accession efforts have been ongoing for a long time – and is, the country has said, well-advanced – the process has been relatively inactive in recent years, sources told Bridges. Some GPA parties have urged that Jordan work to speed up the process, which the Middle Eastern country has said could ramp up again soon, given the progress since the recent parliamentary elections and the formation of a new government in Amman.

ITA expansion talks

Discussions aimed at expanding another WTO plurilateral deal – the Information Technology Agreement, which deals with trade in information and communication technology (ICT) products – continue apace, sources told Bridges, with the Bali ministerial similarly being seen as a possible end-date for the process.

The ITA provides for participants to completely eliminate duties on IT products covered by the Agreement. The process to update the deal – which first entered into force in 1997 – kicked off last May, when Canada, Japan, Korea, the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu, Singapore, and the US presented a concept paper calling for the launch of negotiations to expand the ITA's product coverage and membership.

Such an expansion is essential, they said in the paper, in order to reflect the evolution of the ICT sector since negotiations for the original ITA were concluded in December 1996 at the Singapore ministerial conference.

"Since 1996, global trade in ITA products is estimated to have grown at more than 10 percent annually – to an estimated US\$4 trillion annually in 2008," the countries noted. However, in that same timeframe new products have entered the ICT marketplace, and existing products that were not part of the ITA are now playing a greater role in this sector – which makes an expansion of the 16-year-old deal necessary, they said.

In addition, several countries that are now major players in the ICT sector still remain outside the ITA framework, the paper continued.

The number of countries currently involved in the ITA expansion talks has since increased from this original six in May 2012 to nearly 20. However, the discussions still do not encompass the whole ITA membership of 47 signatories – covering 74 members and states or separate customs territories in the process of joining the WTO – leaving unclear the question of how the pact's expansion, once completed, will be extended to the rest of the group.

Since the start of the new year, the countries involved in the ITA expansion talks have been meeting monthly to discuss two separate tracks, sources familiar with the discussions told Bridges, with the latest meeting being held just last week. These two tracks specifically deal with tariffs and non-tariff issues, respectively.

With regards to tariffs, "list countries" – in other words, countries that have presented or commented on a list of products for liberalisation, and who late last year came together on a possible list of over 350 product lines – are now working on trying to eliminate some products from this set in order to make it more focused. This process, one source familiar with the talks explained, will help "for others later on to find this list useful to subscribe to."

The process on developing the non-tariff side has been more difficult, sources say, particularly regarding countries' diverging views on how exactly to deal with non-tariff barriers (NTBs). In the current ITA, there are no binding commitments on NTBs, an area that the EU has traditionally pushed to change.

While members are tentatively hoping to see the ITA expansion completed in time for Bali, sources stressed that this is not formally part of the "package" being prepared for the December ministerial. The "package" referred to is the set of Doha Round deliverables – such as a trade facilitation deal, agricultural components, and select issues of interest to developing and least developed countries – which the full WTO membership is in the process of negotiating. (See Bridges Weekly, [27 February 2013](#))

ICTSD reporting.

INTELLECTUAL PROPERTY

TRIPS Council: LDC Extension, Tobacco Plain Packaging Take Centre Stage

WTO members this week discussed a proposal by least developed countries (LDCs) to extend their transition period for implementing the organisation's intellectual property rules, which is set to expire this July. Members at the 5-6 March meeting of the Council for Trade-Related Aspects of Intellectual Property Rights (TRIPS) also debated a proposed New Zealand law that would require plain packaging for tobacco products; a similar Australian policy is already facing three separate challenges at the WTO's Dispute Settlement Body.

Members discuss LDC extension proposal

When the WTO agreements entered into force in 1995, LDCs were given until 1 January 2006 to implement the obligations contained in the then-newly adopted WTO TRIPS Agreement. In 2002, the LDC transition period was extended until 2016 for pharmaceutical patents, with a later 2005 [decision](#) extending the period for all intellectual property (IP) rights until July 2013.

At the WTO's 2011 Ministerial Conference, trade ministers directed the TRIPS Council "to give full consideration to a duly motivated request from least developed country members for an extension of their transition period," in light of the impending deadline. (See Bridges Daily Update, [18 December 2011](#))

In this context, Nepal presented on the LDC Group's behalf a [proposal](#) – first tabled by Haiti at last November's TRIPS Council meeting – that would extend the period for such members to enforce the TRIPS Agreement until a given country "cease[s] to be a least developed country member."

"[LDCs] have not been able to develop their productive capacities, which limit their meaningful integration into the world economy [and] continue to be characterised by multiple structural constraints that include low per capita income, low level of human development, and extreme vulnerabilities to external shocks," Nepal [noted](#).

Non-LDC developing countries voiced their support for the extension proposal, sources told Bridges. India, for instance, indicated that the provisions of TRIPS Article 66.1, upon which the LDC request is made, "are precise and provide no discretion to the TRIPS Council to either deny the request or impose any further conditions on the LDCs."

Developed countries, for the most part, also supported the principle of an extension of the transition period, while saying that further consultations are needed on its modalities. The EU, for its part, said that any extension of the transition period should be based on assessment of "the reality on the ground."

Despite there being overall support regarding the possibility of an extension, members did not specify whether this should be granted for as long as a country remains an LDC – as per the LDC Group's proposal – or whether another deadline should be set.

World Health Organization Director General Margaret Chan has publicly backed an extension of the LDC transition period. (See Bridges Weekly, [6 February 2013](#)) The UN Development Programme and UNAIDS have similarly supported such a [measure](#). In addition, around 375 civil society organisations have co-signed a [letter](#) calling on WTO members to unconditionally agree to an extension of the transition period, in line with the terms of the LDC Group's request.

The topic will be examined at the upcoming TRIPS Council meeting in June, ahead of the July expiration date.

Tobacco plain packaging debate heats up again

Members at the TRIPS Council meeting also addressed a proposed New Zealand law that, if implemented, would require plain packaging for tobacco products. (See Bridges Weekly, [27 February 2013](#)) The controversial legislation would require standardised packaging without trademarks, a drab monotone design, and prominent health warnings on cigarette packaging, with only a small line of text to distinguish one brand from another.

At this week's meeting, the Dominican Republic – whose main export is tobacco – took the lead in commenting on the draft legislation, saying that it would hinder employment and would force producers to compete based on price instead of quality.

The Dominican Republic, Honduras, and Ukraine have each lodged separate complaints with the WTO's Dispute Settlement Body (DSB) over a similar piece of legislation that has already been enacted in Australia. The three members have argued that the law is inconsistent with the WTO's intellectual property rules and could have large negative impacts on local industries. ([DS441](#), [DS435](#), and [DS434](#), respectively).

Australian officials have, in turn, responded that the law is necessary for achieving public health objectives and is in line with the 2001 Doha Declaration on TRIPS and Public Health and the WHO Framework Convention on Tobacco Control.

A dispute panel has already been established for Ukraine's complaint against Australia; once the other two complainants lodge their second panel requests, a joint panel will be composed to hear the WTO cases together. Given that the Australian disputes are currently unresolved, the Dominican Republic urged New Zealand to wait for the final outcome of these cases before adopting its plain packaging legislation.

In response, New Zealand said it would continue developing the planned legislation – which is currently in the drafting stage – but may wait to see the outcome of the dispute before implementing it, echoing recent comments made by the country's prime minister, John Key. It also recalled that the 2001 Doha Declaration says that TRIPS does not and should not prevent members from taking measures supportive of public health.

The plain packaging regime is a part of "a long policy development process," New Zealand added, noting that smoking is its single largest cause of preventable death.

ICTSD reporting.

RENEWABLE ENERGY

Solar Glass Spat Renews EU-China Trade Tensions

The European Commission announced last week that it was launching a new investigation into whether imports of solar glass from China were being sold below market value – a practice known as “dumping.” The move comes as a reaction to a 15 January complaint from EU ProSun Glass, an ad hoc group representing European solar glass manufacturers.

While not connected formally with EU ProSun, the group responsible for issuing a separate solar complaint last September (see Bridges Weekly, [12 September 2012](#)), EU ProSun Glass represents a similar constituency that is responsible for more than the 25 percent of industry production required to launch an investigation. Solar glass is used primarily, but not exclusively, in the production of solar panels.

According to Brussels, the EU solar glass market is valued at less than €200 million. Bloomberg notes that solar glass accounts for about four percent of solar panel costs and that EU imports of solar panels from China were worth €21 billion in 2011. Brussels [said](#) that it was obliged to open the new investigation because the complainant was able to provide clear evidence of dumping and material injury.

The EU investigation could take up to 15 months to reach a formal conclusion, but Brussels could impose anti-dumping duties as soon as December 2013, when the Commission releases its provisional findings.

Meanwhile, the separate investigation that the Commission launched last September into alleged dumping of Chinese solar panels continues underway, with an announcement on provisional duties expected by June, and final duties possibly by year's end. EU Trade Commissioner Karel De Gucht said last week that the two sides would need to reach an amicable solution in that timeframe if Beijing wishes to avoid the penalties that could come from that particular investigation.

The two sides have sparred repeatedly over their respective renewable energy policies over the past year, with challenges also coming from the Beijing side. Last November, China filed a WTO complaint against Brussels over EU local content requirements. (See Bridges Weekly, [7 November 2012](#)) That complaint came just days after China launched anti-dumping and countervailing duty investigations domestically over EU exports of solar polysilicon components to the Chinese market.

China questions “trade protectionism abuse”

Yi Xiaozhun, China's ambassador to the WTO, spoke out against the newest investigation on Monday, arguing that the EU and US are resorting to such punitive measures to help offset economic adversity. The ambassador said that the increased frequency and magnitude of the frictions are troubling and must be addressed.

“We must resolutely oppose such trade protectionism abuse,” Yi told state news agency Xinhua on the sidelines of the annual session of the 12th National Committee of the Chinese People's Political Consultative Conference, the country's top political advisory body. “Otherwise, China will see an increasingly worse export environment.”

The ambassador further argued that Brussels' position on Chinese solar-related exports is inconsistent with its stated position on climate change.

"The EU poses itself as the 'leader' in coping with climate change, but at the same time, it exercises trade sanctions on Chinese environmental friendly and energy-saving products that are inexpensive but good," Yi said.

ICTSD reporting; "Chinese Solar-Glass Makers Fact Threat of EU Tariffs," BLOOMBERG, 1 March 2013; "China files solar WTO complaint," UNITED PRESS INTERNATIONAL, 6 November 2012; "Vanheukelen: 'Plenty of Concerns' about Chinese Solar Retaliation," EURACTIV, 27 February 2013; "China's WTO representative warns of intensive trade frictions," XINHUA, 4 March 2013; China has till June for solar, telecoms trade deal: EU," REUTERS, 27 February 2013.

PREFERENTIAL AGREEMENTS

EU Pact with Peru Enters into Force, as Morocco Negotiations Kick Off

The highly-anticipated trade pact between the EU and Peru has provisionally entered into force, officials announced last week. The deal has yet to take effect with regard to Colombia, however, which has also signed the agreement. On a separate front, the 27-country bloc has also announced the official launch of negotiations with Morocco.

Peru deal enters into force; Colombia ratification pending

Following years of negotiations, Brussels' and Lima's highly-anticipated trade deal is now provisionally [in effect](#) as of 1 March, though the EU's 27 member states will still need to individually ratify the deal as the final formal step in the process.

"In times of economic crisis, with limited internal demand and tight budgets, trade can help boost growth and jobs without causing further strain on the public purse," EU Trade Commissioner Karel De Gucht said on Friday in welcoming the pact's entry into force. "This agreement does just that and will really foster sustainable, high-quality business and investment on both sides."

The EU's deal with Peru was part of a broader agreement that was negotiated jointly with Colombia; while Bogotá, like Lima, signed the deal with Brussels in June 2012, its ratification processes are still ongoing and are expected to be completed later this year.

Peru, meanwhile, officially ratified the agreement on 8 February, after the European Parliament formally backed the deal last December. (See Bridges Weekly, [5 December 2012](#))

According to the European Commission, the agreement leaves the option for accession open to Bolivia and Ecuador, which together with Colombia and Peru make up the Andean Community. The trade deal had originally been planned as a region-to-region pact between the two groupings, with Brussels ultimately shifting gears to bilateral negotiations with Andean Community members after the latter set found itself unable to agree on various issues. (See Bridges Weekly, [3 March 2010](#)).

The newly-enacted deal is expected to slash over €500 million in duties alone, according to the European [Commission](#), and will liberalise all trade in industrial and fisheries products among the participating economies. The agreement also includes provisions on trade in services, public procurement, and intellectual property rights.

Notably, the pact also features a commitment to implement international conventions on labour rights, along with a clause focused on preserving a high level of environmental protection standards on all sides.

The EU is the third largest source of imports for Peru, while serving as the main destination for the South American country's exports. [Bilateral trade](#) has grown considerably in the past few years, amounting to €9.2 billion in 2011.

Morocco talks kick off

The EU and Morocco also kicked off their own trade negotiations this week, during European Commission President José Manuel Barroso's visit to Rabat.

"The agreement will deepen our economic relationship in the interest of our citizens, our businesses, our societies," Barroso [said](#) on Friday in announcing the launch of the talks with Moroccan Prime Minister Abdelilah Benkirane. "Together, we lay the foundation towards a future common economic space between the EU and Morocco, and I am pleased to see our partnership become significantly strengthened."

Morocco is the first country from the Mediterranean region to hold trade talks with the EU. Plans for a bilateral pact date back to 2000, when the two sides inked an Association Agreement that provided for, among other things, a free trade area.

ICTSD reporting; "EU reaches trade deal with Colombia, Peru," EUROPEANCEO; "Peru-EU trade agreement takes effect today," ANDINA, 1 March 2013; "Morocco and EU to Negotiate Free Trade Agreement," NUQUDY, 3 March 2013.

EVENTS & RESOURCES

Events

Coming soon

7 March, Geneva, Switzerland. INVESTING IN AGRICULTURE FOR A BETTER FUTURE. This event, hosted by the Food and Agriculture Organization (FAO) of the United Nations, will discuss the findings of the FAO report entitled *The State of Food and Agriculture*. The report explains the importance of intelligent investment in agriculture as an effective way to reduce hunger while safeguarding the environment. The discussion will also include panellists who will give their opinions on policy options and recommendations on how the FAO can better implement policy to combat global hunger. For more information on SOPA, click [here](#).

7 March, online, THE UN GUIDELINES ON CONSUMER PROTECTION: WHAT NEXT?. This event will be hosted by Consumers International (CI), and will offer participants the opportunity to discuss with UN experts the UN Guidelines on Consumer Protection (UNGCP). The online discussion will focus on the expiration of the current form of UNGCP guidelines in 2014 and how the UN can revise them to better fit consumers of the 21st century. Participants will be able to ask questions to the experts who will explain the UN revision process and how consumer organisations can influence UN policy. To learn more, click [here](#).

7-9 March, Bogota, Colombia. CONFERENCE ON SUSTAINABLE DEVELOPMENT IN LATIN AMERICA AND THE CARIBBEAN. The Economic Commission for Latin America and the Caribbean (ECLAC) will hold a Conference on Sustainable Development in Latin America and the Caribbean at Colombia's Ministry of Foreign Affairs. This meeting serves as the Regional Implementation Meeting (RIM). The Conference will focus on the follow-up to the development agenda beyond 2015 and the UN Conference on Sustainable Development (UNCSD, or Rio+20), with a regional perspective. For more information, visit the [website](#).

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](#).

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.

6-7 March: Committee on Technical Barriers to Trade

8 March: Committee on Trade and Environment-Special Session

11 March: Negotiating group on Trade Facilitation

12 March: Trade Policy Review Body

13 March: Committee on Trade and Development- Session on Aid for Trade

Other Upcoming Events

20-21 March, Lausanne, Switzerland. SUSTAINABILITY DILEMMAS AND SOLUTIONS AFFECTING NATURAL RESOURCE USE. This event, hosted by the International Institute for Management Development, will discuss the impact of businesses adapting their business models to increase sustainability. Specifically, the roundtable will centre on the strategies companies can take in order to increase sustainability and the positive and negative effects this will have on overall production and profit. For more information, click [here](#).

27 March, Geneva, Switzerland. THE RISE OF THE SOUTH: HUMAN PROGRESS IN A DIVERSE WORLD. This panel discussion with experts from academia, government, multilateral organisations and NGOs, will meet to discuss the rising economic and global influence of the South. The experts will discuss how developing nations face many of the same challenges and are becoming increasingly interconnected and interdependent. Finally, the discussion will focus on the political, economic and social consequences of countries from the global-south becoming increasingly influential. For more information, click [here](#).

17-19 April, Geneva, Switzerland. 7th EUROPEAN CONFERENCE ON SUSTAINABLE CITIES & TOWNS-GENEVA 2013. This event will explore how governments can take advantage of a green and socially responsible economy when try to address local economic, social and environmental challenges. Experts in the field of sustainability will attend the conference and will outline their experiences in find sustainable solutions and make recommendations for policies that can be implemented by governments to achieve a sustainable economy. To learn more, visit the [website](#).

Resources

ACHIEVING A SUCCESSFUL OUTCOME FOR AGRICULTURE IN THE EU-US TRANSATLANTIC TRADE AND INVESTMENT PARTNERSHIP AGREEMENT. Published by the International Food & Agriculture Trade Policy Council (IFC) (February 2013). This publication delves into the agricultural trade relationship between the United States and the European Union and explores how a potential trans-Atlantic trade agreement can achieve a positive outcome for agriculture. The paper also looks at the historical position each side has taken in agricultural negotiations and reviews how domestic agriculture policy and market access effect these positions. The full discussion paper can be accessed [here](#).

CAPITAL ACCOUNT REGULATIONS AND THE TRADING SYSTEM: A COMPATIBILITY REVIEW. Published by the Task Force on Regulating Global Capital Flows for Long-Run Development (March 2013). This report, sponsored by Tufts University, presents the findings of a study jointly conducted by the Global Development and Environment Institute at Tufts University, the Pardee Center, and the Center for the Study of State and Society. The study specifically addresses the extent to which the trading regime – including the WTO, various free trade agreements, and bilateral investment treaties – is capable of effectively deploying capital account regulations. To read the report, click [here](#).

THE POTENTIAL IMPACT OF TRADE FACILITATION ON DEVELOPING COUNTRIES' TRADE. By Evdokia Moisé and Silvia Sorescu for the Organisation for Economic Co-operation and Development (OECD) (March 2013). This report presents the findings of the OECD indicators for assessing the impact of specific trade facilitation measures on developing countries' trade. Sixteen trade facilitation indicators (TFIs) have been constructed, corresponding to the main policy areas under negotiation at the WTO, with the aim to estimate the impact of addressing specific hurdles in the trade and border procedures of a given country. The report goes on to discuss how the availability of trade-related information, the simplification of documents, the streamlining of procedures and the use of automation are the greatest factors in impacting trade volumes. To read more, click [here](#).

GLOBAL VALUE CHAINS AND DEVELOPMENT: INVESTMENT AND VALUE ADDED TRADE IN THE GLOBAL ECONOMY. By James Zhan, Richard Bolwijn, Bruno Casella, and Masatake Fujita for the United Nations Conference on Trade and Development (UNCTAD) (2013). This report from UNCTAD's Division on Investment and Enterprise works to map the distribution of value added in global trade. The document gives details for almost all countries, including developing economies, and a broad range of industries. The work provides new perspectives on trade links between economic growth, added income, and job creation. To read the publication, visit UNCTAD's [website](#).

SMEs' PARTICIPATION IN GLOBAL PRODUCTION CHAINS. Published by the Asia-Pacific Economic Cooperation (APEC) Forum (March 2013). This report discusses the role of Small to Medium Businesses (SMEs') and the role they play in the global production chain. The publication focuses on how SMEs' can work in conjunction with international corporations by providing raw material and other supplies used by the large companies. Likewise, the text covers the positive impact that SMEs' have on their community by creating jobs and introducing capital into the local economy. To read the report, click [here](#).

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PUBLISHED BY



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Bridges Weekly Trade News is made possible
through generous contributions of donors and
partners including

DFID - UK Department for
International Development

SIDA - Swedish International
Development Agency

DGIS - Ministry of Foreign Affairs
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Director at +41-22-917-8335.

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Weekly Trade News Digest is edited by Sofia
Alicia Baliño.

The Publisher and Director is Ricardo Meléndez-
Ortiz. The Editor in Chief is Andrew Crosby.
Comments and suggestions are welcomed and
should be directed to the [editor](#) or the [director](#).

Price: €10.00
ISSN 1563-0

