

# BRIDGES WEEKLY

Global trade news from a sustainable development perspective

VOLUME 18, ISSUE 13, 10 APRIL 2014

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## PREFERENTIAL AGREEMENTS

# Australia, Japan Reach Trade Deal

Japan and Australia clinched a bilateral trade pact on Monday, agreeing to slash import tariffs on a series of products, including beef, dairy, and automobiles. The news has sparked questions over what impact the deal might have on the pace – and outcome – of the 12-country Trans-Pacific Partnership (TPP) negotiations, of which both countries are members.

The Economic Partnership Agreement (EPA) was announced during Australian Prime Minister Tony Abbott's much-touted visit to North Asia, his first since taking office last September.

The Australian leader has made deepening Asian ties one of the main focuses of his prime ministership, particularly given the high reliance his country has on trade from the region. China, Japan, and South Korea together account for 55 percent of Australia's total bilateral trade.

Just weeks after taking office last year, Abbott made headlines when announcing that he hoped to conclude trade deals with all three countries within a 12-month period. A deal with Seoul was reached in December and signed on Tuesday, though negotiations with China are expected to take longer. (See Bridges Weekly, [12 December 2013](#))

"[This week's deal] sends a strong message to Japanese investors that Australia is open for business," Abbott [said](#) on Monday, noting that the agreement is likely to yield a "windfall" for the Australian agricultural sector.

"My presence here, so early in my prime ministership and prior to any travel beyond our region, is a deliberate statement of my government's priorities," Abbott told Japanese commerce and industry leaders in a separate [speech](#) that day. "I am determined that the Asian Century will be Australia's moment too."

## Agriculture, automobiles

The deal is Japan's first with a major agricultural exporter, and includes a series of concessions in products that are traditionally sensitive for the Asian island economy, such as beef and dairy.

Japan has a highly protected and subsidised farm sector, particularly in the areas of rice, beef, pork, dairy, and sugar. The country's powerful farm lobby has long resisted any efforts to liberalise trade in those products, with officials noting that this week's



International Centre for Trade  
and Sustainable Development

deal could indicate Prime Minister Shinzo Abe's willingness to push for these controversial changes. (For more on Japan's agricultural policies, see related story, this issue)

"Japan's agriculture is now regarded as a fresh growth industry and stands at a point where it needs to reform the way it thinks," Japanese Economy Minister Akira Amari said.

Notably, the deal includes an agreement to cut tariffs on frozen beef in half – from 38.5 to 19.5 percent – over an 18-year period. For fresh beef, tariffs will be cut to 23.5 percent over 15 years. Australia's beef exports to Japan totalled A\$1.4 billion (US\$1.3 billion, at today's exchange rate) in 2013.

With regards to dairy, Japan has agreed to increase Australia's tariff-rate quota on cheese – in other words, how much can be imported free of duties – from 27,000 tonnes to 47,000 tonnes annually. Cheese makes up the bulk of Australia's dairy exports to Japan.

The two sides have also signed off on eliminating Australian import tariffs on Japanese-made automobiles, one of the Asian economy's key exports.

### **TPP impact?**

The deal's timing has attracted notice from trade analysts, who question what it might mean for the TPP talks – a so-called 21<sup>st</sup> century deal that would slash tariffs on thousands of tariff lines, while establishing a comprehensive set of rules on various subjects.

Over the past several months, US negotiators have been working to extract significant concessions in agriculture from Japan, which is the newest member of the TPP group, only to report limited progress. Tokyo, meanwhile, is trying to get Washington to sign off on tariff reductions for imported automobiles.

Given this context, Japanese officials have indicated that the deal with Australia – which is likely to enter into force before the TPP – could actually spur the latter talks forward.

"We hope that the fact that we could reach an agreement on the [Australian] deal will have a positive impact on the TPP and other regional economic agreements," said Yoshihide Suga, Japan's chief cabinet secretary, on Tuesday.

However, US Trade Representative Michael Froman has downplayed the Japan-Australia deal's impact on the trans-Pacific talks, telling reporters that Washington is "looking for a level of ambition in the TPP that is significantly higher than that."

The trade official arrived in Tokyo this week for meetings with Amari aimed at bridging some of these outstanding differences ahead of US President Barack Obama's visit to Japan's Abe later this month. Despite reports of progress on Wednesday evening, both Froman and Amari acknowledged that differences remain, with each reiterating calls for more flexibility.

Some US-based agriculture lobby groups, such as the National Cattlemen's Beef Association (NCBA), have derided the Australia-Japan trade deal as having the potential to undermine the TPP talks, given that the pact does not include full tariff elimination.

"This development only pushes the high-standing ideals of TPP further out of reach for all countries involved," [said](#) NCBA President Bob McCan.

ICTSD reporting; "Australian Beef, Cheese Favored in Trade Deals With Japan, Korea," BLOOMBERG BUSINESSWEEK, 8 April 2014; "Australia trade deal offers Japan leverage in TPP talks: analysts," CHANNEL NEWS ASIA, 9 April 2014; "UPDATE 2-Japan, US make progress in trade talks; key gaps remain," REUTERS, 9 April 2014; "At-a-glance: Key outcomes of Australia-Japan Free Trade Agreement," SBS, 8 April 2014.

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## AFRICA

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# EU-Africa Summit Eyes Increased Trade, Investment Ties

EU and African leaders meeting in Brussels last week pledged to deepen trade and investment ties between their two continents, with both sides calling for a “fundamental shift” in cooperation. The 2-3 April gathering brought together over 60 heads of state, making it the EU’s largest ever summit.

“We are convinced that trade and investment and closer economic integration on each of our continents will accelerate growth,” they [said](#) last week in a joint declaration. To achieve this, they said, would require the development of more productive supply capacity, building up markets, and the implementation of infrastructure and governance reforms in Africa.

Increasing cooperation in trade, investment, and empowerment, German Chancellor Angela Merkel said after the first day of talks, would be key to ensuring that “African problems can be solved by Africans themselves.”

“[It is time for] a shift from development cooperation to a partnership of equals with trade and investment playing a key role,” said European Council President Herman Van Rompuy.

Leaders also adopted a [roadmap](#) to frame both continents’ cooperation over the next three years, though the Joint Africa-EU strategy adopted in 2007 remains the political reference document for their relations.

The roadmap identifies five clusters of priority actions: peace and security; democracy, governance, and human rights; human development; sustainable and inclusive development; and integration and global emerging issues.

Experts have said, however, that while the roadmap provides a clear indication of the necessary approaches for strengthening areas of mutual interest over the coming years, it still needs to be complemented with concrete implementation plans.

### Structural transformation

Structural transformation is a key issue for both sides, given that the recent strong economic growth of several African countries has been mainly commodity-driven, while the EU demand for raw materials continues to rise.

“There is an opportunity for a transformation at continental, regional, and national levels to ensure that Africa’s potential is realised and its economic integration achieved in a sustainable manner,” leaders said in their joint statement.

They agreed that faster industrialisation and modernisation of the private sector is an essential precondition for structural transformation, underlining also the importance of value addition for raw materials as a “catalyst for industrial development.”

Some analysts say that such emphasis is an implicit criticism of China’s growing engagement in Africa, which is often perceived as holding back the continent’s industrialisation by perpetuating its dependence on natural resources. Along these lines, the need to ensure prudent management of these resources – especially from conflict-

affected areas – was highlighted in the action plan, echoing the EU's recent [initiative](#) on this issue.

The plan also calls for a more business-friendly environment, encouraging both regions to develop better investment climates, increase technology transfer, and foster enterprises' competitiveness. The key role of the EU-Africa business forum – an annual meeting held on the eve of the summit, which gathered more than 500 private sector participants – was mentioned to this end.

### **Regional integration**

Leaders reaffirmed that greater economic integration will be necessary in order to allow for economies of scale, which can stimulate investment and growth.

The EU pledged to contribute to Africa's own integration, including through its support of the establishment of a Continental Free Trade Area (CFTA), which if successful would establish a single market across Africa.

Negotiations for the establishment of a trade deal that would span three major regional economic communities in Africa – known as the Tripartite FTA (TFTA) – are scheduled to conclude by the end of this year, which could pave the way for the completion of a Continental Free Trade Area by 2017. ([See Bridges Africa, 31 March 2014](#))

Brussels has also offered to work on all outstanding issues of the bilateral Economic Partnership Agreements (EPAs) that it is negotiating with different African regions, a process that is now over a decade old with no clear end on sight.

The slow pace of the negotiations has long been a source of frustration for both sides. For example, while the EU supports binding commitments by WTO members to eliminate or reduce export taxes, some African countries justify their use as a way to spur industrial development.

Similarly, the impact of these EPAs on regional integration has also sparked concern among some African countries. The action plan therefore recalls the need to reach EPAs that are "development oriented and WTO-compatible," while also promoting African integration, economic transformation, and industrialisation.

However, observers were quick to note that the summit gave little political direction over the way forward in the EPA negotiations, especially in light of the autumn deadline that Brussels has set for concluding these agreements.

In an effort to speed up the talks, the European Commission announced in September 2011 that it would be imposing a 1 October 2014 deadline for the withdrawal of a market access [regulation](#) which it currently provides to a majority of African countries – a move that many fear could have detrimental impacts on these countries' trade.

The recent compromise reached on the West Africa-EU EPA has been welcomed by leaders as a significant milestone in this process. However, at a recent summit of the Economic Community of West African States (ECOWAS), some West African countries raised concerns over the impact that the agreement could have on certain industrial sectors. (See Bridges Weekly, [13 February 2014](#) and [3 April 2014](#))

### **Post-2015 agenda, climate change cooperation**

During their discussions last week, leaders also addressed issues such as climate change and environmental cooperation, along with the ongoing UN process to establish a post-2015 development agenda.

"The EU and Africa are determined to adopt, in Paris in 2015, a fair, equitable, and legally binding agreement under the UN Framework Convention on Climate Change," leaders said. The action plan mentions that leaders from both regions will prepare nationally determined contributions (NDCs) by the first quarter of 2015, in order to facilitate the talks in Paris later that year.

These NDCs would be the building blocks for a new global climate deal, though UN member states are still at odds over whether these should be mandatory. (See Bridges Weekly, [20 March 2014](#))

Leaders also reaffirmed their commitment to support the definition and implementation of an effective post-2015 development agenda, which would replace the Millennium Development Goals once they expire. UN member states are aiming to have this agenda – which would include a series of Sustainable Development Goals – ready by next year. (See Bridges Weekly, [27 February 2014](#))

ICTSD reporting; "EU-Africa summit focuses on trade and conflicts, not least in CAR," DEUTSCHE WELLE, 2 April 2014; "EU-Africa Pledge to Deepen Ties After Two-Day Summit," WALL STREET JOURNAL, 3 April 2014; "EU, Africa shift focus to trade," EUROPEAN VOICE, 3 April 2014.

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## DISPUTES

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# EU Lodges WTO Challenge Against Russia Pork Import Ban

The EU has challenged Russia's ban on imported pork products, filing a formal complaint at the WTO on Tuesday. The move comes at a time of heightened bilateral tensions between the two sides, due both to the Ukrainian crisis and to other recent trade disagreements.

At issue in the WTO complaint (DS475) is a blanket ban that Russia imposed in January on imports of pigs, fresh pork, and certain pig products from the 28-nation EU. Moscow said that the measure was necessary due to cases found in Lithuania and Poland – both EU member states – of African swine fever (ASF) in wild boar.

EU officials say that the ban is unjustified, given that there have only been four ASF cases in those countries, specifically at their border with Belarus. "Russia's blanket ban on European pork is clearly disproportionate and goes against WTO rules," [said](#) EU Trade Commissioner Karel De Gucht.

Furthermore, EU Health Commissioner Tonio Borg said, Brussels has already implemented various WTO-compliant control measures aimed at containing the swine fever virus – "which most probably comes from Russia itself." Brussels says that there have been over 600 cases of ASF in Russian wild boar since 2007, which it suggests could have caused the infection to spread to neighbouring Belarus, and then to Lithuania and Poland.

The EU had previously submitted a regionalisation proposal that would allow pig exports from all parts of the bloc, except the affected areas. That proposal was rejected by Moscow, however, which says that the blanket ban is necessary until the EU can show it is fully free of the disease, particularly given Russia's own difficulties in containing the disease within its own borders.

While ASF cannot be spread to humans, the highly-contagious disease can be lethal for pigs, and has no treatment or vaccine, [according](#) to the World Organisation for Animal Health. Russia receives a quarter of the EU's pork exports, valued at €1.4 billion last year.

Sources familiar with the EU's request for consultations – the first step in WTO dispute settlement proceedings – say that the specific agreements cited are the Sanitary and Phytosanitary (SPS) Agreement, which deals with measures taken to protect food safety and animal and plant health, and the non-discrimination provisions of the General Agreement on Tariffs and Trade (GATT).

Under WTO rules, parties to a dispute must hold consultations for a minimum of 60 days in an effort to resolve the disagreement amicably. Should a solution not be found within this time, the EU may then request the establishment of a panel to hear the complaint.

### Souring trade ties

The EU is Russia's largest trading partner, which Russia is the third largest for the EU. The bloc's heavy reliance on Russian trade has come under close scrutiny since the start of the Ukrainian crisis, given the potential for Moscow to take hard-hitting trade actions in response to any European economic sanctions.

EU officials have lately touted the importance in deepening other trade relationships instead, including with the US, with whom it is negotiating a bilateral trade and investment pact. (See Bridges Weekly, [27 March 2014](#))

While the situation in Kiev has already put the EU-Russia relationship under strain, trade ties between them were already fraught with tension well beforehand. The 28-nation bloc has repeatedly questioned over the past two years whether Moscow is indeed living up to the WTO commitments it signed onto when it joined the global trade body in 2012.

Last July, Brussels formally challenged Moscow over the latter's vehicle recycling fees, marking Russia's first-ever WTO dispute. Russia has since passed legislation aimed at amending the measure cited by the EU, which was also the subject of a complaint by Japan; however, Brussels has still requested that a WTO panel hear the case. (See Bridges Weekly, [11 July 2013](#))

A few months later, Russia filed its own WTO dispute against the EU, questioning the methods used to determine a series of anti-dumping duties that the bloc has placed on imports of ammonium nitrate and certain steel products. That case is still in the consultations phase. (See Bridges Weekly, [16 January 2014](#))

ICTSD reporting; "EU Pig Farmers Miss on Boom as Russian Ban Spurs WTO Case," BLOOMBERG BUSINESSWEEK, 8 April 2014; "EU to take Russia to WTO in pork ban dispute," REUTERS, 3 April 2014.

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## AVIATION

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# EU Lawmakers Approve Revised Aviation Emissions Rule

The European Parliament backed a "compromise" revision to the aviation portion of the EU's Emissions Trading System (ETS) last week, agreeing to exempt international long-haul flights from the controversial measure until at least 2017. The updated policy, now in its final stages, will need to be approved by the bloc's ministers in order to become law.

The [vote](#), which passed by a 458-120 margin with 24 abstentions, came just weeks after the Parliament's own environment committee rejected that same legislation in favour of a more expansive version. The revision approved last week had been negotiated in early March during trilogue talks between members of the European Commission, Council, and Parliament. (See Bridges Weekly, [13 March 2014](#) and Bridges Trade BioRes Review, [November 2013](#))

Under the original 2012 aviation emissions rule, airline carriers were required to surrender carbon permits for all flights landing or taking off from EU member states, along with Iceland, Liechtenstein, and Norway. Emissions were set to be charged over the flight's entire trajectory, including those portions taking place outside EU airspace.

### **Towards a global deal?**

Despite facing significant pressure from key trading partners – such as China and the US – to revise the original policy, the EU had long held that it would only change its stance should there be signs of movement at the International Civil Aviation Organization (ICAO) towards a global agreement for the regulation of aviation emissions. The persistent floundering of the UN talks on the subject had prompted the 28-nation bloc to add aviation to its flagship ETS in 2012.

However, after signs of potential movement on the ICAO front, EU lawmakers agreed to "stop the clock" on its aviation emissions rule for one year starting in March 2013, in the hopes of spurring the international negotiations forward. (See Bridges Weekly, [14 November 2012](#))

Under the freeze, all flights taking off or landing outside the EU have been exempted from the scheme, with emissions only being charged on intra-EU flights. That moratorium, however, is set to be lifted by the end of this month, forcing EU officials to scramble to find an alternative to put in its place.

Last autumn, the 191 member states of the UN civil aviation body agreed that they would develop a global market-based mechanism to tackle aviation emissions, pledging to finalise such a scheme by their next assembly meeting in 2016.

While the EU welcomed the move, the ICAO resolution also included a section saying that countries must seek the agreement of other nations before imposing their own market-based measures, in what was seen as an implicit rejection of regional policies such as the original Brussels scheme. (See Bridges Weekly, [10 October 2013](#))

After initially proposing a modified plan that would have taxed the portions of long-haul flights taking place within EU airspace, the Commission changed tack to voice support for the complete exemption of such flights. However, the EU has signalled that if the 2016



ICAO Assembly does not lead to a global agreement, the original 2012 regulation will be restored in 2017.

### **Backlash**

Environmental groups have been quick to condemn EU lawmakers for caving to foreign "economic blackmail," with some parliamentarians themselves also criticising the full plenary's overturning of the environment committee's decision.

The recent deal shows the political weakness of Europe, Dutch Liberal European parliamentarian Gerben-Jan Gerbrandy said, and makes "the EU an even tinier political dwarf."

Meanwhile, Chris Davies of the Liberal Democrats took to social media website Twitter to call his fellow MEPs "shameful" for "bowing to Chinese pressure."

However, Peter Liese – the EU lawmaker tasked with shepherding the legislation through Parliament – [said](#) after Thursday's vote that the regulation was "the best possible compromise."

"It will continue the ETS and that's the most important thing. Internal European flights will be covered and it doesn't matter if it's British Airways or Air China," he said.

The 2016 deadline was also a positive development, he added. "We have a very clear message for the world. Either we get a global agreement in 2016 or we will have the full scope of the EU's ETS back in 2017," he said.

ICTSD reporting; "China's trade war threats over aviation emissions 'not serious', MEPS say," EURACTIV, 1 April 2014; "Commission backs down on aviation emissions," EURACTIV, 3 April 2014.

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## WORLD TRADE ORGANIZATION

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# Azevêdo Urges WTO Members to "Shift Gears" in Doha Restart Effort

Efforts to develop a work programme aimed at revamping the stalled Doha Round negotiations are ready to enter a "second stage," WTO Director-General Roberto Azevêdo reported to the global trade body on Monday, after four months of preliminary consultations among members.

"In all these conversations, I have sensed that people want to find a way forward – they know what is at stake for the multilateral trading system. People want to finish the job," the WTO chief said at a meeting of the Trade Negotiations Committee, which is tasked with the Doha Round talks. "Our task now is to match our desire for progress with an acceptance of the practical steps we need to achieve it."

The 159-member body has spent the first quarter of this year discussing ways to re-energise the troubled negotiations, building upon the success of last December's Bali ministerial conference, which saw the WTO's first multilateral deal in nearly two decades.

Trade ministers in Bali have given WTO members until the end of 2014 to chart a path for concluding the rest of the Doha Round, which was formally declared at an impasse in late 2011, ten years after its launch.

While members were able to clinch a deal in Bali on a few select Doha deliverables – primarily on trade facilitation, along with a few select agriculture- and development-related issues – the bulk of the talks has effectively been on the backburner for the past several years.

The 2014 talks have so far been positive, Azevêdo said; however, these have yet to produce "anything very new in terms of members' stated positions," with members largely repeating "well-known arguments." Sources confirm that the consultations are still in very preliminary stages, as members aim to set the groundwork for the next phase of discussions.

"It's time to shift things up a gear," the Director-General urged.

### 2008 modalities?

At a meeting of the WTO's General Council a month ago, Azevêdo reported that members are largely in agreement that any Doha work plan would need to deal with the most difficult issues of the talks – agriculture, non-agricultural market access (NAMA), and services – a sentiment that was reiterated on Monday. (See Bridges Weekly, [20 March 2014](#))

Of these three, several members have said that the ambition seen in agriculture will largely determine how far the other two areas will be able to advance – and, in turn, what progress might be possible in the various remaining topics of the Round. Many have said that there needs to be balance both across agriculture, NAMA, and services, but also within these topics individually.

The next question for the global trade body is what to use as a starting point for this new chapter in the Doha Round talks. Specifically, members have spent recent meetings

discussing how closely they should rely on the so-called 2008 modalities – essentially draft blueprints that were issued that year in the hopes of concluding a Doha deal.

“Some have been saying that we need to conclude our negotiations using the 2008 texts as they are. Of course, these texts are an important – indeed fundamental – part of how to assess the situation,” Azevêdo said on Monday.

The 2008 texts could serve as parameters for shaping the next phase, he said, and reflect years of work and insights.

However, he warned, members are no more likely to agree on these texts now than they were six years ago, when the talks suffered a high-profile collapse. “If any of you insists that those texts are cast in stone and unalterable, then you have made a choice; a choice that irreparably condemns our efforts to failure,” he added.

The question of which starting point to use has been especially difficult with regards to agriculture, with members openly sparring on how to proceed. (See Bridges Weekly, [3 April 2014](#)) Developing countries have been among those to push for using the 2008 texts as a starting point in this area, though others, such as the US, have been calling for new data to give the talks a fresh start.

“As we noted in each of these negotiating groups, it is essential that our work in these areas is well-informed by the latest data on trends in trade and barriers to trade,” US Ambassador to the WTO Michael Punke [said](#) at Monday's meeting, highlighting in particular the need for new information on agricultural subsidies.

“Members who clamour for progress in Doha but fail to meet this basic obligation will have little credibility,” Punke warned.

EU Ambassador Angelos Pangratis similarly [noted](#) that the world today is far different from what it was five or ten years ago, and that members' discussions “must reflect the problems and questions we face today.”

China, meanwhile, has warned against skipping or ignoring the previous draft texts, noting that WTO members' “greatest assets are our experiences and lessons gained from the past.”

Beijing also warned against the introduction of any new requests or concepts that may be “at odds with the DDA mandate and detrimental to the completion of the work programme,” according to a copy of Chinese Ambassador Yu Jianhua's statement seen by Bridges.

### **Next steps**

The date of the next TNC has not yet been formally confirmed, though a meeting of the General Council is currently slated for 12-13 May.

Other key events on the international trade calendar that could provide indications of “next steps” for the Doha discussions include the annual “mini-ministerial” held on the sidelines of the Paris meeting of the Organisation for Economic Co-operation and Development, along with a meeting of Asia-Pacific trade ministers in China, both in May.

Trade ministers from the Group of 20 major industrialised and emerging economies are also set to meet in Australia in July, just days before the WTO's last General Council meeting ahead of the summer break.

ICTSD reporting.

## IN BRIEF

## Japan Reports Increase in Trade-Distorting Farm Subsidies

Japan has increased its trade-distorting support to farmers, according to new figures for 2010-2012 that the country has reported to the WTO.

The growth in these farm subsidies is mostly due to a 2010 increase in "de minimis" payments and production-limiting "blue box" programmes. Blue box subsidies peaked that year, when ¥307 billion was provided in support to rice producers – compared to ¥22 billion in 2009 – in an effort to support an aging and declining farm population.

However, these payments then fell to ¥153 billion in 2011. (US\$1.5 billion, at today's exchange rate)

The notification also suggests that Japan's combined overall trade-distorting support – which along with blue box spending also includes amber and de minimis – fell from ¥1280 billion in 2010 to ¥1140 billion in 2012. While these payments would be disciplined under the draft Doha Round texts, there is currently no WTO ceiling on this category of support.

De minimis payments were concentrated on eggs, vegetables, and fruits, along with non-product-specific crop income stabilisation payments. Developed countries can provide de minimis payments so long as these fall below five percent of the value of production.

Amber box subsidies rose from ¥577 billion in 2010 to ¥609 billion in 2012. However, the proportion of this support of Japan's total agricultural subsidies remained relatively constant, at around 20 percent over both the 2010-2012 and 2007-2009 time periods.

### Green box

The bulk of Japan's agricultural support was in green box spending, which is meant to avoid causing more than minimal trade distortion under WTO rules. Green box spending made up 61 percent of all subsidies, the latter of which rose from ¥2085 to 3016 billion over that time period.

Within green box support, "general services" – which cover areas such as research, plant protection, and disease control – accounted for the bulk of this spending.

### International negotiations

Japan has traditionally been hesitant to liberalise its agricultural sector, which has created friction during the 12-country Trans-Pacific Partnership talks. The US has been one of the most vocal advocates for increased agricultural market access in countries such as Japan, and many trade observers say this issue is the biggest hurdle for concluding the negotiations.

Notably, Japan has also recently announced agreement on a bilateral trade pact with Australia, which will lower Japanese import tariffs on Australian beef, dairy, wine, and sugar. (See related story, this issue)

ICTSD reporting.

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## Revised WTO Govt Procurement Agreement Enters into Force

The WTO's revised Government Procurement Agreement (GPA) entered into force on 6 April, with the resulting changes expected to liberalise an additional US\$80-100 billion in public contracts. The news comes just over two years after parties completed their negotiations to update the previous version of the pact.

The GPA commits parties to a series of disciplines regarding transparency, competition, and good governance with regard to the procurement of goods, services, and capital infrastructure by public authorities. The agreement is one of the WTO's plurilateral pacts, covering only those members who sign onto it. The deal's participants – counting the 28-nation EU as one – currently number at fifteen.

Negotiations to update the original agreement – which has been in force since 1996 – took over a decade and were finally completed in 2011, just minutes before the start of the WTO's Eighth Ministerial Conference in Geneva. (See Bridges Daily Update, [16 December 2011](#)) While parties had hoped to ratify the deal in time for the WTO's following ministerial in Bali, Indonesia last December, they later confirmed that the ratification process would need to continue through the first quarter of this year.

The changes agreed in 2011 include the coverage of various new entities, such as government ministries and agencies, as well as more services and goods. Other additions include new standards involving the use of electronic procurement tools and the improved prevention of corrupt practices, along with measures aimed at promoting environmental protections and the conservation of natural resources.

The revised pact also includes provisions aimed at facilitating the accession of new developing country parties to the Agreement. How this may affect the efforts of China, for instance, which has been negotiating entry for several years and has a massive government procurement sector, is one question on trade observers' minds.

Including Beijing, there are 10 WTO members – both developed and developing – currently in talks to join the agreement, with at least five others expected to begin accession talks.

"This is a plurilateral success story in the WTO, and we should continue to build on it by expanding participation of developed and developing economies," [said](#) US Trade Representative Michael Froman in response to the GPA's entry into force.

The revised GPA is in now force for those ten parties that have ratified it – Liechtenstein, Norway, Canada, Chinese Taipei, the US, Hong Kong, the EU, Iceland, Singapore and Israel. Japan is expected to follow on 16 April.

ICTSD reporting.

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## EVENTS & RESOURCES

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# Events

### Coming Soon

11 April, Washington, US. SANITATION AND WATER FOR ALL: 2014 HIGH-LEVEL MEETING. This meeting, hosted by Sanitation and Water for All (SWA) partnership, will be held on the sidelines of the World Bank's Annual Spring Meetings, and will focus on the theme "smart investments to achieve water, sanitation and hygiene (WASH) for all." The event will bring together ministers from developing and donor countries, senior representatives from development banks, and civil society and foundation representatives. The goal is to outline a vision for the sector; link WASH to the economic growth agenda; communicate ways that finance ministers can achieve best value for money; and address sustainability and inequalities. For more information, visit the event [website](#).

15-16 April, Mexico City, Mexico. FIRST HIGH-LEVEL MEETING OF THE GLOBAL PARTNERSHIP FOR EFFECTIVE DEVELOPMENT COOPERATION. This ministerial-level meeting of the Global Partnership will bring together representatives from governments, civil society, the private sector, and international institutions to discuss ways to maximise development aid benefits and improve current programmes through coordination. The Global Partnership aims to promote the exchange of best practices with regard to implementing principles for effective development cooperation, such as results-oriented management and inclusive development partnerships. For more information, visit the event [website](#).

### WTO Events

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

11 April: Working Group on Trade and Transfer of Technology

11 April: Committee on Budget, Finance and Administration

14 April: Committee on Government Procurement

15 April: Committee on Import Licensing (followed by Inf.)

### Other Upcoming Events

18 April, online. THE ROLE OF CARBON PRICING AND OTHER APPROACHES TO ADDRESS CLIMATE CHANGE. This webinar, hosted by the Association for Environmental Studies and Sciences (AESS), will discuss the impact that allowing fossil fuel reserves to remain in the ground has on critical climatic thresholds, as well as the possibilities of pricing carbon through a "fee-and-dividend" strategy. More information can be found [here](#).

22-25 April, The Hague, Netherlands. GLOBAL OCEAN ACTION SUMMIT. This event, organised by the Government of the Netherlands, the UN Food and Agriculture Organization, the World Bank, and several partner governments, aims to explore different

types of partnerships, governance arrangements, and investment frameworks that can help address threats to ocean health and productivity. The meeting aims to show steps being taken toward internationally-agreed fisheries, aquaculture, habitat protection, and pollution production targets. More information can be found at the event [website](#).

27-29 April, Manila, Philippines. THIRD ASIAN SANITATION DIALOGUE. This Asian Development Bank conference will address how to make sanitation a sustainable business, with a specific focus on packaging sanitation and wastewater management projects as viable business opportunities. The conference aims to raise awareness and capacity among developing countries on sustainable sanitation, by providing them with a platform to discuss enabling policy environments, technologies, and financing mechanisms that can contribute to successful projects. More information can be found at the event [website](#).

30 April, Geneva, Switzerland. TISA: TRADE IN SERVICES AGREEMENT – PUBLIC INFORMATION SESSION AND DISCUSSION. This event will be hosted by the International Centre for Trade and Sustainable Development (ICTSD), the publisher of Bridges. The session aims to provide a forum for discussion on the Trade in Services Agreement negotiations, outside the formal negotiating environment. Speakers will present an overview of the TISA talks' objectives and main elements, and outline the progress made to date. To learn more, visit the ICTSD [website](#).

1-3 October, Geneva, Switzerland. WTO PUBLIC FORUM: "WHY TRADE MATTERS TO EVERYONE." This annual event, hosted by the World Trade Organization, aims to provide a platform for public debate across various trade issues and topics. This year's forum will focus on the human story behind trade, highlighting ways in which trade affects the daily lives of people worldwide. The WTO is currently accepting proposals from those participants interested in organising sessions at the forum; the deadline for these proposals is 30 May 2014. More information can be found at the Public Forum [website](#).

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## Resources

THE GLOBAL ENABLING TRADE REPORT 2014. Edited by Margareta Drzeniek Hanouz, Thierry Geiger, and Sean Doherty for the World Economic Forum (WEF) (2014). This latest edition of WEF's biennial report reviews the quality of policies, infrastructures, and services that impact goods trade. The publication evaluates the performance of 138 economies in the areas of market access; border administration; infrastructure; and operating environment. To learn more, or to read the report in full, visit the WEF [website](#).

MAXIMIZING THE UTILIZATION OF ASEAN-LED FREE TRADE AGREEMENTS: THE POTENTIAL ROLES OF MICRO, SMALL AND MEDIUM-SIZED ENTERPRISES. By Tulus Tambunan and Alexander Chandra for the International Institute for Sustainable Development's Trade Knowledge Network (2014). This policy brief aims to identify key challenges and opportunities that micro, small, and medium-sized enterprises (MSMEs) based in the Association of Southeast Asian Nations (ASEAN) face in taking advantage of region-led free trade agreements. The authors also provide policy recommendations that could allow the greater use of such trade deals by MSMEs. The full paper can be found [here](#).

CLOSE TO HOME: SUBNATIONAL STRATEGIES FOR CLIMATE COMPATIBLE DEVELOPMENT. By B. Anton, A. Cambray, M. Dupar, and A. Westerlind-Wigstroem for the Climate and Development Knowledge Network (CDKN) (April 2014). This paper explores strategies and measures for climate resilience and low-carbon development that communities and leaders have pursued at the subnational level. The authors call for a global transformation in society's approach to development in order to ensure a low-carbon, climate-resilient future, and urge the scale-up of successful subnational climate-compatible strategies. The full paper can be found [here](#).

UK-JAPAN GLOBAL SEMINAR: FOSTERING STRATEGIC PARTNERSHIPS. Published by Chatham House (March 2014). This paper reports on the events of the first UK-Japan Global Seminar to examine the countries' bilateral relationship and think strategically about areas of mutual interest in the short to medium term. Sessions ranged on topics such as the economy, security, energy and environment, and frameworks for cooperation. The seminar – the first in a five-year series – explored Tokyo's views of key international developments and how it approaches these from a domestic and regional perspective, in comparison to the approaches adopted by the UK and Europe. The full report can be found [here](#).

REGULATORY ASSESSMENT TOOLKIT: A PRACTICAL METHODOLOGY FOR ASSESSING REGULATION ON TRADE AND INVESTMENT IN SERVICES. By Martín Molinuevo and Sebastián Sáez for the World Bank (March 2014). This paper aims to provide guidance on how to assess and reform the regulatory policies of service trade industries. It aims to help evaluate whether regulatory frameworks address market failures, achieve public interest goals in an effective manner, and promote the development of an efficient domestic services market. The publication can be found [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  
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DGIS - Ministry of Foreign Affairs  
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of publications is most welcome; if interested,  
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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

