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PREFERENTIAL AGREEMENTS

EU-US Trade Talks Advance,
Amid Charged Election Climate . 1

TRADE FACILITATION

Progress Slows in WTO Trade
Facilitation Prep Talks 5

DISPUTES

WTO Appellate Body Deems
EU Seal Ban "Justified,"
Implementation Flawed..... 7

WTO Panel Finds in US' Favour
in China Automobile Duties
Dispute..... 11

AFRICA

China, Africa Launch US\$2
Billion Multilateral Investment
Fund..... 14

INTELLECTUAL PROPERTY

WIPO Development Talks Yield
Little Progress..... 16

DISPUTES

WTO Panel Established in US-
India Solar Spat 19

Indonesia Requests WTO Panel
to Settle Pakistan Paper
Products Case 21

EVENTS & RESOURCES

Events..... 23
Resources..... 25

PREFERENTIAL AGREEMENTS

EU-US Trade Talks Advance, Amid Charged Election Climate

The fifth round of negotiations for a bilateral US-EU trade and investment pact wrapped up on Friday, after a week of meetings held in the city of Arlington, Virginia. With officials reporting continued progress in their discussions – with some negotiating areas working off of consolidated texts – trade observers have also been watching closely the election dynamics on both sides of the Atlantic to see how these might affect the talks' success overall.

The Trans-Atlantic Trade and Investment Partnership, or TTIP, has been under formal negotiation for nearly a year. The talks, while aiming to slash tariffs between the two sides, are also meant to harmonise regulations and standards where possible, which analysts say would be the biggest source of gains from an EU-US pact.

The proposed deal has been touted by its supporters as an opportunity for both sides to shore up their economies, particularly as they work to cement a hard-won recovery from the global financial crisis. The ongoing crisis in Ukraine – and resulting cooling in both the US' and EU's relations with Russia – have further been highlighted as reasons for Washington and Brussels to deepen their diplomatic and economic ties.

Moreover, they say, a bilateral pact of this scale could serve to spur global trade rule-making elsewhere, including at the WTO, where multilateral negotiations have largely struggled to move forward – while allowing the US and the EU to be at the forefront of these advances.

"It's been a very good week," US chief negotiator Dan Mullaney told reporters on Friday, a sentiment that was echoed by Ignacio Garcia Bercero, his EU counterpart.

"Our negotiations have worked hard and we are making steady progress, and we expect to continue to make strong progress in the months to come," Mullaney added.

Market access

Last week's discussions addressed all three areas of market access, negotiators said – namely tariffs, services, and government procurement.

Initial tariff offers were exchanged in February, ahead of the political stocktaking held by the two sides' top trade officials – US Trade Representative Michael Froman and European Trade Commissioner Karel De Gucht.

At the time, EU officials criticised the US offer as lacking in sufficient ambition, urging them to go further in future submissions. US negotiators, for their part, have said that full tariff elimination does indeed continue to be their overall goal.

The two sides are now working toward submitting second tariff offers, officials said on Friday, without committing to a formal timeline of when these would be exchanged. Tariff discussions last week were primarily of a technical nature, they explained, with the goal of clarifying some elements of each sides' existing offers.

Regarding government procurement, discussions were characterised as very intensive, with negotiators looking both into the potential rules for the chapter on this topic, as well as what elements might feature in an upcoming exchange of offers.

Text-based discussions

At least four of the negotiating areas within TTIP are now at the level of consolidated text-based discussions, officials said on Friday. These four areas are technical barriers to trade, competition, state-to-state dispute settlement, and small and medium enterprises, they said.

Negotiators might also be ready to have text-based discussions on sustainable development, labour, and the environment in time for the next TTIP round in July, given the level of last week's talks in these areas.

Proposed agreement wording is being discussed in many other TTIP areas, Mullaney said, with text-based discussions hoped-for in the near future. Despite these recent advances, he acknowledged that the road ahead in this area is likely to be difficult.

"We do have our work cut out for us," the US official said on Friday. "The genuinely ambitious and comprehensive agreement we seek will require a lot of creativity and will require a lot of persistence."

No size fits all

Officials from both sides have sought to dispel concerns from some civil society groups that the TTIP talks could lead to watered-down regulations, with negotiators reiterating last week that any trade deal cannot in any way compromise the levels of public protection inherent in US and EU domestic legislation.

The two sides are looking into cross-cutting disciplines that would increase input into the processes currently used to establish regulations and standards, officials said. The goal would be to make regulations more compatible, while ensuring their high quality.

The solutions needed in this area would depend on the sector, officials noted, with Garcia Bercero commenting that "in the context of this discussion, no size fits all."

Energy, financial services

The topic of energy trade – and the possibility of possibly having a separate energy chapter within the TTIP agreement – also came up during last week's talks, officials said.

The talks to date on energy and raw materials have focused on questions on whether this separate chapter would be needed to address specific energy-related issues, or if these might instead be reflected in the various other parts of the TTIP text.

"It is well known that from the European Union point of view it will be a very important achievement of these negotiations," Garcia Bercero said, acknowledging that both sides have yet to find a common understanding on whether to have a dedicated energy chapter.

"It's an issue of global significance," the EU negotiator added. "It's not just purely an issue between us and the United States, but we have always also seen this agreement as being an opportunity to send and project our principles and our values in a more global manner."

Whether to include financial services in the trade talks also remains unresolved. The EU has been pushing for financial services to be featured in TTIP, on the grounds that establishing a framework for regulatory cooperation is key to ensuring that the rules of both trading partners can work together, thus helping prevent future financial crises.

The US, for its part, has maintained that these issues may be better addressed in other international forums, where they are already being discussed. Following last week's talks, Mullaney said that the US' position remains unchanged in this area, while noting that these bilateral discussions continue.

"On financial services regulation, it is well known that our position is different to that of the United States," Garcia Bercero said on the EU's behalf, adding that the trans-Atlantic pact could serve as a useful opportunity for establishing a stronger framework for cooperation among financial services regulators.

"We believe that this can be done in a manner which in no way would weaken the financial services protections that we are all extremely attached to, the independence of the regulators, or interfering with the work that is being done along with – we also cooperate in the G-20," he added.

European Parliament shake-up

This weekend's European Parliament elections yielded a massive shift in the balance of the EU legislative body. With all 751 seats up for vote, the final tally saw over a quarter of the seats go to "anti-establishment" parties, in a result that has prompted many to fear what this could mean for TTIP's eventual ratification, should the negotiations yield a final deal.

The rise of right-leaning parties in the 28-country EU had been watched closely in the run-up to the Parliamentary elections, as Euro-scepticism has grown across the continent in the wake of the slow economic recovery, growing fears of deflation, and persistently high unemployment levels in some member states.

One of the main focuses of these Euro-sceptic groups is the proposed EU-US pact. Marine Le Pen, who is the president of France's far-right National Front group – which made major gains after the 22-25 May polls, capturing 24 of the country's 74 seats in the European Parliament – has been one of the most vocal opponents of TTIP, and has suggested that she will work with similar-minded parties from other member states to stymie the talks.

Questions regarding TTIP have also come from left-leaning parties regarding what impact the proposed pact could have in areas such as environmental protections, with Le Pen suggesting that these parties may join up with right-leaning groups to block the pact.

"Take the transatlantic trade deal: parts of the left are against it, the Eurosceptics are against it – it will be very tight," she told Reuters ahead of the election. "Will (the European Commission) risk seeing a project as important as that being rejected, or will they put it on the back-burner?"

EU leaders, meanwhile, have been working arduously to build support among the bloc for the trade deal, and to dissuade some of the current concerns, particularly in the charged election climate.

"Every time we've negotiated these pacts, standards of environmental and consumer protection have been enhanced, that's why they are good for us," German Chancellor

Angela Merkel told a Hamburg audience last week at a campaign rally, just ahead of this past weekend's polls.

[Speaking](#) to the European Affairs Committee of the Bundesrat – the legislative and administrative body that represents German federal states – last Thursday, De Gucht similarly attempted to discourage any potential misconceptions about TTIP's aims.

"I simply cannot accept that some critics describe international investment protection as a 'coup d'Etat', 'Sondergerichte' or anything of the kind," he said, referring to the ongoing controversy over whether to include investor-state dispute settlement (ISDS) in the pact.

The EU trade chief reaffirmed earlier comments made by his US counterpart this month regarding ISDS, noting that the two sides already have a similar understanding regarding how to balance the need to protect investors from arbitrary state actions with the need to preserve each sides' ability to impose regulations that are in the public interest. (See Bridges Weekly, [8 May 2014](#))

"We therefore have nothing to fear from investment protection in TTIP," De Gucht said. "Quite the contrary, it is our chance to set a model for future agreements all around the world."

US mid-terms approaching

Across the Atlantic, the US is also gearing up for its own congressional "mid-term" elections. Every two years, the entire House of Representatives, along with one-third of the Senate, goes up for re-election, with the 2014 polls set for November.

The merits of large trade deals, such as TTIP or the 12-country Trans-Pacific Partnership talks, have come under scrutiny during this election year, as lawmakers consider whether to renew the controversial "fast track" legislation, known formally as Trade Promotion Authority (TPA).

Trade Promotion Authority allows the US executive branch to negotiate international trade deals and then submit them to lawmakers for a straight up-and-down vote, without any amendments – essentially preventing these pacts from being unravelled on arrival in Congress.

The legislation also outlines the US' negotiating priorities in trade pacts. It expired in 2007, and was last used in ratifying Washington's deals with Colombia, Panama, and South Korea in 2011. While new legislation was introduced earlier this year to reinstate TPA, the initiative has struggled to make headway in Congress, in light of the mixed opinions among US lawmakers over the actual gains of these trade deals.

Meanwhile, both EU and US officials have suggested lately that they hope to finish their trade and investment negotiations by late 2015, before the preparations for the US' presidential elections in 2016 get into full swing and complicate the political climate further.

ICTSD reporting; "Polarised Parliament seen thwarting EU's free trade agenda," EURACTIV, 15 May 2014; "Merkel Spars With Hamburg Hecklers to Defend U.S.-EU Trade Pact," BLOOMBERG, 17 May 2014; "Populist gains to complicate Europe's free trade ambitions," REUTERS, 13 May 2014; "Anti-EU parties storm European elections," FINANCIAL TIMES, 26 May 2014.

TRADE FACILITATION

Progress Slows in WTO Trade Facilitation Prep Talks

The process of drafting a protocol that would formally incorporate the WTO's Trade Facilitation Agreement into the rest of the global trade body's set of rules hit a rough patch this week, sources say. The drafting has now been postponed temporarily, after the African and Least Developed Country Groups called for the deal to be implemented on a "provisional" basis pending the conclusion of the overall Doha Round trade talks, sparking debate among members.

The Trade Facilitation Agreement, or TFA, was the main outcome of the WTO's Ninth Ministerial Conference in Bali, Indonesia, last December, together with a few separate decisions on agriculture and development issues.

The hard-won deal is the first multilateral trade pact since the WTO opened its doors in the mid-1990s, and the first concrete deliverable from the Doha Round negotiations since they kicked off in late 2011. Some estimates, such as those of the Washington-based Peterson Institute for International Economics, have placed the [potential gains](#) from the pact – which aims to reduce red tape and unnecessary delays for goods to cross borders – at up to US\$1 trillion.

Since then, WTO members have placed bringing the deal into force as their top priority for the coming months, together with outlining a work programme by year's end for how to resolve the various other outstanding issues within the Doha Round.

Norway protocol proposal

The Preparatory Committee on Trade Facilitation, which is being chaired by Esteban Conejos – the Philippines' ambassador to the WTO – has been tasked with performing whatever functions may be necessary to help the TFA enter into force.

The committee was meeting this week to begin the protocol drafting process, after having completed a legal review of the English version of the text earlier this month. This drafting work must be completed in time for the WTO General Council – the organisation's highest decision-making body outside of the ministerial conference – to formally adopt the protocol by end-July. (See Bridges Weekly, [8 May 2014](#))

This, in turn, would allow for the WTO to open the protocol for acceptance by 31 July of next year, in line with what ministers agreed in Bali. Two-thirds agreement by the membership is required for the deal to enter into force.

A draft proposal for the Protocol has been put forward by Norway, under the document number WT/PCTF/W/1. The two-page Norwegian proposal is for both a General Council Decision and a Protocol amending the Marrakesh Agreement that established the WTO, and outlines the next steps for the TFA in light of the timelines set by ministers in Bali.

African, LDC Group call for provisional TFA implementation

According to sources familiar with this week's committee meeting, Lesotho presented a paper on behalf of the African Group on Monday that specifically asked WTO members to

implement the trade facilitation pact on a provisional basis, in line with paragraph 47 of the [Doha Ministerial Declaration](#).

That particular paragraph says that the "conduct, conclusion, and entry into force of the outcome of the [Doha Round] negotiations shall be treated as parts of a single undertaking." However, it also allows that agreements reached prior to the end of the full Round be implemented on "a provisional or a definitive basis," with such agreements be then taken into account when assessing the balance of the Doha talks as a whole.

The African Group request was in line with the direction given by African Union trade ministers when they met in Addis Ababa, Ethiopia late last month. (See Bridges Weekly, [8 May 2014](#))

Furthermore, Lesotho said this week, additional clarity is needed from WTO members about the funding that developing countries will receive to help them develop the necessary capacity to implement the trade facilitation pact's commitments.

Uganda, on behalf of the LDC Group, said Monday that its coalition will be submitting its own textual proposals, and similarly urged that paragraph 47 be referred to in the Protocol.

Consultations ahead

The suggestions by the African and LDC Groups fuelled an intense debate at this week's committee meeting, sources confirmed to Bridges. Some members, namely various individual African countries, together with Bolivia, Cuba, and Nepal, spoke in support of the groups' suggestions.

Others, such as the EU, US, and Mexico, reportedly warned that the suggestion put forward by the African and LDC Groups could get in the way of the committee's goal of bringing the TFA into force "expeditiously," in line with the Bali mandate. Some have warned that these new proposals on paragraph 47 would essentially go beyond the direction that ministers gave for the Preparatory Committee's work.

Sources familiar with the talks say that further work on the drafting process has now been postponed, with Conejos reportedly telling members on Wednesday that resolution should first be reached on this "fundamental" issue.

Consultations on this topic are expected to be held in the coming weeks, in the hopes of achieving some progress on this matter before the next Preparatory Committee meeting, slated for 24-26 June.

ICTSD reporting.

DISPUTES

WTO Appellate Body Deems EU Seal Ban "Justified," Implementation Flawed

The WTO Appellate Body has found that the EU's ban on imported seal products is justified under the right to protect public morals, specifically on the grounds of protecting animal welfare. However, the global trade arbiter said last week, the ban is discriminatory in the way it is applied, and should be modified in order to fully comply with global trade rules.

The dispute ([DS400](#), [DS401](#)) is one of the most polarising and complex in the WTO's recent history, and marks the first time that the Appellate Body has accepted "animal welfare" as moral grounds for justifying a country's violation of the global trade body's "most favoured nation" principle.

The measure at the heart of the case is a 2009 European Commission (EC) regulation and related measures, known together as the EU Seal Regime, which bans the sale of seal products in all EU member states, subject to certain exceptions. The ban specifically targets commercial sealing operations, such as those in Canada and Norway – the two complainants in the WTO case.

These commercial sealing operations, the regulation's proponents have argued, are "inherently cruel" and "inhumane."

However, the regulation does allow the sale of seal products in the EU market in three exceptional circumstances: products derived from hunts carried out by indigenous peoples (IC), products from hunts that were conducted for the sustainable management of marine resources (MRM), and products brought in by tourists.

Last November, a dispute panel had found that while the ban does restrict international trade, the measures falls within a carve-out for acceptable restrictions under the WTO's General Agreement on Tariffs and Trade (GATT 1994). The panel therefore agreed with the EU that the prohibition was necessary for the protection of public morals.

Canada and Norway subsequently filed appeals that each targeted different aspects of the original panel's ruling. The Appellate Body therefore provided separate portions in its report to address the two sides' respective claims. (See Bridges Weekly, [30 January 2014](#))

The European Union also filed its own cross-appeal, questioning certain legal issues and interpretation by the original panel.

Technical regulation

In its report last Thursday, the Appellate Body found that the European Union's seal regime is not a technical regulation in the context of the WTO Agreement on Technical Barriers to Trade (TBT), and therefore does not fall within its ambit, thus overturning one of the original panel's key findings.

Specifically, WTO judges found that the measure taken as a whole does not lay down "product characteristics," which is an essential element of a technical regulation under Annex 1 of the TBT Agreement. As a result, the Appellate Body deemed that any findings

by the panel that were based on this characterisation of the measure were essentially moot and without legal effect.

Regarding whether the EU measure lays down “related processes and productions methods” in the context of Annex 1.1, the Appellate Body declined to complete the legal analysis in this area, explaining that the panel and the participants had not sufficiently explored this aspect.

As a result, the Appellate Body was unable to rule on this issue, while acknowledging that the relationship between PPMs and the scope of TBT Agreement is of systemic importance.

GATT 1994 versus TBT Agreement

The Appellate Body sustained the panel's finding that the legal standard for the non-discrimination obligations under Article 2.1 of the TBT Agreement does not apply equally to claims under Article I:1 and III:4 of the GATT 1994.

Unlike Article 2.1 of the TBT Agreement, the Appellate Body said that neither Article I:1 nor Article III:4 of GATT 1994 requires an assessment of whether a measure's detrimental impact on competitive opportunities for like imports stems exclusively from a legitimate regulatory distinction.

Since the EU's appeal on the panel's finding of inconsistency under Article I:1 of the GATT 1994 was based entirely on the alleged errors in the panel's interpretation of that provision, the Appellate Body therefore upheld the panel's conclusion that the EU Seal Regime is inconsistent with Article I:1.

This, they explained, was because the seal ban does not “immediately and unconditionally” extend to Canadian and Norwegian seal products the same market access advantage that it accords to seal products from Greenland.

Public morals as a justification

Rejecting the claims by Canada and Norway relating to GATT Article XX(a), the Appellate Body ruled that the EU Seal Regime is indeed necessary to protect public morals.

In reaching its conclusion, the Appellate Body conducted what is known as a necessity analysis, “weighing and balancing” a series of factors. These included the importance of the objective, the contribution of the measure to that objective, and the trade-restrictiveness of the measures, as well as a comparison between the challenged measure and possible alternatives.

The Appellate Body rejected Norway's argument that the panel should have considered the protection of IC and MRM as separate, independent objectives of the EU Seal Regime, thus sustaining the panel's finding that public concerns regarding seal welfare were the principal motivation behind the EU measure.

The Appellate Body considered that the contribution of the EU seal ban to its objective is only one of several components of necessity and should be considered together with other factors, such as potential alternative measures, under Article XX.

Furthermore, the Appellate Body rejected the contention of Canada and Norway that the panel was required to use a standard of “materiality” as a generally applicable pre-determined threshold in its contribution analysis, since the level of contribution alone cannot determine whether a measure is necessary or not. The Appellate Body supported the panel's ultimate conclusion that the EU Seal Regime is both capable of making and does indeed make some contribution to its objective.

The Appellate Body also agreed with the panel that the alternative measures proposed by the complainants are not reasonably available to the EU.

Article XX chapeau test

Despite finding that the seal ban was justified in its objective of protecting public morals – as outlined in GATT Article XX(a) – the Appellate Body did say that the EU has not demonstrated that the measure met the overall “chapeau” requirements of that same article.

In other words, even though the ban met the “public morals” justification, it was applied in a way that constituted a means of arbitrary or unjustifiable discrimination between countries where the same conditions prevail, particularly with respect to the IC exception – thus running contrary to WTO rules.

The EU, they explained, failed to show how the different treatment of seal products derived from IC hunts – versus those derived from “commercial” hunts – can be reconciled with the 28-nation bloc’s objective of addressing public moral concerns regarding seal welfare.

The same animal welfare conditions prevail in all countries where seals are hunted, the Appellate Body noted, and therefore “the same animal welfare concerns as those arising from seal hunting in general also exist in IC hunts.”

WTO judges also found the “subsistence” and “partial use” criteria of the IC exception to be ambiguous, and may result in seal products derived from what should, in fact, be properly characterised as “commercial” hunts gaining entry into the EU market.

Moreover, the Appellate Body was not persuaded that the European Union has made “comparable efforts” to facilitate the access of the Canadian Inuit to the IC exception as it did with respect to the Greenlandic Inuit.

Both sides claim victory

In their public statements, the parties involved in the case each highlighted the aspects of the Appellate Body ruling that were in their favour, further underscoring the complex nature of the case.

“The ban on seal products adopted in the European Union was a political decision that has no basis in fact or science,” Canadian Trade Minister Ed Fast, Fisheries and Oceans Minister Gail Shea, and Environment Minister Leona Aglukkaq said in a joint [statement](#).

“We are pleased that today’s decision by the WTO Appellate Body confirms what we have said all along, namely that the EU’s seal regime is arbitrarily and unjustifiably applied and is therefore inconsistent with the EU’s obligations,” the Canadian officials added.

Norwegian officials similarly welcomed the ruling, with Fisheries Minister Elisabeth Aspaker saying that it established “that the EU cannot impose arbitrary measures in this way.”

The EU, for its part, welcomed the Appellate Body’s finding that Brussels was within its rights to ban seal products on moral grounds, while acknowledging that the WTO did criticise the design and implementation of the IC exception.

“The European Commission will review the findings on these exceptions to the ban and consider options for implementation,” the EU [said](#). “Overall, the Commission welcomes

today's ruling as it upholds the ban imposed in reaction to genuine concerns of EU citizens."

Sealing, Canadian Inuit communities speak out

The ruling received a colder welcome from Canadian Inuit and trade watchdog groups alike, while being praised by some sealing groups.

Canadian Inuits have long criticised the IC exception of the EU seal ban, claiming that it was designed without the input of indigenous peoples. They have also openly lambasted the public morals argument that the EU used as justification for the ban, calling it "abhorrent."

"Inuit live according to the principles of fairness and compassion and we seek nothing more than to feed our families and make an honest living in the modern economy," [said](#) Canadian National Inuit Leader Terry Audla last week. "It is morally reprehensible for anyone to impede those goals – which are the basic rights of any citizen of the world."

The Inuit leader further said that the EU should have "substantially and meaningfully consulted with all circumpolar Inuit" ahead of implementing the seal regime, noting that this would likely have led to Inuits "unanimously" advising the European institutions not to move forward with the measure.

"While Greenland is attempting to implement the exemption, I know that they are in principle against the ban, and are fighting an uphill battle against the negative market impacts the ban has brought to the EU," he added.

The Canadian-based Seals & Sealing Network, which is said to comprise industry, government, Inuit, and conservationist representatives for the domestic sealing community, has meanwhile said that it is "encouraged" with the result of the Appellate Body ruling.

"Today's ruling by the WTO Appellate Body has thankfully confirmed that the EU ban is discriminatory and unfair," [said](#) Dion Dakins, Chair of the Seals & Sealing Network. "The ruling sends a clear message to the EU to sit down and negotiate with Canada and Norway on a more reasonable approach."

Public Citizen's Global Trade Watch, a US-based advocacy group, has also been among those [criticising](#) the ruling, on the grounds that the "litany of conditions" needed for the EU ban to qualify as a General Exception under Article XX were too stringent.

Next steps

Under WTO dispute settlement practices, if immediate compliance is impracticable, the parties can seek a mutual agreement on the reasonable period of time within 45 days after the adoption of the Appellate Body report by the WTO's Dispute Settlement Body.

Otherwise, the parties can resort to arbitration under Article 21.3 of the Dispute Settlement Understanding if no mutual agreement is reached.

ICTSD reporting.

WTO Panel Finds in US' Favour in China Automobile Duties Dispute

A WTO dispute panel has found a series of Chinese duties on imports of US-made cars and SUVs to be largely in violation of international rules, faulting them on a series of procedural and substantive points, according to a report issued on Friday.

While the panel's ruling did issue some findings in Beijing's favour, the case has been hailed by Washington as a victory overall, both for its automobile producers and as a sign that China needs to reconsider the way it conducts trade remedy investigations.

The US filed the original complaint ([DS440](#)) in July 2012, charging that China's decision in December 2011 to impose anti-dumping (AD) and countervailing (CVD) duties on American-made cars and SUVs was unjustified. (See Bridges Weekly, [11 July 2012](#))

The anti-dumping duties ranged from 2.0 to 21.5 percent, according to the Office of the US Trade Representative, while the countervailing duties were between 6.2 and 12.9 percent. The duties affected US vehicles with an engine capacity of 2.5 litres or larger.

With China being the second-largest export market for US automobiles – selling US\$8.5 billion worth of automobiles to the Asian economy, out of a total US\$64.9 billion in exports – the WTO panel's ruling was welcomed by USTR Michael Froman as a "significant victory."

"China's unjustified duties affected an estimated US\$5.1 billion of those exports, and applied to well-known models, like the Jeep Grand Cherokee, Jeep Wrangler, Buick Enclave, Cadillac Escalade, and others," he [told](#) reporters on Friday.

The panel ruling was similarly welcomed by many US lawmakers, with Senators Carl Levin and Debbie Stabenow and Representative Sander Levin – all Democrats from the US state of Michigan, a powerhouse in domestic automobile manufacturing – joining Froman at Friday's press event.

"Today's WTO ruling confirms what we've known for a long time: that China's anti-dumping and countervailing duty cases against US vehicle exports were without merit," Senator Levin said. "Hopefully now there will be a renewed effort to open China's markets to our products and the WTO will move quickly to rule on the pending cases against China's trade barriers."

Mixed ruling

Anti-dumping duties are meant to counter instances where goods are sold abroad at prices below their normal value – a practice known in trade parlance as dumping – while countervailing duties are meant to target instances of allegedly unfair subsidies being provided by governments to domestic producers.

The US had argued that these particular duties – determined by the Chinese Ministry of Commerce (MOFCOM) – violated various provisions of the WTO's Anti-Dumping (AD) and Subsidies and Countervailing Measures (SCM) Agreements.

In its ruling last week, the panel found that MOFCOM failed to require the submission of adequate non-confidential summaries of confidential information concerning certain

injury factors – namely apparent consumption, return on investment, salary, and sales-to-output ratio – in the petitions for both types of duties.

The panel said that the US had provided sufficient initial evidence to prove that MOFCOM failed to disclose the essential facts to American respondents prior to making its final determination in the AD investigation at issue, and that China failed to rebut that claim. The panel thus found that China acted inconsistently with Article 6.9 of the AD Agreement.

The panel also found that Chinese investigators failed to give “unknown” US exporters the opportunity to provide them with the necessary information, before a determination of a residual AD duty rate could justifiably be made on the basis of “facts available.”

For the panel, there was a disparity between the information requested from a producer and the determination of the residual AD duty rate which was ultimately made, on the basis of facts available. This, in turn, undermined the due process rights of the parties concerned. The panel made a similar observation with respect to the CVD investigations.

Domestic injury

The panel also pointed out that Beijing failed to undertake an objective examination based on positive evidence in its price effects analysis, and its consequent finding of price depression in its final determination of injury.

Since MOFCOM's price effect analysis – which was an important element of Beijing's injury determination – was flawed, the panel said it was unnecessary to further analyse whether China was correct in saying that there was a causal link between the imported automobiles and the injury suffered by domestic industry.

Nevertheless, the panel did indeed carry out an independent assessment of the US causation claim, ultimately finding that China failed to consider certain market share information, industry productivity, and labour costs.

In addition, the panel said, China failed to objectively examine evidence presented by a company under investigation regarding the competitive overlap between the imports involved and their domestic counterparts.

The panel also pointed out that Beijing failed to properly examine whether the decline in apparent consumption was causing injury to the domestic industry, and also failed to ensure that such injury was not actually the result of other potential factors. The panel therefore concluded that China's causation determination in the AD and CVD investigations were inconsistent with its WTO obligations.

Points in Beijing's favour

The ruling was not entirely in Washington's favour, however – a fact that Chinese officials noted last week. For instance, the panel found that the US was unable to prove some of its claims, such as its allegation that China had failed to disclose essential facts used in determining the “all others” anti-dumping and countervailing duty rates for unknown US exporters.

Under WTO rules, authorities must notify the exporters involved in trade remedy investigations of those essential facts that form the basis of a country's decision to impose anti-dumping or countervailing duties, in order for those same exporters to then have a chance to defend their interests.

Washington had also argued that, by requiring domestic producers to register in order to participate in the investigation, MOFCOM introduced a “self-selection” process that

distorted its injury determination. In this regard, the panel ruled that the US was unable to prove that the use of a registration requirement by MOFCOM introduced a material risk of distortion.

Furthermore, the panel noted that MOFCOM did not define "domestic industry" on the basis of willingness to be included in a sample, and that Washington had not shown that the process used by MOFCOM to define the domestic industry was biased towards a category of domestic producers.

China trade remedies under fire

The duties involved were removed in December 2013, which had prompted China to ask the panel during the interim review stage of the case – in other words, after the interim report had been issued but before the final panel report – not to make a ruling, arguing that Beijing was now in compliance with its WTO obligations.

The panel, however, said that China "has not brought any official documentation that would support this contention," adding that as far as the dispute's official record was concerned, it was not in a position to find that the measures had been removed.

In recent months, the US has said that it has been monitoring the situation in China, and has found no evidence that the duties in question are still in place. Regardless, Washington officials say, Beijing's use of trade remedies may be part of a broader – and worrying – trend.

"I am pleased that China has announced the termination of the antidumping and countervailing duties on US-made autos. That is already a direct result of our prosecution of this case," Froman [said](#) on Friday.

"However, while we welcome China's decision to lift the duties, we remain deeply concerned by the troubling pattern of China's misuse of antidumping and countervailing duty measures," the US' top trade official said, noting that this is the third instance of the Obama Administration successfully challenging Beijing's use of trade remedies.

The other two cases involved duties on broiler chicken products and specialty steel products. (See Bridges Weekly, [5 September 2013](#) and [27 February 2014](#), respectively)

"It is time for China to change the practices that have led the United States and our trading partners to bring these kinds of cases," Froman said.

ICTSD reporting.

AFRICA

China, Africa Launch US\$2 Billion Multilateral Investment Fund

China and the African Development Bank jointly unveiled a US\$2 billion multilateral investment fund last week, marking a symbolic shift in their partnership. The initiative, known as the "Africa Growing Together Fund" (AGTF), would operate by allocating contracts to the most appropriate bidder, rather than being limited solely to Chinese companies.

The [agreement](#) was announced in Kigali, Rwanda on 22 May by Chinese Central Bank Governor Zhou Xiaochuan and African Development Bank President Donald Kaberuka, during the course of the African Development Bank's (AfDB) Annual Meetings.

The fund will be administered by the Bank, and will provide co-financing to projects over the next decade, with the goal of supporting African infrastructure and industrial development. Future disbursement under the fund will therefore not be restricted only to bilateral government-government projects – a notable change from China's traditional forms of financial support.

Past criticism

The fund appears to be part of a broader effort by Beijing to recalibrate its relationship with Africa, analysts say, especially given the growing criticism in some quarters over recent bilateral investment deals. Chinese officials themselves have lately acknowledged that some past agreements with African countries have been less than ideal.

"Different [Chinese] entities have behaved differently. There may have been some phenomena of Chinese investors [that were] not so good, not so satisfactory," Zhou said in Kigali.

The US\$2 billion investment fund, Zhou said, could serve as a way for China to begin changing the way it does business in Africa.

China-Africa trade has significantly increased over the past decade, with last year's estimates placing it at US\$200 billion – a twenty-fold increase from what it was in the year 2000, according to customs data cited by the Financial Times.

However, critics have often pointed to the fact that China primarily relies on Chinese labour for many of its infrastructure projects and appears more keen on pulling in African raw materials than on transferring skills. In fact, China's commercial engagement in Africa is characterised by a heavy concentration on imports of natural resources which, according to some experts, perpetuates the continent's dependence on primary commodities.

For example, despite the strong growth in Africa – driven partly by the Asian demand for commodities over the past decade – the continent has experienced a relative decline of African manufacturing.

Furthermore, some Chinese deals in Africa have faced criticism over alleged corruption and lack of transparency.

Multilateral approach

The fund, observers say, represents a significant departure from China's history of "cheque book" diplomacy, which critics claim has often prioritised the advancement of strategic economic interests as a political tool to cultivate other types of advantages.

What is most notable is that the fund will be working through a multilateral development institution such as the AfDB, which receives funding from various countries, both from within Africa and outside it. In addition, the fund will operate under the AfDB's rules.

"China has been using a bilateral route in Africa. Now it is taking a more multilateral [approach]," an official familiar with the project told the Financial Times.

"The AGTF marks an important milestone in the long-standing relationship between China and the African Development Bank Group in particular and Africa in general," the AfDB's Kaberuka said.

The fund, he added, "will operate within the strategic framework, policies, and procedures of the AfDB."

Bilateral aid remains central

Despite this move, bilateral aid still remains a key element of Sino-African ties. The announcement of the fund comes just weeks after Chinese Premier Li Keqiang paid his first visit to Africa, during which he stated that "China is willing to move forward shoulder to shoulder with the African countries in equal treatment and sincere cooperation."

Li's declaration came following a pledge to increase his country's aid to Africa by US\$10 billion in bilateral loans, totalling US\$30 billion. During that same trip, Li offered China's cooperation to construct railways, highways, and a regional aviation network in Africa in order to promote greater interconnection within the continent.

An agreement was also inked between China and Kenya to construct a multi-billion dollar railway linking the Kenyan port of Mombasa to Nairobi and running on to neighbouring states, which experts say could serve as a major opportunity to promote intra-regional trade.

ICTSD reporting; "China, east African leaders sign up for new rail link," REUTERS, 11 May 2014; "China Launches \$2 Billion African Development Fund," THE WALL STREET JOURNAL, 22 May 2014; "China's central bank chief admits difficulties with Africa," FINANCIAL TIMES, 22 May 2014.

INTELLECTUAL PROPERTY

WIPO Development Talks Yield Little Progress

Discussions at the World Intellectual Property Organization's (WIPO) Committee on Development and Intellectual Property (CDIP) stumbled last week in Geneva, with members becoming mired in intense debates over a range of subjects relating to the implementation of the agency's Development Agenda.

The resulting inability to resolve disagreements on various key issues at the 19-23 May meeting prompted harsh criticism from several delegations, with some questioning the overall function of the UN agency, as well as its development-focused committee.

The CDIP is tasked with monitoring the implementation of the WIPO Development Agenda (DA), a series of 45 [recommendations](#) that were adopted in 2007 with the goal of mainstreaming development into the UN agency's work.

One of the main areas that divided members last week was the terms of reference (ToR) for an independent review of the DA recommendations' implementation, to be undertaken by the CDIP in accordance with a 2010 WIPO General Assembly decision. This item had already surfaced at the committee's previous session in November, with members ultimately deciding to continue the talks at this week's meeting.

Ambassador Mohamed Siad Doualeh of Djibouti, who was chairing last week's CDIP, had prepared a draft version of these ToRs based on discussions during last November's informal negotiations. The document also incorporates comments received from members since then, as well as input from the WIPO secretariat regarding the budget and timeline of the review.

Countries were again unable to agree on the ToRs of said review, with developed countries saying that such a document must have a coherent objective – one that is limited to the implementation of the DA recommendations, rather than to WIPO's work as a whole.

This view drew sharp opposition from the African Group, which deemed that the term "WIPO's work" was essential.

For its part, the UK delegation said that these terms of reference should not require reviewers to suggest possible improvements to WIPO's performance in implementing the DA recommendations. The UN agency, they explained, is already carrying out "excellent work" in this area, so suggestions may not be needed.

Egypt, speaking on behalf of the Development Agenda Group, affirmed that the purpose of the review was to ensure the improvement of WIPO's DA-related work; therefore, the outcome of the review must necessarily comprise suggestions. The Development Agenda Group is a coalition of over a dozen developing countries that was established in 2010, with the goal of ensuring the effective implementation of the WIPO DA.

India, for its part, proposed that the report include the participation or input of relevant stakeholders.

However, the main disagreement on the ToRs involved the selection of the review team, with members divided over whether this process should be conducted solely by the WIPO

secretariat – in line with the agency's regular procedures – or in consultation with member states and/or the CDIP Chair.

Ultimately, the committee decided last week that it will be holding one informal consultation meeting in the coming months with the hopes of reaching agreement on the outstanding issues. The matter will then be tabled for discussion at the CDIP's next session.

Coordination mechanism

Members were also split over the committee's role with respect to the Coordination Mechanism, which was adopted four years ago to help in the implementation of the WIPO Development Agenda. (See Bridges Weekly, [5 May 2010](#))

The debates last week hinged on whether the CDIP itself constitutes a "relevant body" that would report to the WIPO General Assembly on its work in implementing the DA recommendations.

On this matter, developed countries said that it is up to each WIPO Committee to determine whether they report to the GA on these questions. The Development Agenda Group disagreed, reaffirming its earlier view that all committees should be encouraged to actively cooperate with the Coordination Mechanism within their respective functions.

Unable to reach agreement, members ultimately decided to ask the WIPO General Assembly to allow the CDIP to continue these discussions during its next two sessions, in order for the committee to then report back to the Assembly with its recommendations in 2015.

International conference plans, external review

The proposed international conference on IP and development – an outcome from a previous CDIP gathering – is also set to be delayed once more, after members were unable to agree on the list of speakers for such an event.

Talks on the [External Review of WIPO Technical Assistance](#) – prepared in 2011 – also hit a roadblock last week, with the US and Japan noting that there was no consensus within the committee on whether to adopt the document.

Reports for consideration

Also on the docket for last week's CDIP meeting was a series of studies for members to consider. However, the committee did not reach agreement on many of the recommendations embodied in these reports, partly due to lack of time, prompting members to push them to the next session.

Members did agree on the recommendation to extend for one more year the [Evaluation Report on the Project on Enhancing South-South cooperation on IP and Development among developing countries and LDCs](#) using the remaining project funds. The CDIP also discussed and took note of the country studies in [Ghana](#), [Kenya](#) and [South Africa](#).

The Committee further discussed the [Project on Intellectual Property and Tourism: Supporting development objective and protecting cultural heritage in Egypt and other developing countries](#). Several developing and least developed countries for which tourism is a significant portion of their GDP and paramount in their trade policies expressed interest in becoming pilot countries for this endeavour.

However, Japan, the US, and Greece on the EU's behalf said that the project has experienced substantial changes from the original version, and thus asked for further

clarifications from the secretariat. The CDIP decided to discuss the revised project at its next session.

The CDIP examined a secretariat-issued document on [Patent-Related Flexibilities in the Multilateral Legal Framework and their legislative implementation at the National and Regional levels – Part III](#), with some delegations expressing interest in extending this work to other IP areas.

Finally, the Committee also discussed the document [Future Work on Patent-Related Flexibilities in the Multilateral Legal Framework](#), agreeing – as suggested by the delegation of India – on the preparation of a document based on factual compilation, without recommendations, on two new patent-related flexibilities for discussion at a future CDIP session.

This future work should focus on the flexibility provided in the WTO's Agreement on Trade-Related Aspects of Intellectual Property (TRIPS) on whether to apply criminal sanctions in patent enforcement and the "security exception."

ICTSD reporting.

DISPUTES

WTO Panel Established in US-India Solar Spat

A WTO panel is set to hear the US' complaint against India's local content requirements in its national solar programme, in the latest complaint on renewable energy to reach the global trade arbiter.

The dispute ([DS456](#)) involves certain domestic content requirements for solar cells and modules under Phases I and II of India's Jawaharlal Nehru National Solar Mission (NSM).

Washington had filed a previous complaint last year regarding Phase I of the programme; US officials explained that a second complaint was then needed to also address the changes under Phase II, which featured the inclusion of thin film technology in this new phase of the Indian scheme. (See Bridges Weekly, [13 February 2014](#))

The NSM was launched in January 2010 by former Prime Minister Manmohan Singh, who had hoped to make India a global leader in solar energy through the development of solar power generation facilities.

India's newly elected Prime Minister, Narendra Modi, has vowed to advance this objective further, building on the success seen in the state-level scheme of Gujarat, of which he was previously chief minister. (See Bridges Weekly, [22 May 2014](#))

Domestic content requirement

According to the guidelines for NSM put forth by India's Ministry of New and Renewable Energy, solar power developers are invited to participate in a global bidding process. However, certain power purchase agreements are reserved for developers who meet the domestic content requirement, whereby all solar cells and modules used must originate in India.

The US contends that the domestic content requirement in the Indian scheme is inconsistent with the latter's obligations under Article III of the General Agreement on Tariffs and Trade (GATT), alleging that imported solar panels and solar modules receive less favourable treatment than similar Indian products.

US officials suggest these requirements actually undermine the promotion of solar power by "impeding access to the best available technology from the global marketplace."

Furthermore, the US claims India's measures are inconsistent with Article 2.1 of the Agreement on Trade-Related Investment Measures. Solar power developers who maintain the domestic content requirement receive special advantages, the US says, including long-term tariffs for electricity.

Strained trade ties

The US-India trade relationship has been under noticeable strain in recent months, with disagreements touching upon an array of topics, including intellectual property right protections. Separately, the US International Trade Commission is [investigating](#) a broad range of Indian policies with an alleged discriminatory impact on US trade and investment.

Whether the result of the general election will improve matters remains unclear, analysts say, especially given Washington's previously lukewarm attitude toward Modi. However, in a [statement](#) last Tuesday congratulating the new Prime Minister, US Secretary of State John Kerry reiterated the importance of a friendly Indo-US relationship, calling it "absolutely vital."

ICTSD reporting; "Modi to Use Solar to Bring Power to Every Home by 2019," BLOOMBERG, 19 May 2014; "Narendra Modi Named Prime Minister of India," WALL STREET JOURNAL, 20 May 2014.

Indonesia Requests WTO Panel to Settle Pakistan Paper Products Case

Consultations between Indonesia and Pakistan over the latter's duties on imported paper products have failed to bear fruit, officials said last week, with Jakarta requesting that a WTO dispute panel hear the case. While the request was rejected by Pakistan on Friday, Indonesia has the option to file it a second time, in which case a panel would automatically be established.

At issue in the case are a set of anti-dumping and countervailing duty investigations that Pakistan has launched into imports of Indonesian paper products.

Indonesia claims that Pakistan failed to terminate the investigations in a timely manner, despite the expiry of the 18-month time limit stipulated by the Anti-Dumping Agreement and Subsidies and Countervailing Measures (SCM) Agreement.

"We've given Pakistan a sign that we will go ahead with our plan to advance to the WTO," Bachrul Chairi, Director General for Foreign Trade at Indonesia's Trade Ministry, recently told the Jakarta Post. "We are in the process of seeking a WTO ruling in this case."

The investigations began in November 2011, with Pakistan examining whether Indonesian paper products were being sold abroad at prices below their normal value – a practice known in trade jargon as dumping – and whether these producers were also receiving unfair subsidies.

Both investigations were suspended by Pakistani court proceedings. Indonesia claims that it has not been officially informed of the content of the final court judgement on the anti-dumping probe. With respect to the countervailing investigation, according to Indonesia, the Pakistani court issued a definitive ruling declaring the investigation was legal under Pakistani law.

Consequently, Indonesia claims that the length of the trade remedy investigations – now well over two years – is at odds with the requirements embodied in the WTO's Anti-Dumping Agreement, as well as the Agreement on Subsidies and Countervailing Measures.

Indonesia has also cited alleged violations of the WTO's General Agreement on Tariffs and Trade (GATT) in its complaint.

Industry impact

Paper exports are a major industry in Indonesia, worth over US\$600 million per year. Indonesia remains one of the top ten largest paper and pulp producers worldwide, mainly due to a wealth of raw materials.

Indonesia claims Pakistan's ongoing investigations have hurt the former's domestic paper makers, including Asia Pulp and Paper (APP). Arvin Gupta, APP's commercial director, says the probes have cost his company approximately US\$1 million each month.

"Customers are cautious about placing orders with the paper mills because they do not know when the Pakistan government will decide upon the case," Gupta said.

Pakistani officials have countered these accusations, saying that the investigations have resulted in no detrimental economic impact on Indonesia. In fact, they say, Indonesia's share of the import market has actually grown from 53 percent to almost 58 percent during this investigatory period.

ICTSD reporting: "RI to Bring Paper Dispute with Pakistan to WTO," THE JAKARTA POST, 30 April 2014.

EVENTS & RESOURCES

Events

Coming Soon

29 May, Beijing, China. DIALOGUE ON CHINA AFTER BALI: ROLE OF CHINA IN COMPLETING THE DOHA ROUND AND REINVIGORATING THE WTO. This event is being co-organised by the International Centre for Trade and Sustainable Development's (ICTSD) China Office, the China Institute for WTO Studies at UIBE (CIWTO), and the China Society for WTO Studies (CWTO). The workshop will address China's strategy in the wake of the WTO's Ninth Ministerial Conference in Bali, Indonesia, examining both what role the Asian economy can play in the Doha Round talks and how Beijing is operating in other trade negotiations outside the Doha context. To learn more, or to register, visit the [ICTSD website](#).

3 June, Athens, Greece. FINANCING A TRANSFORMATIVE POST-2015 AGENDA – HOW DOES INFRASTRUCTURE FINANCE FIT IN? This meeting aims to address the role of finance and other means of implementation in the post-2015 agenda, focusing primarily on infrastructure finance. Discussions will build off of the 5th European Report on Development (ERD), which addresses this topic, and was prepared jointly by the Overseas Development Institute (ODI), the German Development Institute / Deutsches Institut für Entwicklungspolitik (DIE), the European Centre for Development Policy Management (ECDPM), the University of Athens, and the Southern Voice Network, at the request of the European Commission and four EU member states. More information is available on the ODI [website](#).

3 June, Washington, US. THE ECONOMIC CONSEQUENCES OF DELAYS IN US CLIMATE POLICY. This event, hosted by the Brookings Institution, will address what delays an implementation in US climate policy – whether it be a carbon tax or regulations through the US Environmental Protection Agency – may mean in the long term. Brookings experts have been analysing possible economic outcomes of modest policy action now, relative to the potential consequences on investment, consumption, and labour markets of undertaking more stringent measures later on. To learn more, or to register, 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.

3+5 June: Trade Policy Review: Mongolia

5-6 May: Committee on Agriculture

Other Upcoming Events

9-10 June, London, UK. GLOBAL TRADE: A TRADE SYSTEM FOR THE 21ST CENTURY. This forum, hosted by Chatham House, aims to address questions about the future of global trade governance and consider what lies ahead for trade liberalisation in a dynamic and

competitive global economy. Speakers will address issues such as challenges and objectives for trade negotiations, non-tariff and behind-the-border barriers to trade, domestic policy choices and implications for trade liberalisation, and the governance of global supply chains. More information can be found at the event [website](#).

11 June, Bonn, Germany. ICTSD TRADE AND CLIMATE CHANGE DAY. This event, hosted by the International Centre for Trade and Sustainable Development– the publisher of Bridges – on the sidelines of the mid-year UN Framework Convention on Climate Change (UNFCCC) negotiations, will feature several sessions addressing specific topics at the interface of trade and climate change. More information, including the event programme and registration details, is available [here](#).

18-19 June, Geneva, Switzerland. UNCTAD PUBLIC SYMPOSIUM. This annual outreach event by the UN Conference on Trade and Development will focus on how increasing inequality can create problems for sustainable development, with sub-themes on the "macroeconomic dimensions of inequality" and "from best policy practices to global transformation." This year's Symposium will also open with the Third Geneva Dialogue, part of a series of events where experts debate global economic issues, including the post-2015 development agenda. For more information, visit the event [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](#).

13-16 October, Geneva, Switzerland. WORLD INVESTMENT FORUM 2014: INVESTING IN SUSTAINABLE DEVELOPMENT. This year's World Investment Forum, hosted by the UN Conference on Trade and Development, will focus on the theme "Investing in Sustainable Development." The biennial event traditionally brings together heads of state, ministers, policymakers, global chief executive officers, and thought leaders for a discussion on key emerging investment-related challenges. More information is on the UNCTAD [website](#).

Resources

GETTING INDIA BACK ON TRACK: AN ACTION AGENDA FOR REFORM. By Bibek Debroy, Ashley J. Tellis, and Reece Trevor for the Carnegie Endowment for International Peace (June 2014). This book aims to provide Indian policymakers with a series of policy options for how to help the country return to a path of high and sustained economic growth, particularly in light of the recent change in government. To learn more, or to order the book, visit the Carnegie Endowment [website](#).

POLICY RESEARCH REPORT OF ENVIRONMENT AND DEVELOPMENT 2013: ENVIRONMENT AND SOCIETY FOR GREEN DEVELOPMENT. Published by the International Institute for Sustainable Development (IISD), in partnership with the China Council for International Cooperation on Environment and Development (CCICED) (May 2014). This policy research report – an English version of the one previously released by CCICED in Mandarin – focuses on environment and development policy in China, and provides a series of recommendations for the Beijing government to consider. The authors review recent policy progress, and examine the impact of past CCICED recommendations. To learn more, or to download the report, see the IISD [website](#).

INTERNATIONALIZATION OF THE RENMINBI: THE ROLE OF TRADE SETTLEMENT. By Joseph E. Gagnon and Kent Troutman for the Peterson Institute for International Economics (May 2014). In this policy brief, the authors explore the potential for increased use of the renminbi (RMB) in international transactions. They review what policies are currently limiting the Chinese currency from rising more rapidly to a position where it could challenge the dollar or the euro, and discuss what reforms might be needed to achieve this goal. To learn more, or to download the policy brief, click [here](#).

IMD WORLD COMPETITIVENESS YEARBOOK 2014. Published by the IMD World Competitiveness Center (May 2014). This annual ranking, released by the IMD business school in Switzerland, rates 60 economies on their competitiveness, providing an overview and analysis of the ease of doing business in each country. This year's report finds continued success in the US, partial recovery in the European Union, and some difficulties for certain large emerging markets, with the authors noting that there is no one-size-fits-all approach for a country to rise up the rankings, but rather that this depends on local context. To learn more, or to view the rankings, please click [here](#).

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