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WASHINGTON

White House Trade Agenda Highlights TPP 2014 Target

The US is hoping to finish the 12-country Trans-Pacific Partnership (TPP) talks by the end of this year, according to a report that was submitted to Congress on Tuesday. This year's [Annual Trade Policy Agenda](#), which outlines the US executive branch's priorities for the upcoming year, comes at a time when the Obama trade agenda has come under growing scrutiny from both lawmakers and the US public.

With one year to go before the 2015 target date for doubling US exports from their 2009 levels and adding up to two million additional US jobs to the economy, the White House has been making a concerted push on the trade front during US President Barack Obama's second term. In particular, US officials have been advocating for advances in both bilateral and regional trade deals, as well as on the multilateral stage. (See Bridges Weekly, [3 February 2010](#))

However, fears in some quarters that these large trade deals might exacerbate, rather than help resolve, income inequality have become increasingly prevalent in US public discourse, particularly ahead of November's midterm elections. The ensuing controversy has put the White House on the defensive, forcing the administration to justify its trade priorities both to the public and to many in its same Democratic Party.

US Vice President Joe Biden, in a [letter](#) to the Financial Times last week, acknowledged the scepticism that some lawmakers feel toward new trade deals, adding that he "understand[s] the pressures" that they face. However, he added, the deals being negotiated are in the US' national interest, and must be advanced if Washington hopes to remain competitive on the international stage.

"The US has been the world's pre-eminent economic power for many years and will remain so for the foreseeable future," the Vice President said. "But the rise of new economic powers means we will face fierce competition from more places than ever before."

The USTR report makes a point of highlighting trade's potential to boost the US economy. Data from 2013, it said, found that each additional US\$1 billion in goods exports helped support approximately 5400 US jobs. For the same amount in services exports, 5900 jobs were supported.



International Centre for Trade
and Sustainable Development

"President Obama's trade strategy for 2014 is driven by a commitment to create jobs, promote growth, and strengthen the middle class through the creation of new export opportunities for American farmers, workers, and businesses," said US Trade Representative Michael Froman in a [statement](#) announcing the report.

"In the coming year, USTR will continue to execute the President's trade vision that relies on opening markets, leveling the playing field for American workers and producers, and fully enforcing our trade rights around the world," he added.

Washington eyes 2014 finish for TPP, "significant" T-TIP progress

One of the big-ticket items on the Obama Administration's trade agenda is the 12-country Trans-Pacific Partnership, a so-called "21st century" deal that would – along with the usual provisions seen in trade pacts, such as tariff elimination – include a series of chapters on newer issues.

The group of Pacific Rim countries involved in the talks, which together covers 40 percent of global GDP and one-third of world trade, had missed earlier targets for clinching a deal, leading some to question whether the talks may be losing momentum.

Just a week ago, trade ministers from TPP member countries met in Singapore for a series of intensive negotiations aimed at bringing the talks closer to completion. However, while they confirmed that "significant progress" had been made, no deal was announced, amid reports of deep divides among some members over market access issues. (See Bridges Weekly, [27 February 2014](#))

TPP members have not jointly announced a new target date for finishing the talks, a fact that has not been lost on trade observers. However, the USTR report reaffirms recent White House assertions that 2014 will be the year for clinching a pact.

"This year we expect to conclude negotiations with TPP countries to secure a next-generation, high-standard trade agreement in the world's fastest growing region," the USTR report said.

Along with the US, the TPP talks also feature Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, and Vietnam. The potential gains from the TPP have been estimated by the Peterson Institute for International Economics to be as high as US\$223 billion in increased global income by 2025.

The White House report does not provide a similar timeline for the US' other mega-regional, the Transatlantic Trade and Investment Partnership (T-TIP) that it began negotiating with the EU last year. Instead, the report states that US negotiators "expect to make significant progress with the European Union (EU)."

The T-TIP negotiations, which are barely nine months old, are only just starting to move into their more intensive phase following three rounds of initial negotiations. The US' and EU's top trade officials conducted a political stocktaking last month to review progress so far in the talks, warning that the tough part still lies ahead; another round of negotiations is slated to begin in Brussels next week. (See Bridges Weekly, [20 February 2014](#))

The two sides have the world's largest trading relationship, exchanging US\$3 billion in goods and services daily. However, the size of their markets, together with the inherent difficulties of the areas under negotiation, have been flagged by many as potential stumbling blocks for the deal as it moves forward. Meanwhile, public reception to T-TIP has cooled significantly in recent months, in light of questions over what "harmonising" regulations and standards could mean for domestic public policy objectives.

In this context, the report flags the EU-US deal as an “historic opportunity to modernise trade rules and to bridge divergences in our respective regulatory and standards systems,” while asserting that the planned deal will not compromise health, safety, and environmental protections. (For more on T-TIP, see related story, this issue)

Republican lawmakers call for stronger “fast track” language

The USTR document also includes a call for the renewal of Trade Promotion Authority (TPA), also known as “fast track.” The issue has catapulted to the top of Washington’s trade agenda in recent months, particularly as international negotiators work to bring the TPP talks to a close.

TPA, which expired in 2007, allows the US executive branch to submit completed trade pacts to Congress for a straight up-or-down vote, without amendments. It also outlines what the US’ negotiating objectives will be in developing trade deals, as well as what level of engagement the Office of the USTR will have with Congress and the public.

“To facilitate the conclusion, approval, and implementation of our market-opening negotiating initiatives, we are working with Congress to support broad bipartisan passage of Trade Promotion Authority (TPA),” the report said.

Some Republican lawmakers, however, were quick to flag the language as lukewarm, and called for the White House to be more vocal in its TPA support.

“The President will not be able to conclude and implement any of the trade negotiations set forth in his Agenda without TPA,” said House Ways and Means Chairman Dave Camp in a [statement](#). “That’s why I was so surprised to see TPA barely mentioned in the document.”

Devin Nunes, a Republican who chairs the Trade Subcommittee in Ways and Means, similarly criticised the Agenda’s seemingly toned-down push for fast track. “While I support most of the President’s 200-page trade agenda, the document does not lay out a strategy for passing Trade Promotion Authority.”

Plurilaterals

The USTR report also flags a series of plurilateral pacts that it hopes to advance in the coming year, together with pledging to continue taking a leadership role in multilateral trade talks at the WTO.

On the plurilateral front, the report pledged to advance negotiations on the Trade in Services Agreement (TISA), a 23-member initiative to lower barriers in services trade. The report also highlighted the expansion of the WTO’s Information Technology Agreement (ITA) and the new plurilateral initiative on environmental goods trade as areas where Washington plans to direct its efforts.

While the new environmental goods initiative is still in the early stages, having just been announced on the sidelines of the World Economic Forum in Davos this past January, the USTR report said that it hopes the group will launch formal negotiations this year. (See Bridges Weekly, [30 January 2014](#))

ICTSD reporting.

CLIMATE CHANGE

Divisions Apparent as EU Ministers Debate 2030 Climate, Energy Goals

Over a dozen EU ministers have joined together to call for a rapid agreement on the trading bloc's 2030 climate and energy goals, either at a leaders' summit later this month or in June. This week's meetings marked the first occasion of the new framework being formally discussed at the ministerial level by the 28 member states.

The self-dubbed "green growth group" – which includes the UK, France, Italy, and Germany, as well as other mainly western European countries – issued a statement stressing that climate policy should not be an enemy to competitiveness, warning that putting off an agreement would be a mistake.

"A delay risks undermining commercial sector confidence, deferring critical energy investments, increasing the cost of capital for these investments, and undermining momentum towards a global climate deal," their joint statement read.

The EU's executive arm in January outlined a new 10-year climate and energy framework that would take effect from the end of this decade. The Commission's document calls for a 40 percent reduction in greenhouse gases (GHG) target below 1990 levels and an EU-wide binding renewable energy target of at least 27 percent. (See Bridges Weekly, [23 January 2014](#))

Opposition to an ambitious climate policy has largely been led by coal-reliant Poland, but resistance has also been seen from countries such as the Czech Republic and Bulgaria – all of whom are wary of burdensome targets that might limit their energy independence.

British Energy and Climate Change Secretary Edward Davey suggested that careful negotiations could work to bridge Europe's divide on climate policy.

"The Poles, Slovaks, Czechs, and Bulgarians have voiced some concerns and we need to listen to them, we need to find a way to meet their realistic asks," he told journalists.

The green growth group also indicated that a speedy EU agreement would be important to adding momentum to current UN climate talks, which negotiators hope will lead to a deal during their meeting next year in Paris, France. Warsaw is particularly opposed to Europe taking the lead in these international negotiations, stating that the bloc's targets should be conditional and equivalent to efforts made by other global players.

Marcin Korolec, Poland's deputy environment minister, warned reporters that expecting an agreement in March was "a very optimistic approach."

"The EU should present a provisional goal which will be finally accepted only if the new [2015] agreement will be understood by the EU as a universal one [applying to all large global players]," Korolec added.

Meanwhile, Commission climate chief Connie Hedegaard underlined that the ongoing Ukraine-Russia situation – which could put oil imports to Europe at risk – demonstrates the need for the EU to expand output from renewable sources in order to secure more energy autonomy. (For more on Ukraine, see related story, this issue)

UK on-board for renewables

Monday also saw the UK relax its position against the inclusion of a renewables target in the new framework, with Davey indicating his country would now support a binding EU-level target, as long as this did not involve nation-specific requirements.

London had previously lobbied hard for a "greenhouse gas (GHG) cuts only" approach, while France and Germany called for "robust" renewable energy targets.

Flexibility and competitiveness key

In the two days of public debate by EU environment and energy ministers on the framework, a number of delegations applauded the flexibility afforded to individual economies to achieve the overall GHG target according to national circumstances, although questions were raised as to how this flexibility would work in practice.

Council press releases also indicated that some participants suggested that future state aid rules should not reduce the flexibility needed to deliver on climate and energy objectives in an efficient way.

Energy ministers further highlighted the need to achieve a truly integrated EU energy market and infrastructure, with a strong EU approach.

A key message throughout the debates was that the 2030 framework should balance environmental sustainability, competitiveness, and security of energy supply. The need to keep energy prices down and guarantee the EU's competitiveness was also discussed – a recent inflammatory topic in politics across the trading bloc.

Critics have suggested that EU's climate and energy policies are to blame for the growing energy price gap between member states and other major economies, although other camps argue that such prices have little bearing on bloc's overall competitiveness.

Energy firms call for more urgent ETS reform

Environment ministers generally slated the EU's Emissions Trade System (ETS) as a key instrument for reducing emissions, although further discussion on its future operation, as well as on the contribution of sectors currently outside the ETS, was also suggested.

Slow growth in a post-crisis world has at times caused carbon permits to sink to basement trading prices of under €5 per metric tonne. Early this year, member states agreed to withhold up to 900 million carbon permits until 2019-2020, as a temporary solution. (See Bridges Weekly, [16 January 2014](#))

The Commission's announcement in January included a legislative proposal for a more long-term ETS fix in the form of an "automatic stabiliser" by 2021 – which would mechanically adjust the supply of allowances in the EU carbon market according to pre-defined rules.

On Monday, however, the CEOs of four Fortune 500 companies called for an urgent withdrawal of two billion carbon allowances from the EU's ETS. Alstom UK, Shell UK, Doosan and SSE suggested that the Commission's proposal for an automatic stabiliser was six years too far away.

"Two billion allowances are suppressing cost efficient carbon abatement and delaying investments in energy efficiency and lower carbon processes, products, and services for the medium and long term," read the letter, seen by news agency EurActiv.

The overall 2030 framework, as well as the Commission's communication on an "[industrial renaissance](#)," will next be discussed at the heads of state and government level when EU leaders meet later this month. Greece, the current chair of the Council rotating presidency, will report on the outcome of this week's ministerial discussions.

ICTSD reporting; "UK supports non-binding renewable energy goal," EUROPEAN VOICE, 4 March 2014; "Thirteen ministers urge EU to agree green energy goals in March," REUTERS, 3 March 2014; "Energy firms call for urgent carbon market action," EURACTIV, 5 March 2014, "EU's re-industrialisation dream 'hostage' of high energy prices," EURACTIV, 26 February 2014.

UKRAINE

EU Reiterates Trade Offer as Ukraine-Russia Situation Escalates

The EU has reiterated its earlier pledge to ink a trade deal with Kiev, as international tensions over Ukraine's future escalated further over the weekend following the incursion of Russian military forces into the Crimean peninsula. The fall-out has also put Moscow's membership in the G-8 into question, while substantially worsening Russia's economic and political ties with the EU and US.

"If and when Ukraine is ready to sign the [trade] deal, then the European Union is ready to sign the deal," EU Trade Commissioner Karel De Gucht [said](#) after meeting with EU trade ministers in Athens last Friday. He added that any decision from the EU would be taken by the Council, pledging an appropriate response "to any request from a new inclusive government committed to political and economic reforms."

The upheaval in Ukraine began late last year, after President Viktor Yanukovich withdrew from signing an Association Agreement with the EU that would have included a trade pact. The decision to pull back from the deal was largely seen as the result of pressure from neighbouring Moscow, and sparked months' worth of protests in Kiev. (See Bridges Weekly, [12 December 2013](#))

Russia had argued that signing onto the EU deal would make it impossible for Ukraine to join the customs union that it has formed with Belarus and Kazakhstan, given that it would involve Kiev being party to two conflicting sets of tariff rules. It could also lead to a massive influx of European products across Russian borders, Moscow warned. (See Bridges Weekly, [19 September 2013](#))

The protests ultimately led to Yanukovich being driven from Kiev, with a new pro-Western government being instated in the days following. Last week, Russian military forces entered the Ukrainian peninsula of Crimea, on the grounds that it needed to protect the Russian-speaking citizens living there.

The situation has highlighted long-standing divides in Ukraine over its long-term future. Its population is split between those wanting more EU integration – 60 percent, by some estimates – and those wishing to sign onto the Russian-backed customs union.

Economic situation

While the Russian military manoeuvres have since been halted, the next steps for the embattled Ukraine, however, remain uncertain. The Ukrainian economy is facing severe difficulties, with estimates placing Ukraine's needs at US\$15 billion in loans, and US\$35 billion over two years.

Given Ukraine's economic situation, EU officials have also noted that a trade pact with Brussels could pay major dividends for Kiev, and have pledged to ratify and implement it immediately should Ukraine decide to sign on. According to EU estimates, the trade deal could save Ukrainian exporters €487 million annually from lower import duties, among other benefits.

In addition, EU Trade Commissioner Karel De Gucht stressed that the Association Agreement and trade pact would also serve as "an unprecedented blueprint for the

modernisation of Ukraine's economy."

While the situation has been portrayed as one of two competing economic blocs – the EU and Russia – jostling for influence, Brussels officials have been firm in saying that the trade pact is "not directed towards or against Russia."

De Gucht acknowledged last week that the trade deal is technically "not compatible with Ukraine becoming a member of the customs union between Russia, Belarus and Kazakhstan." Outside of that, though, he noted that the EU "even applaud[s] that Ukraine would have closer economic relations with Russia."

G-8 summit in question

The recent move of Russian forces into the Crimean region of Ukraine has also placed Moscow's status in the G-8 coalition of industrialised economies in question, even as it prepares to host this year's summit.

Leaders from the G-8 countries – which along with Russia also includes Canada, France, Germany, Italy, Japan, the UK, and the US, with participation of EU Commission and Council presidents – are set to meet in the Russian city of Sochi in June for their annual gathering. However, US Secretary of State John Kerry warned on Sunday that "there is no way, to start with, that if Russia persists in this, that the G8 countries are going to assemble in Sochi."

Speaking on NBC's Meet the Press, the US' top diplomat also [said](#) that foreign ministers from both G-8 members and other unspecified countries are leaning toward isolating Russia until its stance changes, with possible policy responses ranging from asset freezes to visa bans and beyond.

"There could be certainly disruption of any of the normal trade routine," he warned. "There could be business drawback on investment in the country. The ruble is already going down and feeling the impact of this."

Along these lines, the G-7 – effectively all G-8 countries minus Russia – issued a [statement](#) on Monday jointly agreeing to suspend their G-8 summit preparations "until the environment comes back where the G-8 is able to have meaningful discussion."

The group added that they were "united in supporting Ukraine's sovereignty and territorial integrity, and its right to choose its own future."

US suspends Russia trade, investment talks

Russia's military actions have also prompted bilateral trade responses, including the US' decision to suspend trade and investment talks with the country. While bilateral trade between the two sides is relatively small, making up just one percent of US imports and exports, the two sides have a long and troubled trade history. Recent years had appeared to indicate a cooling in economic tensions, including the US decision to sign off on Russia's WTO membership, and Congress' subsequent lifting of Cold War-era trade restrictions.

"Due to recent events in Ukraine, we have suspended upcoming bilateral trade and investment engagement with the government of Russia that were part of a move toward deeper commercial and trade ties," a spokesperson from the Office of the US Trade Representative told Dow Jones newswires.

The EU's trade relationship with Russia has experienced its own set of strains, with the two sides currently embroiled in multiple WTO disputes. While foreign ministers from the bloc have also raised the possibility of "targeted sanctions," they have also put forth offers to

mediate between Kiev and Moscow. Analysts have noted that imposing restrictions on Russia could potentially backfire, given EU's close energy and trade ties with the country.

The prospect of sanctions from its Western partners has been slammed by Russian officials, with Foreign Minister Sergei Lavrov telling a UN Human Rights Council meeting on Monday that "those who try to interpret the situation as a type of aggression and threaten sanctions and boycotts, are the same who consistently have encouraged [Ukrainians] to refuse dialogue and have ultimately polarised Ukrainian society."

ICTSD reporting; "U.S. Suspends Trade and Investment Talks With Russia," DOW JONES INSTITUTIONAL NEWS, 4 March 2014; "Lavrov slams threats of 'sanctions and boycotts' over Ukraine," AGENCE FRANCE PRESSE, 3 March 2014; "EU offer of free-trade pact with Ukraine still stands, Brussels ready to sign – EU trade chief," REUTERS, 1 March 2014; "UPDATE 4-EU tells Russia to withdraw troops or face possible sanctions," REUTERS, 3 March 2014; "EU leaves open option of targeted measures' against Russia," FINANCIAL TIMES, 3 March 2014; "Hoping to Shore Up Ukraine Government, European Union Offers Billion in Aid," NEW YORK TIMES, 5 March 2014.

PREFERENTIAL AGREEMENTS

EU Trade Ministers Pledge T-TIP Support As Talks Enter Next Stage

EU trade ministers meeting in Athens last week pledged their full support to the ongoing trade talks with the US, as part of a broader push on both sides to allay concerns from public interest groups over the proposed Transatlantic Trade and Investment Partnership (T-TIP). With the fourth round of negotiations set to begin in less than one week, the planned agreement has received amped-up attacks from a diverse collection of critics on both sides of the Atlantic.

Following last week's meeting of trade ministers, EU Trade Commissioner De Gucht warned that recent public discourse [has featured](#) too much "speculation" and "fear-mongering," rather than focusing on the facts of the proposed deal.

"I welcome again the full support of all ministers and all our member states for the on-going T-TIP negotiation process," the EU trade chief told reporters last Friday. "That said, I took the opportunity today to underline the need for the full engagement of their respective governments to explain the benefits of the T-TIP project to their respective publics."

At the same meeting, Finnish trade minister Alexander Stubb reportedly told fellow officials from the bloc's member states, along with business leaders from both sides, that many T-TIP opponents tend to generally be against globalisation, free trade, and multinationals.

"We have an uphill battle to make the argument that this EU-US free trade agreement is a good one," he said, in comments reported by Reuters.

With both the EU and US working their way out of a prolonged financial crisis, advocates for T-TIP have said that the deal could provide a much-needed boost to their economies. For instance, figures cited by the EU place the increase in the bloc's GDP at an additional 0.5 percent each year, netting an additional €275 billion in total trade per annum.

With stakes set so high, "we will have to prove that this is not a race to the bottom, but a race to the top," BusinessEurope director general Markus Behrer told EU officials.

Transparency, investor protections

One of the main complaints from various advocacy groups has been regarding the level of transparency in the talks. On Monday, 42 businesses and advocacy associations joined a petition by the US' largest labour federation, the AFL-CIO, to the US Trade Representative (USTR) requesting greater transparency and the establishment of a public consultation process.

In an accompanying press release, the organisation, which represents over 12 million constituents, demanded that the US government act "at least as democratic, participatory and transparent as any other in the world."

US government officials, for their part, have said on several occasions that there are already various opportunities for the public to provide their input into the talks, and have

promised to release additional information about Washington's negotiating objectives before next week's round of negotiations.

US Trade Representative Michael Froman also announced last month a new initiative – the Public Interest Trade Advisory Committee – that would provide expert input into the negotiations on areas such as public health, development, and consumer safety. (See Bridges Weekly, [20 February 2014](#))

Substantively, the US labour organisation is particularly opposed to investor-state dispute settlement systems, an issue that has also sparked concern in the EU. Brussels, for instance, has already pledged to publish its negotiating objectives for the investment part of the deal this month, which will be followed by a three-month public comment period. (See Bridges Weekly, [23 January 2014](#))

Such investor protections, groups on both sides have warned, could give foreign corporations too much room to challenge domestic policies that are in the public interest.

At a roundtable discussion held on Monday in Westminster, British Cabinet Minister Kenneth Clarke was quick to dismiss concerns over policies such as investor-state dispute settlement mechanisms. "Contrary to what is often reported, the dispute resolution element of the proposed treaty is not a means for giant companies to get governments to lower standards," Clarke said. The British official noted that the UK is party to 94 agreements with such provisions, but that it has yet to lose a case before an arbitration panel.

Regulatory differences

Less than a month ago, Froman met with EU Trade Commissioner Karel De Gucht to conduct a political stocktaking of the negotiations to date. After identifying key differences between their sides' positions, they urged negotiators to "step up a gear" as they kick off the next phase of the talks. (See Bridges Weekly, [20 February 2014](#)).

Despite the expected difficulties ahead, particularly as the two sides dig into the thorny subject of regulations and standards, De Gucht told [reporters](#) at the time that overall "things are on track."

The regulatory portion of the talks – for instance, harmonising health and safety policies – is widely expected to be the toughest area to resolve. The EU official has repeatedly said that there would be "no 'give and take'" on consumer protection, the environment, or food, in response to concerns that have been raised by NGOs and the EU public.

However, that stance has sparked concern among members of the US farm lobby, given that American agricultural producers had hoped that T-TIP negotiations would lead the EU to revise its ban on genetically modified organisms (GMOs) and beef treated with hormones.

"Unless the EU is truly willing to negotiate, no deal is better than a half-baked deal," said Steve Censky, CEO of the American Soybean Association, in comments reported last week by the Financial Times. In a speech last month, Froman said that "this is a comprehensive negotiation," in comments apparently geared at allaying these concerns.

"We are going to have to work through this and come up with a balanced outcome," he added.

Ratification hurdles?

With the talks still in their early stages, the end-date for negotiations has been pushed back, after previously being set for late 2014. While a new target date has not been set,

officials have said that they hope to advance the talks quickly, in order to finish “on one tank of gas.”

Even if a pact is completed in the near-term, however, questions also linger over whether a final agreement would receive the necessary approval by lawmakers to enter into force. In Europe, the upcoming elections this spring are expected to significantly change the make-up of the European Parliament, with some warning that it could lead to an increase in members who are sceptical of the pact.

On the other side of the Atlantic, efforts to renew Trade Promotion Authority – a controversial provision that is essential for ratifying T-TIP once it is completed – are moving at a sluggish pace in Washington, as lawmakers spar over the merits of mega-regional trade deals and how involved Congress should be in actual trade negotiations. (See Bridges Weekly, [20 February 2014](#))

ICTSD reporting; “Trade talks ‘honeymoon’ over, business chiefs warn EU,” EU OBSERVER, 28 February 2014; “EU-US Trade Talks Face Growing Hostility, Ministers Warn, REUTERS, 28 February 2014; “US farmers attack Europe on trade talks impasse,” FINANCIAL TIMES, 24 February 2014.

IN BRIEF

US-India Trade Ties Worsen, Amid Claims of Protectionism

US-India trade ties have continued to worsen in recent weeks, with Indian Trade Minister Anand Sharma accusing Washington this week of “high and unacceptable protectionism.” The remarks from New Delhi’s top trade official comes after months fraught with tension, with the two sides openly sparring on topics ranging from renewable energy policies to patent protections.

In his remarks, Sharma defended India’s compliance with the WTO’s Agreement on Trade Related Aspects of Intellectual Property Rights (TRIPS). Washington has repeatedly said that New Delhi’s policies on patent protections effectively put US pharmaceutical companies at a disadvantage compared to Indian producers of generic drugs. Sharma has denied this, saying that what the US wants from India goes above and beyond TRIPS’ terms – adding that India “will never accept” TRIPS-plus style policies.

Another area of disagreement between the two sides has been India’s domestic content requirements for solar energy products, which led Washington to file its second complaint with the WTO on the subject last month. (See Bridges Weekly, [13 February 2014](#))

The US claims that these requirements not only make it difficult for its exports to enter the Indian market, but also hinder the spread of renewable energy resources globally. New Delhi trade officials have denied these claims, asserting that national policy is in full compliance with its WTO obligations.

In what analysts have said is another sign of worsening tensions, Indian government officials also decided last month to block probes by the US International Trade Commission (USITC) into their domestic trade practices, saying that bilateral disputes should instead be reviewed in the WTO context.

ICTSD reporting; “India hardens stance against U.S. protectionism ahead of visits,” REUTERS, 4 March 2014; “Anand Sharma accuses U.S. of trade protectionism,” THE HINDU, 4 March 2014.

Australian PM Makes Push for Greater Asia Trade Ties

Australian Prime Minister Tony Abbott confirmed this week plans to visit Japan, Korea, and China in April, as part of a bid to advance Canberra's ongoing trade negotiations with each of these Asian partners.

"The prosperity of our country and other countries in our region depends on increased trade and investment," Abbott told domestic lawmakers this week in announcing the news. Forty percent of Australia's two-way trade in goods and services, valued A\$250 billion (US\$224.5 billion, at today's exchange rate) is conducted with these three countries, he added.

Canberra already finalised trade talks with Seoul – its third-largest export market – in late December 2013, and the two sides are expected to sign the deal in April when Abbott visits the South Korean capital. Estimates place the potential gains of the deal at US\$4.5 billion between 2015 and 2030. (See Bridges Weekly, [12 December 2013](#))

The Australian prime minister is also hoping to "substantially advance" his country's planned trade agreement with Japan during his visit to Tokyo, in the hopes of hosting a formal signing in July in Canberra when Japanese Prime Minister Shinzo Abe returns the visit.

Japan is Australia's second biggest trading partner behind China, and the deal is expected to bring in hundreds of millions for Australian businesses, particularly agricultural exporters. Major sticking points have reportedly been Australian tariffs on automobile imports and Japanese restrictions on agricultural imports, both of which are expected to be lowered in the final pact.

Regarding China, Australian officials insist that those negotiations are well on track, despite recent tensions over Beijing's territorial dispute with Tokyo on islands in the East China Sea. The relationship is in "very good shape," Abbott said earlier this week, reiterating earlier promises that his government will do all in its power to clinch a trade pact with its Asian partner by the end of this year. (See Bridges Weekly, [10 October 2013](#))

ICTSD reporting; "China free trade deal still on track," THE AUSTRALIAN, 27 February 2014; "Korea trade pact to deliver \$5bn boost, jobs growth," THE AUSTRALIAN, 3 March 2014; "Abbott in Asian trade trip," THE AUSTRALIAN, 3 March 2014; "Japan trade deal timed for Shinzo Abe visit in July," THE AUSTRALIAN, 28 January 2014; "Tony Abbott upbeat on China trade mission despite diplomatic tensions," THE GUARDIAN, 3 March 2014.

EVENTS & RESOURCES

Vacancy

Due to internal reorganisation, the **IDEAS Centre** – a Geneva-based non-profit organisation dedicated to facilitating the integration of developing countries into the world economy – is seeking a new Executive Director, as current Executive Director Nicolas Imboden will be taking on the role of the organisation's President. More information about the post is available [here](#).

Events

Coming Soon

10 March, New Delhi, India. **DEEPENING INDIA'S ENGAGEMENT WITH AFRICA THROUGH BETTER MARKET ACCESS, AID, AND INVESTMENT.** This dialogue, taking place on the occasion of the 10th CII-EXIM Bank Conclave on India-Africa Project Partnership, aims to discuss how India can improve its engagement with African countries through better trade, aid, and investment relations. The dialogue will present findings from a series of studies assessing the actual effectiveness of India's Duty-Free Trade Preference (DFTP) scheme, and examining options for improving the scheme's overall impact. Evidence will be drawn from case studies conducted in Ethiopia, Tanzania and Uganda to show how aid, technology transfer, and investment from India can help build productive capacity in African countries, resulting ultimately in greater exports. For more information, visit the event [website](#).

11 March, London, UK. **STRONGER TOGETHER? FORGING PUBLIC-PRIVATE PARTNERSHIPS FOR DISASTER RESILIENCE.** This panel event is the first in a new series co-hosted by the Overseas Development Institute (ODI) and the Climate and Development Knowledge Network (CDKN). The panel will explore opportunities and challenges for private sector engagement in disaster risk reduction, and options for the upcoming HFA2, also known as the Hyogo Framework for Action. Two presenters will discuss main messages and take away points from their recent reports: Christina Becker-Birck from Meister Consultants Group on *Resilience in Action - Lessons from public-private collaborations around the world*, and Dan Dowling of PricewaterhouseCoopers on *Stimulating private sector engagement in building disaster resilience*. John Firth of Acclimatise and Nick Harvey from the UK's Department for International Development (DFID) will participate on the panel as discussants. More information can be found at the event [website](#).

12-14 March, Bonn, Germany. **GREEN AND SOCIAL: MANAGING SYNERGIES AND TRADE-OFFS.** This workshop, hosted by the German Development Institute (DIE) and the Poverty Reduction, Equity and Growth Network (PEGNet), will explore how today's development pathways can be made more environmentally sustainable and socially inclusive. Topics discussed will include: the effects of environmental-oriented policies on poverty; the effects of poverty-oriented policies on the environment; and environmentally sustainable and socially inclusive development policies. For more information, visit the event [website](#).

13 March, Paris, France. THE FUTURE OF BANKING SUMMIT. This conference, hosted by The Economist magazine, aims to bring together European and international bankers, investors, regulators, and policymakers to debate potential approaches for strengthening the banking industry's foundations and creating growth. Topics to be addressed include the impact of the European Central Bank's new role as supervisor of the EU's largest banks, the effects of the Basel III regulations on business models, and the landscape of the banking industry over the upcoming years. 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 + 13 March: Trade Policy Review Body – Myanmar

12 March: Committee on Government Procurement

14 March: General Council

Other Upcoming Events

17-21 March, Montevideo, Uruguay. WCRP CONFERENCE FOR LATIN AMERICA AND THE CARIBBEAN: DEVELOPING, LINKING, AND APPLYING CLIMATE KNOWLEDGE. This conference is being co-organised by the World Climate Research Programme (WCRP), the UN Educational, Scientific, and Cultural Organization (UNESCO), the Inter-American Development Bank (IDB), the Inter-American Institute (IAI), Argentina's Center for Research on Oceans and Atmosphere, and Uruguay's Universidad de la República. Participants will work to identify gaps in the knowledge chain from basic to applied climate science, with the goal of informing policy that is pertinent for the region. More information is available at the event [website](#).

19 March, Jakarta, Indonesia. CLIMATE CHANGE AND THE POST-2015 SUSTAINABLE DEVELOPMENT GOALS. This event, hosted by the Climate and Development Knowledge Network (CDKN), will bring together experts and practitioners in climate change and sustainable development from across the Southeast Asian region to discuss the linkages between climate change and the post-2015 development agenda. The workshop aims to complement similar discussions that are taking place in other developing countries. The outcomes will be shared with the office of the UN Secretary-General ahead of the September 2014 Leaders' Summit on climate change. Visit the event [website](#) for more details.

27 March – 1 April, Abuja, Nigeria. 7th JOINT MINISTERIAL CONFERENCE ON INDUSTRIALIZATION FOR SUSTAINABLE AND INCLUSIVE DEVELOPMENT IN AFRICA. This conference seeks to provide policymakers with a platform to make proposals aimed at advancing the work of the Accelerated Industrial Development of Africa (AIDA) initiative. The conference is being organised by the UN Economic Commission for Africa (UNECA) and the African Union Commission (AUC), in collaboration with the Nigerian government. Expected attendees include African ministers responsible for finance, economy, and economic development, as well as central bank governors and private sector leaders. Discussions will focus on key challenges in advancing the continent's industrial development agenda, including ways to improve productivity and competitiveness. For more information, visit the event [website](#).

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](#).

Resources

THE WTO TRADE FACILITATION AGREEMENT – POTENTIAL IMPACT ON TRADE COSTS. Published by the Organisation for Economic Co-operation and Development (OECD) (February 2014). This information note report presents findings from a 2013 [OECD paper](#) that assessed the potential impacts of the new WTO Trade Facilitation Agreement on trade costs for developing countries. The findings, however, have been recalculated to reflect the final changes in the trade facilitation pact, once the WTO negotiations were brought to a close last December. The note can be found [here](#).

ECONOMIC POLICY REFORMS 2014. Published by the Organisation for Economic Co-operation and Development (OECD) (February 2014). This biennial report takes stock of government measures implemented over the past two years in policy areas that have been identified as priorities for boosting incomes. Focusing on both OECD and major non-OECD member countries, the authors use internationally-comparable indicators that enable countries to assess their economic performance and structural policies across a wide range of areas. The report can be found [here](#).

THE POWER OF TRANSFORMATION: WIND, SUN AND THE ECONOMICS OF FLEXIBLE POWER SYSTEMS. Published by the International Energy Agency (IEA) (February 2014). This book summarises the results of the third phase of an IEA initiative focusing on variable renewable energy (VRE), known formally as the Grid Integration of VRE (GIVAR) project. Through a series of seven case studies, the authors evaluate the economic significance of VRE integration impacts, review the need for a system-wide approach to integrating high shares of VRE, and recommend ways to achieve a cost-effective transformation of the power system. The book can be found at the OECD [bookshop](#).

MOVING TOWARDS A CLIMATE-NEUTRAL UN: THE UN SYSTEM'S FOOTPRINT AND EFFORTS TO REDUCE IT. Published by the United Nations Environment Programme (UNEP). The fifth edition of this publication provides an analysis of the UN system's performance in implementing its Climate Neutral Strategy. The authors review greenhouse gas (GHG) emissions for 64 UN organisations in 2012. The report contains a breakdown of each organisation's emissions, along with case studies demonstrating the measures that are being implemented to reduce the UN system's carbon footprint. The report can be found [here](#).

CARBON CONTROL AND COMPETITIVENESS POST 2020: THE CEMENT REPORT. Published by Climate Strategies (February 2014). This report examines how production and emission volumes, energy and carbon efficiency, and competitiveness of companies in energy-intensive industries have evolved since the introduction of the European Union Emissions Trading System (EU ETS). Focusing specifically on the cement sector, the report also reviews how the EU ETS and other policy instruments may have influenced investment and operational choices at the company level. The report can be found [here](#).

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International Centre for Trade
and Sustainable Development
Chemin de Balexert 7-9
1219 Geneva, Switzerland
+41-22-917-8492
www.ictsd.org

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of publications is most welcome; if interested,
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Contributors to this issue are Sofia Alicia Baliño,
Kimberley Botwright, Misha Kydd, Milo Madole,
and Nikita Samaratunga. This edition of Bridges
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Alicia Baliño.

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