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WORLD TRADE ORGANIZATION

In Washington, Azevêdo Calls for US Leadership in Doha Deal . 1

AVIATION

Tentative Deal Reached to Revise EU Aviation Emissions Rule 4

BIOTECHNOLOGY

EU to Re-visit National GMO Ban Issue 6

UKRAINE

EU Commission Proposes Temporary Tariff Cuts on Ukrainian Imports 9

PREFERENTIAL AGREEMENTS

Canada, South Korea Clinch Trade Agreement..... 11

WORLD TRADE ORGANIZATION

Revised WTO Govt Procurement Deal to Take Effect in April 13

IN BRIEF

WIPO Ctte Nominates Gurry for Second Term 15

China, Japan, South Korea Report Advances in Trade Talks . 16

EVENTS & RESOURCES

Events..... 17

Resources..... 19

WORLD TRADE ORGANIZATION

In Washington, Azevêdo Calls for US Leadership in Doha Deal

The US must continue to show leadership on the multilateral stage if the WTO is to succeed in its efforts to complete the Doha Round trade talks, the organisation's Director-General Roberto Azevêdo said in Washington on Monday, making a strong public push in favour of the global pact.

"There is a very active trade debate in Washington at the moment – and it's good to be here in the middle of that discussion," the Director-General told domestic business leaders in a [speech](#) at the US Chamber of Commerce on Monday. "Yet, despite so much talk about trade, I haven't been hearing much about the World Trade Organization."

"Of course, I understand the reasons for this – it's fair to say that the multilateral system has moved very slowly in recent years. But I am here to tell you that the WTO is back in business," he continued.

The Director-General was referring to the events of this past December, when WTO members signed off on their first multilateral deal in nearly two decades. The Bali Package, named for the Indonesian island province where it was agreed, includes the first deliverables from the Doha Round: namely, an agreement on trade facilitation, select provisions on agriculture, and a set of texts dealing with specific developing and least developed country issues.

One of the main tasks for WTO members this year, along with beginning to implement the package agreed in Bali, is to develop a work programme on how to resolve the rest of the Doha Development Agenda – a global negotiating effort that has advanced in fits and starts since being launched in 2001, only to be declared at an impasse in 2011.

The 159-member body has until the end of 2014 to come up with a plan, according to the guidance given by their ministers in December. (See Bridges Daily Update #5, [7 December 2013](#))

Washington will be instrumental in this process, Azevêdo told US business leaders, noting the role that the North American powerhouse played in the Bali talks. "While perhaps it is less talked about, US representatives are also at the centre of the debate in Geneva," he said.



International Centre for Trade
and Sustainable Development

The WTO chief added that his hopes for a Doha deal have the backing of US President Barack Obama, who he met with early on Monday. "That was very important also because it shows the commitment of the United States to the multilateral trading system and to what we're doing in Geneva," Azevêdo [said](#).

However, the US president had cautioned against "repeating, going back to the bad habit of not going anywhere," Azevêdo said, noting that the onus is now on WTO members to develop achievable goals.

The speech comes just days before this month's meeting of the WTO General Council, which is the organisation's highest decision-making body outside the ministerial conference. Chairs of the different negotiating groups are set to report on Friday the results of their consultations regarding the potential next steps for Doha. (See Bridges Weekly, [13 February 2014](#))

Mega-regionals

Much of the hubbub about trade in Washington has been focused on two major mega-regional initiatives: the Trans-Pacific Partnership talks, featuring a 12-country group that covers 40 percent of global GDP; and the newer negotiations with the EU for a Transatlantic Trade and Investment Partnership.

Both sets of negotiations have sets of ardent proponents and opponents. Supporters say that these deals can be a boon to both the US and world economy, particularly following a prolonged and painful financial crisis. Furthermore, they say, these types of agreements can provide major advances in trade rule-making, which could then serve as models in other negotiations, including those at the global trade body.

Detractors, however, have questioned whether these deals could worsen income inequality or lead to the weakening of regulations aimed at advancing domestic public policy objectives, particularly those regarding health and safety. Some have also warned that these regional initiatives could distract from efforts to advance global talks at the WTO.

Debate on both pacts has increased in fervour and frequency in Washington, particularly in a midterm election year. The local focus on mega-regionals was acknowledged by Azevêdo in his remarks, who insisted that these trade developments are positive and have a "clear role to play."

He added, however, that negotiations at the bilateral, regional, or plurilateral level are not mutually exclusive with results on the multilateral front. In addition, there are many issues which the former set of initiatives "simply cannot begin to tackle – and which can only be dealt with in the multilateral system."

"The simple fact is that none of the big challenges facing world trade today can be solved outside the global system," the WTO chief said. "They are global problems demanding global solutions. Against this backdrop, US leadership remains vital at all levels."

Intractable issues must be "up front"

Recent talks in Geneva have focused largely on developing a plan to advance the three toughest issues in the Doha Round: agriculture, non-agricultural market access (NAMA), and services, the so-called "tripod" of the trade talks.

While the success in Bali was seen as partly the result of choosing less-difficult topics, such as trade facilitation, for an "early harvest," trade officials have since remarked both publicly and privately that taking the same approach with the rest of the Doha agenda is unlikely to bring the same result.

"I think we have to tackle the really intractable issues up front. Some issues have not even been discussed in nearly six years. Now is the time to bring them back to the table," Azevêdo said, noting that a solution in agriculture, NAMA, and services would allow the other issues to "fall into place much more easily."

Without a solution in those areas, he warned, "any progress elsewhere will be limited." The Director-General has acknowledged [elsewhere](#) that agriculture will need to be handled very carefully.

Key to any work programme, he stressed on Monday, would be planning, noting that a "crucial mistake" in the past was the failure to plan for what members were going to negotiate.

"Instead, we tried to plan along the way. As we were negotiating we were also deciding what we were going to do and how far we were ready to go – and clearly it didn't work," he said.

Doha deal: US business leaders express scepticism

The US Chamber of Commerce, a federation which represents over three million businesses, along with state and local chambers and industry groups, said in a policy [document](#) released ahead of Azevêdo's visit that it remains "firmly committed to the global-rules based trading system embodied by the World Trade Organization."

However, the group warned that it is currently "unclear whether WTO members are sufficiently motivated to harvest the potential gains of the Doha Round in the two principal negotiating groups remaining, namely, trade in agricultural and non-agricultural goods."

The federation did highlight its support for the expansion of the WTO's Information Technology Agreement (ITA), together with the implementation of the Bali trade facilitation agreement, among other initiatives.

Efforts to expand the ITA's product coverage to reflect changes in world trade hit a wall last year, after China asked for various products to be excluded from the final list – a request that other participants, including the US and EU, deemed unacceptable.

An expanded ITA and the ratification of the revised Government Procurement Agreement (GPA), another plurilateral WTO pact, had previously been raised as other potential deliverables for the Bali ministerial. Though GPA ratification was not possible in time for the December meeting, the new pact is now set to enter into force in April. (See related story, this issue) When the ITA expansion talks might resume, however, remains unclear.

The May meeting of Asia-Pacific Economic Cooperation (APEC) trade ministers could be an opportunity for restarting the talks, Azevêdo acknowledged in response to questions on the ITA pace, given that they would have the "right people there."

"It is difficult to tell, at this point in time, how quickly and how far we can get... It would not be wise for me to try and point to arrival points," Azevêdo told the Chamber, while noting that he has been in contact with the relevant country delegations.

However, an expanded ITA "would be, in my view, a political impetus... that would get stakeholders excited about, and believing, that we can deliver negotiated outcomes in Geneva."

ICTSD reporting.

AVIATION

Tentative Deal Reached to Revise EU Aviation Emissions Rule

EU officials have informally approved a draft deal that would revise the bloc's aviation emissions rules, effectively exempting long-haul flights from being included in the scheme. The deal announced last week follows a series of trilogue meetings between the European Commission, Council, and Parliament.

If the [proposal](#) is approved by Parliament's environment committee next week, and then by the full plenary in April, long-haul flights – in other words, those whose trajectory is partly outside EU airspace – would be fully exempt from the bloc's carbon emissions requirements until at least 2017. Intra-EU flights would, however, still be subject to the original scheme.

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

The inclusion of aviation in the EU's Emissions Trading System (ETS), however, had riled many of the bloc's trading partners, some of which threatened to impose countermeasures should Brussels not amend the scheme. However, the EU had long maintained that it would only consider changing the policy should there be signs of a global airline deal at the International Civil Aviation Organization (ICAO). (See Bridges Weekly, [22 February 2012](#))

In late 2012, the Commission agreed to "stop the clock" on including long-haul flights in its ETS, after signs that an ICAO agreement might be imminent. The freeze would take effect for a one-year period, starting in April 2013, in the hopes of allowing UN negotiators enough time to clinch a deal. (See Bridges Weekly, [14 November 2012](#)).

Months later, ICAO announced that they had reached a "landmark" decision to develop a global market-based mechanism on aviation emissions by 2016. According to the UN body, the mechanism would come into force by 2020. (See Bridges Weekly, [24 October 2013](#))

April deadline

With the EU's one-year pause on the aviation rule set to expire next month, pressure had mounted on the bloc's lawmakers to find a way to address airline emissions in the interim between 2014 and 2016. If the April deadline passes without an agreement, the original version of the aviation rule automatically comes back into effect.

The pressure to find an EU-wide solution came to a head earlier this year, after the Parliament's environment committee voted overwhelmingly in favour of a Commission proposal to charge emissions on any portion of flights occurring within EU airspace, regardless of their origin or destination. (See Bridges Weekly, [6 February 2014](#))

Some EU member states, such as France, the UK, and Germany, were reportedly against the Commission plan, with many countries hinting that they would not implement it should it go forward, given concerns of retaliation from non-EU countries. The decision

last week to instead cover only intra-European flights was presumably made in response to those concerns.

"Everybody knows what's at stake," said Peter Liese, the MEP charged with shepherding the legislation through the Parliament. The rapporteur called on fellow EU parliamentarians to approve last week's draft deal, warning that failure to do so would force the bloc to "go back to [the] full scope immediately, and we all know it will not be enforced."

A compromise?

Although Liese [told](#) EU news agency viEUws that the trilogue deal "weakened" the bloc's aviation emissions policy over the next two years, he also touted it as a compromise that would "strengthen the proposal very significantly" after ICAO announces its global scheme in 2016, and will improve the current effectiveness of the EU's aviation emissions policy internally.

Under the tentative agreement, EU member states would be required to enforce more actively the aviation emissions scheme on intra-European flights. The collected revenue can only be spent on climate-change-related issues, such as the research and development of clean aviation technologies.

Furthermore, the new agreement makes clear that a reduction of aviation carbon emissions from their current levels must be a part of the 2016 ICAO proposal. If no satisfactory agreement is reached by that time, the original 2012 policy would once again take effect in 2017.

Some environmentalists have criticised the trilogue agreement, accusing MEPs of caving to corporate interests and external political pressures. This measure "effectively amounts to the dismantling of a European climate law," [said](#) Bill Hemmings of Transport & Environment, a Brussels-based NGO. The group says that the agreement would cover three-quarters fewer carbon emissions than the original scheme.

EU carriers have also joined the fray, calling the trilogue deal discriminatory. The International Air Carrier Association, which represents more than two dozen European airlines, [lambasted](#) the move, claiming that politicians had chosen "to hurt [the EU's] own interests in order not to lose face."

Next steps

The new plan is subject to a parliamentary vote on 3 April. The greater hurdle, however, may be winning the support of the Parliament's environment committee beforehand.

The committee, which has strongly supported a more stringent stance on emissions, will vote on 19 March. When asked about the committee vote, Liese told reporters that its approval is still up in the air. Environmental committee chair Matthias Groote [tweeted](#) that he believes chances are close to "50-50."

ICTSD reporting; "Kallas: Global aviation emissions talks 'a nightmare'," EURACTIV, 7 March 2014; "EU agrees draft plan for aviation emissions," EURACTIV, 5 March 2014; "EU reaches tentative deal on aviation emissions," REUTERS, 4 March 2014.

BIOTECHNOLOGY

EU to Re-visit National GMO Ban Issue

EU environment ministers agreed last week to [re-open discussions](#) on a legislative proposal that would allow member states to restrict or prohibit the cultivation of genetically modified organisms (GMOs) in all or part of their territory, even after they have been authorised at the EU level.

The move, linked to a recent controversial court case on GMO authorisation, revives a proposed cultivation ban that the European Commission originally put forward in 2010. After two years of examination, compromise was [scuppered](#) by reservations from certain member states, which raised concerns regarding the legal compatibility of some provisions in the proposal with WTO law, as well as internal market rules.

GM crops have long been the subject of bitter division within the EU, often resulting in a political deadlock surrounding their approval. Such crops have proved unpopular with environmental and consumer groups alike in the trading bloc, who cite negative biodiversity and health impacts respectively.

Years of controversy

Just two strains have been given the green light for commercial cultivation in the EU, compared with more than 90 GM varieties cleared for use in the US, and 30 in Brazil. Both EU crops – the Monsanto maize variety known as Mon810, and a potato dubbed Amflora – have continued to spark controversy since their approval.

Although the modified potato is no longer grown in Europe – BASF withdrew the product in 2012 in the face of widespread opposition to the technology – it was subsequently the subject of a court ruling last December, which found that the Commission had incorrectly applied the bloc's rules when giving approval for the product in 2010.

To date, seven member states have introduced national "safeguard" bans on growing Mon810, which can be invoked by a country based on assessed risks to human health or the environment, supported by scientific evidence. The move runs against the views of the European Food Safety Agency (EFSA), which deemed the product as safe as its non-GM equivalents.

The Commission has repeatedly come under pressure from fellow WTO members to lift the controversial bans, which are temporary measures that must be perpetually extended. Environment ministers have rebuffed the EU executive's attempts to end select bans.

A 2006 ruling by the global trade arbiter found that the EU's application of its GMO approval process from 1999 to 2003 effectively violated international trade law by causing "undue delays" in approving such products. The panel also rejected Brussels' defence of national-level bans as precautionary measures, given that there was not sufficient scientific evidence for carrying out an adequate risk assessment. (See Bridges Trade BioRes, [6 October 2006](#), [20 February 2009](#) and [6 March 2009](#)).

While complainants [Argentina](#) and [Canada](#) ultimately reached a "mutually agreed solution" with the EU in that case, deciding to hold bilateral discussions on agricultural

biotechnology market access issues, the US did [request](#) authorisation to retaliate. However, arbitration proceedings in the latter instance have been [suspended](#) since 2008.

Pioneer 1507 limbo

Member states failed last month to conclusively approve or reject an insect-resistant maize known as Pioneer 1507. The strain is the result of a joint effort by DuPont and Dow Chemical, which first applied for its European-level approval 12 years ago.

Although ministers and diplomats from 19 of the EU's 28 members opposed the new strain, this was not enough to secure an outright rejection, given the system of country-weighted voting. Shortly before the vote, Germany announced it would abstain. Countries pushing for approval reportedly included Spain and the UK.

David Lidington, Britain's minister for Europe, said on the day that based on "the best scientific evidence, [he saw] no reason to block it." The EFSA has cleared the crop for human and animal consumption six times since 2005.

Reacting to the news, Dupont released a statement saying the EU had "a legal obligation to itself, to its farmers and scientists, and to its trade partners" to support the approval of safe new agricultural products.

The Commission is now legally obliged to approve the crop, based on a ruling last September by the bloc's second-highest court. At the time, the General Court found that the EU executive had failed to act on the original 2001 Pioneer 1507 request, which had been forwarded to a Standing Committee but not to the Council of Ministers.

Previously, the Commission had indicated in January 2013 that it would not green light any new GM crop prior to member-state agreement on the cultivation ban legislation. At the time of the General Court's ruling on Pioneer 1507, EU health commissioner Tonio Borg issued a [statement](#) emphasising that the case confirmed "the urgency of reconciling strict and predictable European authorisation rules for GMO cultivation, and at the same time taking into account in a fair way national context in member states."

EU parliamentarians threaten censure

For their part, the European Parliament had voted in January against the modified maize, but the resolution is non-binding, since the dossier in question originates from the period before co-decision was introduced.

Reacting angrily to February's Council outcome, certain members of the European Parliament's Greens group threatened to table a motion of censure against the Commission if it went through with approving Pioneer 1507.

"This is a black day for democracy," said French socialist MEP Eric Andrieu. "On January 19, 385 MEPs had called for the prohibition of this GMO. European citizens do not want it."

France's agriculture minister had earlier also expressed disappointment with the result. Paris has since championed a speedy resolution on the national cultivation ban proposal.

Greece, which currently holds the rotating EU Council presidency, is set to convene a first working party meeting today. The Hellenic presidency has indicated it hopes to anchor a political agreement and prepare for the legislation's adoption by year's end.

ICTSD reporting; "Majority of EU countries in favour of GMO compromise," EURACTIV, 4 March 2014; "EU executive set to back new GM crop, member states divided," REUTERS, 11 February 2014; "Greens threaten Commission with censure over GM crop," EURACTIV, 13 February; "Brussels re-opens 12-year old GMO cultivation request," EURACTIV, 7

November 2013; "EU freezes approval of new GMO crop cultivation," EURACTIV, 23
January 2013; "EU court annuls approval of BASF's Amflora GMO potato," REUTERS, 13
December 2013.

UKRAINE

EU Commission Proposes Temporary Tariff Cuts on Ukrainian Imports

The European Commission announced plans on Tuesday to temporarily slash tariffs on imports coming from Ukraine, in the latest effort to try to shore up Kiev's struggling economy. The news comes as the 28-member bloc continues to weigh the possibility of sanctions against Russia, following Moscow's decision earlier this month to send forces into Ukraine's Crimean peninsula.

The planned tariff cuts, which still require approval of the European Council and Parliament, would amount to nearly €500 million in annual tariff reductions, the vast majority of which would go to Ukraine's agricultural sector.

According to the Commission, these unilateral preferences would remain in place until 1 November of this year, in a bid to give Kiev enough time to sign and provisionally apply the free trade deal that has already been negotiated between the two sides. The EU has said that it will sign the pact whenever Ukraine is ready. (See Bridges Weekly, [6 March 2014](#))

"With this rapid response, the European Commission has shown it stands shoulder to shoulder with the people of Ukraine and I would now encourage the European Parliament and the Council to fast track the approval process, so the tariff reductions can be in place by June," EU Trade Commissioner Karel De Gucht [said](#) in announcing the proposal.

"We are all aware of the economic plight facing Ukraine right now. This trade action is more than a gesture – it is an economic lifeline," he added.

Ukraine's economic woes predate the recent upheaval in Kiev, which saw President Viktor Yanukovich driven from office after months of protests that were sparked partly by his decision not to sign an Association Agreement with Brussels, of which the trade deal is a part.

Current estimates indicate that the Eastern European country needs at least US\$15 billion in loans, and US\$35 billion over two years. Along with EU help, discussions on possible support from the US and the International Monetary Fund have also been ongoing over the past few weeks.

The EU had already [confirmed](#) last week plans to provide its Eastern European neighbour with €11 billion in aid over the next few years: €1.565 billion in overall development assistance, or grants; €1.61 billion in macro financial assistance, in the form of loans, and up to €8 billion from the European Investment Bank and the European Bank for reconstruction and development.

Russia sanctions forthcoming?

The past week has seen the controversy over Kiev's future deepen, after Moscow confirmed that it would support Crimea's plan to hold a referendum on whether to remain part of Ukraine or to annex itself to Russia. Sunday's planned referendum by the region, which has strong Russian ties and has a predominantly Russian-speaking population, has been openly lambasted by the US, EU, and Ukraine as illegal.

The US, which has comparatively little trade with Russia, has already signed off on financial and visa sanctions on officials associated with the Crimean developments, while also suspending bilateral trade and investment talks with Moscow. Further US sanctions are being discussed in Congress.

However, whether the strong rhetoric on behalf of the EU will also translate into sanctions has been an open question, with a meeting of the bloc's Foreign Affairs Council scheduled for Monday. EU member states, particularly Germany, have strong energy and trade ties with Moscow, and have been wary of the negative ramifications that sanctions on their Russian neighbor could have upon their own market.

In recent days, EU officials have shown a growing inclination toward Russian sanctions, with German Foreign Minister Frank-Walter Steinmeier telling Reuters that, should there be no "visible change in Russia's conduct" over the weekend, the 28-member bloc would discuss a "next stage of measures."

Possible sanctions, officials say, could include asset freezes or travel restrictions, if diplomatic efforts fail to resolve the row over the coming days.

ICTSD reporting; "UPDATE 3-Time running out for EU bid to engage Russia, Germany warns," REUTERS, 12 March 2014; "Europe Tries to Bolster Ukraine, Punish Russia," THE WALL STREET JOURNAL, 11 March 2014; "UPDATE 2-EU to offer Ukraine trade benefits to help prop economy," REUTERS, 11 March 2014; "In response to U.S. sanctions over Ukraine, Russia may freeze weapons inspections," THE WASHINGTON POST, 9 March 2014.

PREFERENTIAL AGREEMENTS

Canada, South Korea Clinch Trade Agreement

Canadian Prime Minister Stephen Harper and his South Korean counterpart, President Park Geun-Hye, confirmed on Tuesday that their two countries had concluded negotiations for a bilateral trade pact. The news, announced in Seoul on Tuesday, marks Ottawa's first trade agreement with an Asia-Pacific partner.

The deal has been nearly a decade in the making, with negotiations kicking off in 2005. The talks hit a snag in 2008, however, as a result of disagreements over automobile exports, as well as a South Korean ban on imported Canadian beef. Seoul lifted the beef ban in 2012, which reportedly helped pave the way for talks to resume. (See Bridges Weekly, [25 January 2012](#))

Harper, in a [video](#) posted on his official website ahead of the Seoul trip, heralded the agreement as one that will give the Canadian economy "good, if not better free trade access than virtually any other developed country."

Farm, auto trade

Overall, Seoul will remove duties on 98.2 percent of tariff lines, while Ottawa will lift duties on 97.8 lines of its own.

Within these, the trade pact is expected to significantly lower barriers on automobile and agricultural trade between the two sides, phasing out Canada's 6.1 percent tariff on South Korean car imports over three years and slashing South Korea's tariffs on Canadian beef and pork over 15 years.

Fears of losing out to the US and EU, which already have deals with South Korea, were largely seen as drivers for Canada to clinch a deal. Ottawa officials have said that a pact with Seoul is essential for ensuring that Canada can remain competitive against these major players.

"Our exports to Korea have declined quite precipitously since the Americans and the Europeans got their trade agreements with Korea," Canadian Trade Minister Ed Fast told CTV, a Canadian television news programme, last week.

Official estimates have placed the gains of the pact at C\$1.7 billion (US\$1.5 billion) to Canada, with their bilateral trading relationship already valued at C\$10.1 billion (US\$9.6 billion) in 2012.

While many Canadian automobile manufacturers have derided the deal, saying that there are not sufficient protections for their industry, some analysts have downplayed those fears, noting that cars made by Korean companies in the US are already being shipped into Canada duty-free, due to the existing trade deal that Ottawa has with Washington.

However, some critics, such as the left-leaning [Council of Canadians](#), argue that the US' trade deficit with South Korea has worsened in the two years since their agreement entered into force, and have questioned whether an Ottawa-Seoul deal may have the same alleged impact on Canada. (See Bridges Weekly, [29 February 2012](#))

Asia engagement

The Canada-South Korea pact is viewed by proponents as a step toward increasing Canada's engagement with the Asian region. Ottawa is also involved in trade pacts with other Asian partners, such as the 12-country Trans-Pacific Partnership (TPP) talks, which Seoul has lately expressed an interest in joining.

Regarding the TPP talks, Park said that she has requested Harper's support in achieving the approval of Seoul's membership bid. In order to join the negotiations, all current TPP members must agree. While existing members have said that they welcome South Korea's interest, the US has been among those to say that they plan to conclude the talks with the current group of 12, with others to sign on later.

Seoul is also involved in a series of negotiations of its own, including the 16-country Regional Comprehensive Economic Partnership (RCEP), a bilateral pact with Australia, and a trilateral deal with Japan and China, to name a few.

Next steps

The deal still needs to go through domestic ratification processes in both Seoul and Ottawa before it can enter into force. Harper has said that the earliest this might happen would be 2015.

ICTSD reporting; "Canada Confirms Plans for Free-Trade Pact with South Korea," WALL STREET JOURNAL, 9 March 2014; "South Korean trade deal sets up fight between auto, agriculture sectors," CBC NEWS, 10 March 2014; "Canada, South Korea close to free trade deal: Canadian PM," REUTERS, 9 March 2014; "Harper heads to Seoul as critics warn South Korea free-trade deal could flood Canadian market with foreign cars," NATIONAL POST, 9 March 2014; "Canada Says South Korea Trade Pact to Help Beef Producers," BLOOMBERG, 11 March 2014; "Analysis: Pact with Seoul helps level the playing field," THE GLOBE AND MAIL, 11 March 2014.

WORLD TRADE ORGANIZATION

Revised WTO Govt Procurement Deal to Take Effect in April

The revised WTO Government Procurement Agreement (GPA) will enter into force on 6 April, trade officials confirmed this week. The changes to the pact are expected to generate US\$100 billion in increased market access, in addition to the US\$500 billion already covered by the existing deal.

The Government Procurement Agreement commits participants to certain core disciplines regarding transparency, competition, and good governance, covering the procurement of goods, services, and capital infrastructure by public authorities.

While under the umbrella of the WTO, the GPA only covers a subset of the organisation's membership – specifically, those who sign onto its commitments. The deal's current participants number at 15, with the EU and its 28 member states counting as one participant – effectively meaning that the group has 43 countries.

While the original government procurement deal entered into force in 1996, negotiations to streamline and modernise the Agreement – including by expanding its coverage – began just a few years later, and dragged on for over a decade. The talks were completed just minutes before the launch of the WTO's Eighth Ministerial Conference in December 2011, marking one of the few concrete deliverables from what was otherwise a relatively quiet event. (See Bridges Daily Update #2, [16 December 2011](#))

The 2011 version of the pact adds new entities to its coverage, such as government ministries and agencies. The agreed-upon revisions also bring more services and goods into the Agreement. In addition, new and simpler rules on transparency and due process – designed to stymie corruption or protectionism – are included.

Since the 2011 ministerial, the parties to the Agreement have been working to ratify these changes domestically in order to bring them into force. To do so, ratification by two-thirds of the group was required, at minimum.

Sources say that the ten participants who have approved it were, in order of ratification, Liechtenstein, Norway, Canada, Chinese Taipei, the US, Hong Kong, the EU, Iceland, Singapore, and Israel.

"The fact this has been achieved so quickly shows the importance that the parties attach to the GPA and is further evidence, after the successful Bali Package, that the WTO is back in business," WTO Director-General Roberto Azevêdo said on Wednesday.

Many had hoped that the ratification of the revised GPA could happen in time for last December's ministerial conference in Bali, Indonesia, which also saw the global trade body's first multilateral agreement in nearly 20 years. Weeks before the Bali conference, however, officials confirmed that the ratification process would need to continue through early 2014. (See Bridges Weekly, [21 November 2013](#))

With the new GPA set to enter into force within weeks, one question on trade observers' minds will be how this may help in bringing in additional participants, especially given the inclusion of new provisions aimed at facilitating accessions to the pact.

"The modernised text of the revised GPA and the expanded commitment to market access should prompt other WTO members to consider the potential advantages of joining," Azevêdo remarked.

China has been one of the most high-profile WTO members attempting to sign on to the deal in recent years, but its offers to date have been deemed insufficient by current participants. Others negotiating GPA accession include Armenia, Jordan, Moldova, Montenegro, New Zealand, and Ukraine, to name a few.

ICTSD reporting.

IN BRIEF

WIPO Ctte Nominates Gurry for Second Term

Francis Gurry is set to serve another six years as the head of the UN's intellectual property body, after a selection committee nominated him for a second term last week. The recommendation is expected to be formally approved during May's meeting of the World Intellectual Property Organization (WIPO) General Assembly.

Gurry's first term as WIPO Director-General, which began in 2008, saw the adoption of two major treaties: the Marrakesh Treaty on copyright exceptions for the visually impaired and the Beijing Treaty on Audiovisual Performances. (See Bridges Weekly, [4 July 2013](#) and [27 June 2012](#), respectively)

This year's Director-General race featured [four candidates](#) competing for the top slot, some of whom indicated that their candidature was motivated by a perception that WIPO was in need of strengthening as an institution. Traditionally when an incumbent UN agency chief is seeking re-election, they are endorsed by consensus, without any challengers.

Along with Gurry, who was [nominated](#) by Australia, the other candidates included Deputy Director-General Geoffrey Onyeama of Nigeria, Estonian Ambassador Jüri Seilenthal, and Panamanian Ambassador Alfredo Suescum.

Under WIPO [procedures](#), a final nominee is chosen by the organisation's Coordination Committee, which votes by secret ballot to whittle down the list of candidates. The committee serves as WIPO's executive body, and is made up of [83 member states](#). The outcome is then sent to the full WIPO membership for final approval or rejection.

Last Thursday, in the first [round of voting](#), Gurry received 46 votes, followed by Onyeama with 20, Suescum with 10, and Seilenthal with 7. The top three candidates were slated to advance to the second round. However, Onyeama and Suescum withdrew their candidacies later in the day, leaving Gurry as the consensus nominee.

In his acceptance speech, Gurry thanked the committee for its confidence in him. "The world of intellectual property is a challenging one, but one with great opportunities," he said.

"I think that our task in the future is to manage those tensions that inevitably occur around intellectual property, innovation, and creativity in order to maximise the opportunities for all member states," he added.

After approval in May, Gurry will begin his second term in October.

ICTSD reporting.

China, Japan, South Korea Report Advances in Trade Talks

Despite assurances from South Korean trade officials that discussions are "moving toward an end," last week's trilateral trade talks between Japan, China and South Korea produced limited advances, officials say. This marks the fourth round since the three Asian economies kicked off negotiations nearly two years ago.

The discussions in this round were focused on the modalities and the scope of the negotiations, officials confirmed last week. There were also working groups to discuss issues such as rules of origin, customs, technical barriers to trade, and sanitary and phytosanitary measures. Separate meetings were held on subjects such as services, investment, and competition.

These talks come in the midst of heightened tensions between the three trading partners. Japan has recently downplayed past historical abuses, sparking outrage in China and South Korea, especially in the wake of the Japanese Prime Minister Shinzo Abe's controversial visit to the Yasukuni Shrine last December. Tokyo and Beijing have also been publicly at odds over the ownership of a group of islands in the East China Sea.

Apart from the territorial and historical issues, questions have also arisen over the impact of a trilateral pact on agricultural trade, with South Korean and Japanese farmers voicing concern over a possible inflow of cheap farm products from China.

These trilateral negotiations are part of a wider FTA negotiation boom in the Asia-Pacific region. South Korea and China are in the middle of negotiating their own separate bilateral trade agreement, while Tokyo is a member of the 12-country Trans-Pacific Partnership (TPP) talks, which Seoul has expressed an interest in joining. All three partners are also involved in the 16-country Regional Comprehensive Economic Partnership (RCEP) talks.

The three countries combined account for 20 percent of the world's GDP and approximately 17 percent of global trade. The next round of negotiations is scheduled to be held in China in July.

ICTSD reporting; "China-Japan-South Korea Hold FTA Talks Despite Political Tension," THE DIPLOMAT, 5 March 2014; "Three-way FTA Trade Talks with Japan, China End with Little Progress," BUSINESS KOREA, 10 March 2014.

EVENTS & RESOURCES

Events

Coming Soon

19 March, Washington, US. FIFTEENTH RIGHTS AND RESOURCES INITIATIVE DIALOGUE ON FORESTS, GOVERNANCE AND CLIMATE CHANGE. This event, hosted by the Rights and Resources Initiative (RRI), will focus on the agreement reached on REDD+ at the Warsaw Climate Change Conference, along with international efforts to promote the establishment of forest carbon rights in forested countries. The discussion is expected to consider opportunities and challenges presented by these developments and possible steps to ensure that the rights of Indigenous Peoples and other local communities are enhanced and safeguarded. Topics to be addressed include: the implications of the Warsaw talks on carbon rights and safeguards; the current status of forest carbon rights; the methodological framework of the World Bank's Carbon Fund; and next steps for carbon rights. More information can be found at the RII [website](#).

17-20 March, Abidjan, Côte d'Ivoire. TOWARDS THE IMPLEMENTATION OF THE ECOWAS RE AND EE POLICIES AND THE SE4ALL INITIATIVE. This meeting, organised by the Economic Community of West African States' (ECOWAS) Centre for Renewable Energy and Energy Efficiency (ECREEE) and its partners, will see the launch of National Action Plans for implementing ECOWAS' renewable energy and energy efficiency policies, as well as the UN Secretary-General's Sustainable Energy for All (SE4ALL) initiative. The event aims to bring together stakeholders from ECOWAS member states to discuss national action plan processes, as well as share experiences from the EU and other key partners in implementing renewables, energy efficiency, and SE4ALL policies. More information can be found at the event [website](#).

20 March, London, UK. TRADE, TAX, AND TECH: EMERGING ISSUES IN TRANSATLANTIC TRADE. This conference, hosted by the National Foreign Trade Council, will be split into three sections. The first session will discuss the ongoing Transatlantic Trade and Investment Partnership (T-TIP) negotiations and why they matter. The second session will explore the intent and current status of the Organisation for Economic Co-operation and Development's (OECD) Base Erosion/Profit Shifting project, in the context of its potential impact on companies on both sides of the Atlantic. Finally, the third session will assess the impact of the Internet on trade to date, with a particular focus on trans-Atlantic businesses, and explore the appropriate role of regulation on global flows of digital information. 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.

14 March: General Council

17 March: Committee of Participants on the Expansion of Trade in Information Technology Products

19-20 March: Committee on Technical Barriers to Trade

Other Upcoming Events

26 March, Geneva, Switzerland. GETTING BETTER: WHY GLOBAL DEVELOPMENT IS SUCCEEDING AND HOW WE CAN IMPROVE THE WORLD EVEN MORE. This book presentation, hosted by the World Intellectual Property Organization (WIPO), will feature economist Charles Kenny's recent work on global development progress. *Getting Better* argues against development naysayers by pointing to widespread improvements in areas ranging from health and education to peace and liberty. Kenny proposes that the spread of ideas, such as those involving political rights, and cheap technologies, such as vaccines, have transformed the world and that understanding this transformation can lead to even greater benefits. Kenny will also present some of the key findings of a second book *The Upside of Down: Why the Rise of the Rest is Good for the West*. More information can be found at the WIPO [website](#).

26 March, London, UK and online. HOW CAN DEVELOPMENT PREPARE FOR FUTURE CHANGE AND UNCERTAINTY? Hosted by the Overseas Development Institute, this conference will address how the development sector currently plans for the future, and what practical tools can be used to better equip decision makers – whether within government, NGOs, or private sector – in preparing for change and uncertainty. The event will showcase findings from a major report which documents how the Africa Climate Change Resilience Alliance (ACCRA) has worked to design, test, and evaluate a tool for promoting Flexible and Forward-looking Decision Making (FFDM). For more information, visit the event [website](#).

24-30 April, Kathmandu, Nepal. 8TH ANNUAL COMMUNITY BASED ADAPTATION CONFERENCE (CBA8). Hosted by the International Institute for Environment and Development, this conference aims to share the latest developments in community-based adaptation financing, planning, and best practices – both across sectors, and across countries. Speakers include: Christiana Figueres, Executive Secretary of the UN Framework Convention on Climate Change; Jose Maria Clemente Sarte Salceda, Co-Chair of the Green Climate Fund Board; and Margaret Mukahanana Sangarwe, Chair of the UNFCCC Adaptation Committee. 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 FISHERIES SECTOR IN THE GAMBIA: TRADE, VALUE ADDITION AND SOCIAL INCLUSIVENESS, WITH A FOCUS ON WOMEN. Published by the UN Conference on Trade and Development (UNCTAD) and the Enhanced Integrated Framework (EIF) (March 2014). This report, written in the context of efforts to achieve the third Millennium Development Goal of promoting gender equality and empowering women, analyses the structure of The Gambia's fishing and fish processing sector. Their findings, they say, can provide useful insight into how women who make their livelihood through fishing often lose out to men in their same sector. The authors caution that without built-in gender perspectives, efforts to promote fish exports in the country have the potential, in some cases, to exacerbate gender inequality. The full report can be found [here](#).

A PROPOSED CODE TO DISCIPLINE LOCAL CONTENT REQUIREMENTS. By Cathleen Cimino, Gary Clyde Hufbauer, and Jeffrey J. Schott for the Peterson Institute for International Economics (February 2014). The global economic crisis in 2008 produced pledges from countries around the world to avoid new barriers to trade and investment, but many other forms of protection, including non-tariff barriers such as local content requirements (LCRs), still exist. This policy brief analyses the impact of such requirements, and recommends a new WTO code to constrain their use. The proposed code would also involve enhancing transparency, expediting dispute resolution, and imposing penalties for non-compliance. The policy brief can be found [here](#).

12th INVESTMENT POLICY MONITOR. Published by the UN Conference on Trade and Development (UNCTAD) (March 2014). This latest edition of UNCTAD's periodic report presents country-specific information about recent developments in foreign investment policies and trade agreements, both at the national and international level. The report discusses how recent policy measures show a continued move towards improving entry conditions, reducing restrictions, and facilitating foreign investment. Significant developments include the liberalisation of the oil industry in Mexico and the adoption of a new investment law in Mongolia. The publication can be found [here](#).

MOVING TARGETS: NEGOTIATIONS ON THE EU'S ENERGY AND CLIMATE POLICY OBJECTIVES FOR THE POST-2020 PERIOD AND IMPLICATIONS FOR THE GERMAN ENERGY TRANSITION. By Severin Fischer and Oliver Geden for Stiftung Wissenschaft und Politik (German Institute for International and Security Affairs) (2014). This research paper compares today's energy situation with that before 2007. By analysing the decision-making process from the negotiators' perspective, this study considers the possible outcomes of negotiations to establish a new EU 2030 energy and climate policy framework. In addition, it warns how an unambitious EU compromise would affect Germany's "Energiewende" (energy transition) policy. The paper can be found [here](#).

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