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INFORMATION TECHNOLOGY AGREEMENT

Trade Negotiators Clinch Tentative Deal to Expand ITA Product List

Countries negotiating the expansion of the WTO's Information Technology Agreement (ITA) are aiming to sign off on Friday on a final list of approximately 200 products that they intend to add to the pact's coverage, after having reached a tentative breakthrough in the talks last weekend.

Along with the product list, the countries involved in the expansion initiative have prepared a draft declaration, which they also aim to approve tomorrow. The deadline for receiving approval from capitals on both is Friday midday.

The final product list, if approved, would see tariffs brought to zero on [goods](#) such as next-generation semiconductors, magnetic resonance imaging (MRI) machines, global positioning system (GPS) devices, video game consoles, printer ink cartridges, and computed tomography (CT) scanners, to name a few.

This new list would mark the first new tariff-cutting deal at the WTO in nearly two decades, and some estimates have placed the potential value of the additional 200 or so products at US\$1 trillion in annual trade.

The participants involved in the updated tech trade deal include only a subset of the organisation's membership: counting the EU's member states individually, 54 countries have tentatively agreed to this updated list, out of the 80 participants in the current ITA and the 161 members of the entire WTO.

These 54 countries cover approximately 90 percent of global trade in information technology products, sources say.

However, both the original tech trade deal – dubbed ITA-I – and the planned expansion, known as ITA-II, are open plurilaterals. This means that even though only some WTO members have taken on commitments, the benefits are extended to the global trade body's full membership on a most-favoured nation (MFN) basis.

The original ITA was agreed in December 1996 by 29 participants, with the deal entering into force the following year. The 80 participants that have now signed on to ITA-II together cover approximately 97 percent of global trade in information technology goods, according to WTO statistics.

Reaching agreement

While global trade covered by the original ITA has more than tripled since its entry into force, now hitting more than US\$4 trillion annually, many of the items on that list are now falling out of use, while new technologies have rapidly entered the market.

These changes, in turn, prompted the effort among interested ITA participants to negotiate an updated list that would better reflect the new realities in today's technology trade. However, the process has been a difficult one, with the negotiations hitting multiple snags in recent years.

Most recently, participants in the ITA expansion effort had put their talks on hold this past December, after China and South Korea found themselves at odds over whether to include items such as liquid-crystal displays (LCDs) in the final agreement, with Seoul arguing for their inclusion. Taiwan had also expressed an interest in including these and other products. (See Bridges Weekly, [18 December 2014](#))

Sources familiar with last week's discussions said that while LCD displays ultimately did not make it into the final product list, there were some concessions by other participants to help form a package that could be more attractive for Seoul to accept. The key negotiations in these final stages were mainly between China, South Korea, the US, and the EU, sources said.

Even so, some sources noted that Taiwan was less satisfied with the outcome than many of the other ITA-II participants, though whether this dissatisfaction will be enough for it not to approve the final list tomorrow was unclear as Bridges went to press on Thursday.

The 14-18 July round of negotiations leading to the breakthrough was chaired by EU Ambassador Angelos Pangratis, who commended all sides for demonstrating "the necessary leadership and flexibility that allowed for this important outcome," according to an e-mailed statement.

The EU official also noted the contribution made by WTO Director-General Roberto Azevêdo in the process, who Pangratis said was "constantly involved in the most challenging aspects of this negotiation," thus helping reach this result. Other sources familiar with the talks similarly noted Azevêdo's role in facilitating these final stages.

Nairobi next

Should the product list and draft declaration be approved tomorrow, as expected, the next step will involve the negotiation of "staging periods" for bringing these tariffs on the individual products down to zero. These discussions would begin in the autumn, sources say.

Another part of the process would then include providing revised tariff schedules to the WTO and then verifying those schedules.

Ideally, this work would be concluded in time for the WTO's Tenth Ministerial Conference (MC10) in Nairobi, Kenya, scheduled for 15-18 December of this year, in order for ministers to approve the overall result. The goal would then be to have ITA-II enter into force by July 2016, subject to the agreed staging of tariff lines, though sources noted that the domestic ratification processes of some participants may take longer than others.

Some sources speculated that this latest breakthrough – along with a final outcome at MC10 – could potentially provide some useful momentum to the overall WTO, which has struggled to advance global trade negotiations under the Doha Round.

The global trade body's members had been aiming to reach a work programme on how to address the outstanding areas of the Doha Development Agenda by 31 July of this year; however, that deadline is very likely to be missed, sources suggest, raising questions over what might come out of the December ministerial meet. (See Bridges Weekly, [16 July 2015](#))

Industry groups respond

The news of last weekend's breakthrough has drawn a positive response from many technology industry groups, some of whom noted that an update to the 18-year-old ITA list has been a long time coming.

"All parties in the talks are to be congratulated," said DIGITALEUROPE's Director General John Higgins in a [statement](#). "They have paved the way for a deal that will have a major boost to the global trade in tech products, many of which didn't exist when the ITA was signed."

DIGITALEUROPE is a group that includes 59 corporate members and 36 national trade associations from across Europe, representing much of the digital technology industry.

"In all of US industry's meetings with the various parties to the negotiation this week, the one common thread in our discussions was that these talks have gone on too long and the time for delay is over," said John Neuffer, President and CEO of the Semiconductor Industry Association, in a [blog post](#).

"As the leaders in the various capitals consider whether to place their final stamp of approval on the three years of labour their negotiating teams have put into the deal that emerged [Saturday], let's hope they appreciate the importance a successful expansion of the ITA will mean to global trade, economic growth, innovation, and the credibility of the WTO, which very much needs to demonstrate it's back in the business of forging market-opening trade agreements," Neuffer added.

ICTSD reporting.

TRADE AGREEMENTS

TTIP Negotiators Complete Tenth Round, Exchange Revised Services Offers

Negotiators for a bilateral EU-US trade and investment deal concluded their tenth round of negotiations last week, exchanging revised services offers and reporting productive discussions on regulatory coherence.

The latest round, held from 13-17 July in Brussels, Belgium, marks the last before the summer break, though intersessional work is expected to continue in the interim. While more negotiating rounds are planned for later in the year, the official dates and venues for these have not been formally announced. A political review is also expected in early autumn. (See Bridges Weekly, [30 April 2015](#))

Market access

The market access component of the Transatlantic Trade and Investment Partnership (TTIP), as these talks are known, covers three main areas: tariffs, services, and government procurement.

Of these three, the key development highlighted by negotiators last week was the exchange of revised services offers. These occupied much of the week's work, they said, with officials aiming to understand more what was provided in the new offers.

"Services is a key component of the transatlantic economy and therefore it is an area where both the European Union and the United States are seeking to achieve an ambitious outcome including commitments that go beyond what we have done so far in our [16] bilateral and multilateral agreements," said Ignacio García Bercero, the EU's chief negotiator for this agreement, at the closing press conference.

Dan Mullaney, the US' chief negotiator in the TTIP talks, added that these new offers are now "much closer together in terms of expectation," while reiterating earlier pledges that the EU-US negotiations will not do anything to undermine either sides' ability to provide public services.

Mullaney referred specifically back to the joint public statement by US Trade Representative Michael Froman and EU Trade Commissioner Cecilia Malmström earlier this year, where the two trade chiefs affirmed that any agreement involving either party does not in any way limit domestic governments from providing services in areas such as water, education, and health, nor do such deals require government privatisation of services. (See Bridges Weekly, [26 March 2015](#))

The EU has also tabled its textual proposal for a services chapter, officials said on Friday.

The two other market access components of TTIP – tariffs and public procurement – were not discussed at last week's meeting. However, the two sides are reportedly aiming to set up a "framework" for speeding up the procurement market access talks, in order to then begin exchanging offers.

Regulatory discussions, rules, ISDS

García Bercero also told reporters last week that the two sides have found "significant convergence" on the five elements they should be able to achieve under the regulatory pillar of the agreement.

These include, he said, reaching agreement on good regulatory practices; achieving "greater regulatory compatibility" in nine chosen sectors, including cars, textiles, and pharmaceuticals; setting up a framework for future regulatory cooperation; and agreeing "ambitious" chapters on sanitary and phytosanitary (SPS) measures and technical barriers to trade.

Mullaney similarly characterised the talks on regulatory coherence as "productive," while concurring that the two sides are continuing their technical work on trying to achieve greater regulatory compatibility in "economically significant sectors."

The two sides also continued their discussions on trade rules, competition, customs, trade facilitation, small- and medium-sized enterprises, and state-to-state dispute settlement, the EU official confirmed. While there were "exploratory" talks on the issues of energy and raw materials, no decision has been made on whether to address this as a separate chapter within TTIP or across different areas of the agreement.

The EU also confirmed that it will be presenting an "ambitious" sustainable development proposal this September, which will be made public after submitted to the US.

No talks were held last week on investor protections or investor-state dispute settlement (ISDS), officials confirmed on Friday. That part of the negotiations has been on hold since January 2014, when the European Commission moved to suspend that element of the talks in order to hold public consultations on the subject. (See Bridges Weekly, [23 January 2014](#))

The Commission is now in the process of preparing a textual proposal for the TTIP talks on ISDS, building on the consultations that it has held with parliamentarians, the public, and member states, officials said. (See Bridges Weekly, [7 May 2015](#))

García Bercero added that this proposal will differ from previous iterations of ISDS, in line with the Commission's pledges to reform how the mechanism is set up. No date has been announced yet for when this proposal might be tabled.

Timing?

With the talks now entering their third year, questions over the pace of the negotiations have persisted, particularly as other trade initiatives such as the Trans-Pacific Partnership (TPP), which involves Washington, race toward a possible conclusion and as the US prepares for its next general election in November 2016.

During their June summit in Germany, G-7 leaders called for TTIP negotiators to "immediately accelerate" their work, including through delivering an outline of a possible agreement by year's end. (See Bridges Weekly, [11 June 2015](#))

Since then, the legislatures in both the EU and US have approved key trade-related legislation or resolutions, which are expected to give the talks a potential political boost.

On the US side, lawmakers approved the renewal of Trade Promotion Authority (TPA), a law that sets Washington's principal negotiating objectives in trade deals and the terms for approving such agreements in Congress. The legislation was then signed into law by US President Barack Obama in late June. (See Bridges Weekly, [2 July 2015](#))

Shortly thereafter, the European Parliament signed off on a series of recommendations for what it would like to see in the TTIP talks. While that decision was non-binding, the report and accompanying resolution drew heated debate among parliamentarians, particular over what language to use regarding investor-state dispute settlement, given that the Parliament will be tasked with approving or rejecting a final TTIP agreement.

Ultimately, lawmakers approved the recommendations, calling for an “ambitious” and “balanced” deal that excludes public services, ensures high levels of protection for EU data relating to consumers, health, and safety, and keeps special treatment for sensitive agricultural and manufacturing goods, among other provisions. (See Bridges Weekly, [9 July 2015](#))

Officials from both sides highlighted these developments in their remarks, with García Bercero referring to both TPA and the European Parliament vote as having given negotiators “strong political wind in our sails” that allowed the two sides to make progress in all areas of the talks last week.

However, with the many issues still on the table and the big political decisions still to come, whether an outline will be ready by year's end – or whether a full TTIP agreement will be reachable before Obama leaves office in 2017 – is expected to be a tough order.

“We have an opportunity to conclude TTIP negotiations during President Obama's presidency, but this will require us to take advantage of every month and of every day available because we still have a lot of work to do,” Mullaney told reporters following the round.

García Bercero concurred, noting that the EU wants to make “all necessary efforts to try to conclude these negotiations with the Obama Administration” while also ensuring a high-quality, balanced outcome.

“I think at this point in time it's a little bit difficult for me to tell you exactly how far ahead we will be by the summer of next year, but I would certainly very much emphasise that we are working very much to intensify our work on all areas and there is a lot of work to be done,” the EU official said.

ICTSD reporting; “EU TTIP chief negotiator: ISDS proposal being finalised,” POLITICO, 17 July 2015; “Progress or groundhog day after two years of TTIP,” EU OBSERVER, 20 July 2015.

DEVELOPMENT FINANCING

UN Approves New Development Financing Framework at Addis Meet

After months of tough preparatory negotiations, UN member states meeting in Addis Ababa, Ethiopia last week agreed to a revised global framework for development finance, aligning flows with a range of economic, social, and environmental priorities.

The 39-page ["Addis Ababa Action Agenda"](#) outlines a series of principles that countries agree should underpin development financing efforts in the context of an emerging sustainable development architecture. These included building resilience to economic shocks in an interconnected world; recognising the risks posed by climate change and environmental degradation; and reaffirming the importance of freedom, the rule of law, and good governance.

A set of seven action areas are identified in the document, with policy efforts defined under each to scale up the means to deliver sustainable development. The areas cover domestic public resources; domestic and international private and business finance; international development cooperation; international trade; debt and debt sustainability; systemic issues; science, technology, innovation and capacity building.

"The Addis Ababa Action Agenda points the way for all stakeholders for smart investments in people and the planet where they are needed, when they are needed, and at the scale they are needed," UN Secretary-General Ban Ki-moon said in a [statement](#) at the close of the meet.

UN officials also said the document features several new policy deliverables. These include the decision to establish a technology facilitation mechanism to boost stakeholder collaboration in support of sustainable development.

The mechanism will be composed of an inter-agency UN team; a multi-stakeholder forum on science, technology, and innovation for a new set of sustainable development goals; and an online platform to facilitate access to information. Various stakeholders welcomed the move, noting that technology has not been included as extensively in past financing for development outcomes.

The document encourages countries that have not yet done so to achieve a target of spending 0.7 percent of gross national income (GNI) on official development assistance (ODA). The 28-member EU collectively pledged to dedicate 0.20 percent of GNI as ODA to least developed countries (LDCs).

New realities

The Third International Conference on Financing for Development (FfD3), as these talks were known, built on outcomes from two previous conferences held in 2002 and 2008. However, as noted by several participants during the opening plenary and reflected in the outcome document, the development landscape has changed dramatically over the past decade.

For example, developing countries' share in global trade has jumped from 28 to 42 percent in the last 20 years, while new players have emerged on the global stage. Private sector

investment is also playing a greater role in development, while the urgency of financing climate action in order not to lose development gains has become clearer.

Despite the progress made, some 836 million people around the world still live on less than US\$1.25 a day, and many more face inequality, discrimination, conflict, poor health, adverse living and working conditions, as well as the impacts of climate change.

In this context, countries are preparing to adopt a new post-2015 development agenda at UN headquarters in September, with an accompanying set of 17 sustainable development goals (SDGs). These will succeed the eight Millennium Development Goals (MDGs), which expire at year's end.

A key question ahead of Addis was whether countries could agree on a new financing for development framework to match the ambition of the priorities identified in the SDGs and what the precise relationship between the two processes would be.

The Addis outcome acknowledges FfD3's role in strengthening the means of implementation (MoI) for the post-2015 development agenda and identifies cross-cutting actions to address some critical gaps.

These include a commitment to a new social compact to deliver fiscally sustainable and nationally appropriate social protection systems for all; scaling up efforts to end hunger and malnutrition; promoting sustainable industrialisation; ensuring affordable access to credit for small-and-medium sized enterprises; and building peaceful, inclusive societies.

In this context, countries also called for the establishment of a new forum to bridge infrastructure gaps, which would meet periodically to improve coordination around infrastructure initiatives led by multilateral and national development banks, the UN, and the private sector. Some estimates suggest developing countries face a US\$1.5 trillion annual gap in funds needed to boost energy access, build roads, and develop telecommunications infrastructure.

The document also recognises the importance of ecosystem conservation, committing to coherent policy, finance, trade, and technology frameworks to protect planetary resources and ensure their sustainable use.

Tough issues

Negotiations on the outcome document proved difficult in some areas and the result received a mixed reception among stakeholders. Some delegates reportedly criticised the absence of more concrete funding.

The outcome document nevertheless envisages a dedicated review process and an annual forum under the UN Economic and Social Council (ECOSOC) to help track progress on development financing. This review process will be integrated with an overall review process for the post-2015 development agenda. The language in this section remains the same as the 7 July draft sent to the conference.

Several developing countries and civil society representatives expressed disappointment over the decision not to create a global tax body. The issue had at one point threatened to scupper the talks, with proponents arguing that a multilateral body was required to increase transparency in tax standards, particularly for developing countries who felt shut out of work undertaken in the Organisation for Economic Co-operation and Development (OECD).

References to the principle of common but differentiated responsibilities and respective capabilities (CBDR) also proved challenging in the lead up and start of the conference. The principle is mentioned in the outcome document in the context of reaching a new,

universal climate deal in December during a UN meeting in Paris, France. (See Bridges Weekly, [2 July 2015](#))

On the climate front, the document reaffirms developed countries' commitment to provide US\$100 billion annually by 2020 to help developing countries move to sustainable growth models, as well as to rationalise inefficient fossil-fuel subsidies, and explore carbon pricing as innovative mechanisms to combine public and private resources.

Trade for growth, development

The Addis Ababa Action Agenda recognises the role of trade as an engine for inclusive economic growth and the promotion of sustainable development. The language remains effectively the same as the 7 July draft and includes a range of pledges geared towards boosting developing country participation in world trade, reaffirming pledges made in the context of past WTO ministerial decisions, and securing trade finance.

Notably, the trade section invites the WTO General Council – the organisation's highest decision-making body outside of the ministerial conference – to consider how the global trade body can contribute to sustainable development.

The section also recognises the role of regional economic integration and trade for economic growth and integrating micro, small, and medium sized enterprises into global value chains. According to the document, UN members will endeavour to negotiate trade and investment agreements with appropriate safeguards so as not to restrict efforts to regulate in the public interest. They also commit to integrating sustainable development into trade policy at all levels.

Along with calling for WTO members to “promptly conclude” the ongoing Doha trade talks, reference is specifically made to the current Doha Round mandate to correct and prevent trade distortions in world agricultural markets – “including through the parallel elimination of all forms of agricultural export subsidies and disciplines on all export measures with equivalent effect.”

WTO members are also called upon to commit to strengthening disciplines on fisheries subsidies, including those that contribute to overcapacity and overfishing, in accordance with the Doha mandate. The Addis document also recognises the need to tackle illegal wildlife trade, illegal mining and logging, as well as illegal, unreported, and unregulated (IUU) fishing. (See BioRes, [13 July 2015](#))

The Addis outcome targets the lack of access to trade finance, noting that it can constrain countries' trade potential, welcoming work on the issue by the WTO, and calling on development banks to increase market-oriented trade finance.

During the opening plenary, WTO Director-General Roberto Azevêdo told delegates that trade could bring new investment, employment, and technology diffusion opportunities, but securing the necessary trade finance and capacity-building were critical to make sure the poor also benefited.

“The benefits of trade still do not reach some of the poorest and most vulnerable. So simply providing more trade opportunities is not enough. A broader and more systemic approach is needed,” the WTO chief [said](#), adding that up to 80 percent of global trade is supported by some form of financing credit or credit insurance.

Azevêdo outlined existing efforts, such as the WTO's Aid for Trade initiative, to boost developing countries' trade capacity. The global trade body also recently launched a second phase of the Enhanced Integrated Framework, a multi-donor programme to help 47 LDCs play a more active role in the global trading system, with a funding target of US\$250 million. (See Bridges Weekly, [2 July 2015](#))

Other relevant contributions from the trade system include a package of outcomes for developing countries from the WTO's 2013 ministerial conference held in Bali, Indonesia. A Trade Facilitation Agreement secured on that occasion could also help streamline the costs of trade that often fall disproportionately on the poorest. That agreement is now at the domestic approval stage, with acceptance of two-thirds of the global trade body's membership needed for it to enter into force.

However, the remainder of the multilateral trade talks have moved at a slow pace in Geneva, Switzerland, with the prospects for reaching a Doha Round "work programme" in time for an end-July deadline receding quickly. (See Bridges Weekly, [16 July 2015](#))

Building block?

In the lead up to Addis, some stakeholders had said it could prove the litmus test for multilateral cooperation, thus setting the tone for the two other major international gatherings later this year. UN leaders said on Thursday that the conference's successful outcome boded well for upcoming summits

"The outcome in Addis is a building block for our new development agenda for the next fifteen years," Wu Hongbo, UN Under-Secretary-General for Economic and Social Affairs, told reporters on Thursday. "The successful conclusion of the negotiations lay a solid foundation for the post-2015 summit in New York and will be a very positive influence on the conclusion of the December climate talks."

Some commentators, meanwhile, suggested the measure of Addis' success would be in its implementation.

"The breadth of the Addis Agenda will help move the discussion of global development from one dominated by aid to one that also addresses trade, investment, technology flows and (even) migration," Charles Kenny, a senior fellow at the Washington-based Center for Global Development, said in an interview.

"If Addis and New York help illustrate the scale of the opportunity and forge consensus around what's necessary to grasp it – that is a good first step. But the follow on steps – actual policy change – had better start coming pretty quickly thereafter," he continued.

ICTSD reporting; "Glee, relief and regret: Addis Ababa outcome receives mixed reception," THE GUARDIAN, 16 July 2015.

DISPUTES

WTO Appellate Body Grants Guatemala Victory in Peru Agriculture Duties Case

The WTO's Appellate Body confirmed on Monday that Peru's additional duties on certain agricultural imports from Guatemala violate global trade rules, in a case that brought to the fore the question of how free trade deals interact with WTO obligations.

The final ruling ([DS457](#)) confirmed the majority of an earlier panel's findings, namely that Peru's duties were inconsistent with various provisions under the WTO's Agreement on Agriculture and the General Agreement on Tariffs and Trade (GATT) 1994.

WTO, FTA timing

In 2001, Peru established a price range system (PRS) that may result in the imposition of additional duties or rebates on certain types of imported rice, sugar, maize, and milk. When additional duties are applied, the combined PRS duties and import tariffs must not exceed the ceiling Lima has committed to at the global trade body.

Peru and Guatemala then signed a free trade agreement (FTA) in December 2011, which included the provision that Lima could keep its PRS in place, along with its amendments.

However, in April 2013 Guatemala filed a request for consultations on the subject, marking the first step in WTO dispute settlement proceedings, claiming that the PRS violated trade rules. The panel that was later established to hear the case granted a victory to Guatemala in November 2014. (See Bridges Weekly, [4 December 2014](#))

Meanwhile, Guatemala began its domestic procedures for ratifying the FTA with Peru in December 2013, later notifying Lima that Guatemala City had fulfilled the legal requirements in February 2014 for bringing the deal into force.

Peru, for its part, has not ratified the FTA. Though Lima maintained that the trade agreement should enter into force, it stated during the WTO panel hearings that the "it is not proceeding with the exchange of notifications at this time since the case brought by Guatemala has created uncertainty with regard to the existence of the balance negotiated."

Following the panel report, both parties submitted appeals earlier this year contesting some of the findings. (See Bridges Weekly, [2 April 2015](#) and [16 April 2015](#))

Good faith issue

Peru had earlier claimed at the panel stage that Guatemala had not initiated the dispute in good faith, as required by the provisions of the WTO's Dispute Settlement Understanding (DSU), because Guatemala had allegedly accepted keeping the PRS under the FTA.

Having lost this claim, Peru had appealed the panel's conclusion that there was "no evidence that Guatemala brought these proceedings in a manner contrary to good faith."

The Appellate Body emphasised that relinquishing the right to initiate WTO dispute settlement proceedings "must be made clearly," and giving up this right through a

"solution mutually acceptable to the parties" – as defined by the DSU – also requires that this solution be consistent with the covered WTO agreements.

Given that the Appellate Body also found the PRS to violate WTO rules, and the ambiguity in the relevant provisions of the FTA regarding its relationship with such rules, the judges said that it is unclear whether the free trade agreement intended to allow Peru to maintain a WTO-inconsistent PRS.

Therefore, the Appellate Body said, it does not appear that the FTA constitutes a mutually acceptable solution that aligns with global trade rules.

The Appellate Body also cites Peru's recognition of Guatemala's procedural right to bring a WTO claim against the PRS, and the liberty provided by the FTA for parties to select which forum to use in bringing disputes. Therefore, the judges said that there was no clear stipulation of Guatemala's giving up the right to use the WTO dispute settlement system.

Indicating that these findings were made irrespective of whether the FTA had been ratified, the Appellate Body therefore upheld the panel's finding on the good faith issue.

Peru's appeal

The PRS mechanism determines duties based on a range constituted by a floor price and a ceiling price, reflecting international prices over the last 60 months. The system also uses a reference price published biweekly, reflecting each product's average international market price.

An additional duty on the transaction value of imports is applied when the reference price of the affected product falls below the floor price. However, if the reference price exceeds the ceiling price, the applicable tariff is reduced.

Peru claimed that the panel erred in finding that the additional duties resulting from the PRS are "variable import levies," or at least "similar border measures," which are prohibited by Article 4.2 of the Agreement on Agriculture.

This provision says that WTO members shall not maintain, resort to, or revert to any measures of the kind which have been required to be converted into ordinary customs duties, unless these are consistent with other rules applying to agricultural goods trade.

The Appellate Body sided with the panel, deeming that the PRS contains a variability mechanism that is formed of rules and formulas, and causes the levies to change automatically and continuously, beyond the normal variability of ordinary customs duties.

Peru also lost on its challenge of the panel's assessment that the PRS lacked transparency and predictability and distorted the transmission of international prices to the domestic market, within the context of whether the measure is a "variable import levy."

The Appellate Body also agreed with the panel's finding that the additional duties resulting from PRS are not "ordinary customs duties" and therefore qualify as an "other duty or charge" that were not featured in Peru's original goods schedule, putting Lima in violation of GATT Article II:1 (b).

Relationship between WTO, FTA provisions

Peru had argued that by relying on the FTA provisions and on Articles 20 and 45 of the International Law Commission (ILC) articles on Responsibility of States for Internationally Wrongful Acts, the panel should have interpreted the terms "shall not maintain" in Article 4.2 of the Agreement of Agriculture as meaning "may maintain" [the PRS] in the

relationship between Peru and Guatemala, as well as allowing for the PRS under Article II:1(b) of the GATT.

According to Peru, Guatemala's approval and ratification of the FTA amounts to "consent" precluding the wrongfulness of Lima's decision to keep the PRS, and Guatemala's ratification of the FTA amounts to a waiver as outlined under Article 45(a) of the ILC Articles.

The Appellate Body said that the FTA and ILC Articles do not provide guidance on the nature of the PRS' additional duties – either in terms of ordinary customs duties or those not allowed by the WTO's agriculture agreement or GATT rules.

Therefore, the Appellate Body said that these articles are not "relevant" rules of "international law" within the meaning of Vienna Convention on the Law of Treaties, given that these do not concern the same subject matter as outlined under the relevant WTO agreements. The FTA does not qualify as "subsequent agreement" under the Vienna Convention, since it is not an agreement regarding how to interpret those WTO rules.

The Appellate Body also found that Peru's argument is less about interpreting WTO rules, but indeed about whether Peru and Guatemala had modified WTO provisions between themselves via an FTA. These modifications would then need to be reviewed against WTO rules on forming regional trade deals, which Lima did not bring up in the dispute.

Guatemala's appeal

Among other claims, Guatemala had asked the Appellate Body to reverse the panel's finding that Peru's Price Range System constitutes neither a "minimum import price" nor a "similar border measure" under Article 4.2 of the Agriculture Agreement.

The Appellate Body rejected Guatemala's claim that the panel erred in its interpretation of "minimum import price," but did find that the panel was incorrect in its analysis on the subject.

The WTO judges also rejected Guatemala's claim that the panel erred by conflating the legal standards for "minimum import price" and "similar border measures," while finding that the panel was incorrect in its analysis of whether the PRS is a border measure similar to a "minimum import price" by not sufficiently analysing the scheme's design, structure, and operation.

Next steps

Under WTO dispute settlement practices, if immediate compliance cannot be achieved, the parties can seek a mutual agreement on the reasonable period of time for compliance. Should no mutual agreement be reached, the parties can then resort to arbitration.

ICTSD reporting.

CLIMATE CHANGE

EU Commission Releases Carbon Market Reform Proposal

The European Commission presented last week its much-anticipated legislative proposal for revising the 28-nation bloc's carbon market for the post-2020 period in order to help meet its 2030 climate and energy goals. The proposal envisages an increased annual decline in the number of emissions allowances available, further development of carbon leakage rules, and a revision of free allowance allocations.

The proposal also outlines several new support mechanisms designed to help industry and power sectors move towards a low-carbon growth model. This includes setting up an "Innovation Fund" to boost cleaner technologies and a "Modernisation Fund" to boost investments in upgrading the power sector as well as increasing energy efficiency in poorer EU member states.

In addition, the document presents three new possible areas where member states could deploy the funds generated by auctioning emissions allowances, including climate finance for vulnerable third countries, mentioned in the context of a landmark UN meet scheduled for December where almost 200 nations are hoping to adopt a new universal climate deal. Other new areas are indirect cost compensation and the promotion of skill formation and reallocation of labour affected by the transition of jobs in a decarbonising economy.

"My message to our global partners ahead of the Paris climate conference: the EU stands by its international commitments," said EU Commissioner for Climate and Energy Miguel Arias Cañete in a [press release](#). "And my message to investors, businesses and industry: invest in clean energy; it's here to stay and continue to grow."

The proposal will now go to the European Parliament and Council for consideration and eventual adoption. Stakeholders are invited to give their views over the next eight weeks.

Securing emissions cuts

EU leaders last October reached a political agreement on a 2030 climate and energy policy framework, envisaging a binding 40 percent greenhouse gas emissions reduction target shared across the bloc's 28 member states, accompanied by binding renewable and indicative energy efficiency goals. (See Bridges Weekly, [30 October 2014](#))

The EU later converted the emissions target into its "intended nationally determined contribution" (INDC) to the UN climate talks. Countries have agreed that individual climate action plans will form the basis of the first-ever global emissions-cutting deal to enter into force at the end of the decade.

Under the October [deal](#), EU chiefs said that 43 percent of the emissions reduction target would be met using sectors covered by the EU's Emissions Trade System (ETS), as the carbon market is known. The European Council conclusions also set the annual reduction in emissions allowances at 2.2 percent from 2021 onwards, a figure enshrined in the Commission's proposal, compared with the current rate of 1.74 percent.

The ETS was set up in 2005 as part of the bloc's effort to cut emissions in a cost-effective manner, and covers all 28 EU member states as well as Iceland, Liechtenstein, and Norway. The "cap-and-trade" system works by putting a limit on overall emissions from

high-emitting industry sectors, which is subsequently tightened each year. A certain amount of emissions allowances are auctioned annually and others are allocated. Companies can then buy and sell allowances within the limit according to their needs.

The EU's carbon market is currently the world's largest and covers around 45 percent of the bloc's total emissions. However, the scheme has struggled to operate effectively in recent years with a glut of allowances causing permit prices to slump, thereby disincentivising mitigation actions. Stakeholders and governments interested in setting up similar schemes will likely be closely monitoring the EU ETS reform process.

EU institutions also recently reached a deal on a new market stability reserve (MSR), in effect from January 2019, to help buffer permit supply and prices in the carbon market. The MSR will work by removing excess allowances based on set "trigger" thresholds to be placed in a reserve and then fed back to the market when there are too few allowances. Under the agreement, any unallocated allowances at the end of the decade are to be placed in the mechanism rather than being re-auctioned. (See Bridges Weekly, [9 July 2015](#))

Free allocation

From 2021, as per current rules, 57 percent of EU ETS allowances will be auctioned while the remainder will be allocated to industries for free. However, the Commission's revisions propose adopting a tiered system for the free allowances, which would see the 177 industrial sectors currently granted all of their allowances dropping to 50. The remainder would receive allowances to cover 30 percent of their emissions.

The new rules envisage better flexibility in the allocation rules in order to account for factory production increases or decreases. The EU executive also envisages regularly updating benchmark values – used to influence allocation according to efficiency – and to capture technology progress in different sectors.

A system of free ETS allowance allocation was set up following concerns that tougher unilateral EU action on emissions, compared with other regions and countries, would result in "carbon leakage" whereby industry and associated emissions move overseas to more climate lenient jurisdictions. EU officials said last week that the 50 sectors still receiving the full free allocation allowance would be those considered most at risk.

Some industry representatives, meanwhile, expressed concern this week that the European Commission's proposed revisions were too harsh given the need to trade and attract investment in a global marketplace.

"The Commission's proposal is failing to safeguard the competitiveness of European industries," [said](#) Markus Beyrer, Director General of European business association BUSINESSEUROPE. "By unnecessarily reducing the volume of free emissions allowances so drastically, it raises the risk of investment leakage, exposing our industries to unfair competition from countries without comparable climate efforts."

The planned revisions could result in a carbon price of around €25, according to some analysts. EU ETS permit prices currently hover around €7.50 per tonne of carbon dioxide equivalent emissions emitted. Carbon prices around the world presently range from between around US\$7-100 (€6.4 to €9.14, at today's exchange rates).

"How to share the free allocation among different industry sectors will likely be the most controversial issue in the legislative process," market analysts at Thomson Reuters Point Carbon told reporters, predicting a €17 carbon price in 2020, rising to €30 in 2030.

Some environmental groups, on the other hand, reacted coldly to the Commission's proposal, suggesting it was a missed opportunity. "This proposal fails to show how the EU

ETS will ensure that Europe's largest polluters pay for a meaningful carbon price for their carbon pollution," [said](#) Geneviève Pons, director of WWF's European policy office.

Low carbon support

The Commission's proposal would see the profits from some 400 million allowances – worth around €10 billion – poured into the new innovation fund to support investments in renewable energy, carbon capture and storage, and low carbon innovation in energy intensive industries.

A further 50 million unallocated allowances from 2013-2020 would also be set aside to enable the innovation fund to start before 2021. The Commission also proposes using a further 250 million of these unallocated allowances to support new entrants and significant increases in production. In addition, two percent of the total allowances would be set aside to establish the separate modernisation fund.

Some environmental groups warned that the proposal could weaken the newly-agreed MSR's stabilising effect.

"This proposal is a step backwards in curbing the oversupply of allowances on the market," [said](#) Damien Morris, head of policy at environmental advocacy group Sandbag. "The nasty surprise for environmentalists is that we were cheated out of some of the 'unallocated' allowances we thought had been placed in the MSR."

ICTSD reporting; "Takeaways and reactions to the post-2020 EU ETS reform proposals," CARBON PULSE, 15 July 2015.

DISPUTES

Disputes Roundup: WTO Panels to Hear China, Russia Cases Against EU

WTO panels are now set to hear two complaints against the EU – one filed by Russia on the bloc's energy policies and the other tabled by China on poultry meat tariffs – after the complainants in both disputes filed second panel requests at a meeting of the Dispute Settlement Body (DSB).

At the 20 July DSB meeting, a first panel request by Indonesia regarding the EU's anti-dumping duties on biodiesel was also rejected, while Argentina announced that it had agreed a timeline with the EU, US, and Japan for bringing its import policies into compliance with WTO rules.

Russia-EU energy row at panel stage

Russia's complaint ([DS476](#)) over the EU's Third Energy Package – a 2009 policy which sets common rules for transmission, distribution, supply, and storage of natural gas within the 28-nation bloc – has now advanced to the panel stage, after Moscow filed its second panel request on the subject.

An earlier panel request had been rejected by Brussels in June, with the original consultations request being filed over a year ago. (See Bridges Weekly, [25 June 2015](#))

Russia has argued that these energy sector regulations violate trade rules by not according imports of Russian natural gas the same treatment as that to imports originating from third countries.

Furthermore, according to the panel request, Russia "considers that the [Third Energy Package], like the EU's natural gas and broader energy policy overall, unjustifiably restricts imports of natural gas originating in Russia and discriminates against Russian natural gas pipeline transport services and service suppliers."

The EU reiterated on Monday that its energy policies are in line with global trade rules, while repeating earlier concerns that Russia's panel request has expanded the scope of the original complaint by including new measures and claims, according to sources familiar with the meeting.

Panel to hear China complaint

The EU-China dispute concerning the 28-nation bloc's tariffs on poultry meat products ([DS492](#)) has now advanced to the panel stage, after Beijing submitted its second panel request on the subject.

Brussels had moved to renegotiate its tariff concessions on certain poultry meat products in 2006 and then again in 2009, reaching deals with Brazil and Thailand in 2006 for the first and 2012 for the second.

Beijing had submitted a request for consultations earlier this year, arguing that it should have been included in the renegotiation process. At the time of the renegotiations, the EU had said that China did not have a "principal or substantial supplying interest" in the goods

involved, given the restrictions in place at the time on Chinese poultry imports over avian flu concerns.

China has also challenged the country-specific quotas that the EU reached with Brazil and Thailand, arguing that the latter two countries have been given a market access advantage that other WTO members lack, among various other concerns. The allocation of these tariff-rate quotas (TRQs), China added, also “do not approach as closely as possible” the shares that WTO members would have should these not be in place.

The TRQs and tariff rates that resulted from the renegotiation also “failed to maintain a general level of reciprocal and mutually advantageous concessions not less favourable to trade than that existing prior to the renegotiation,” Beijing said in its panel request.

Along with violating global trade rules, China claims, this move significantly hurt the interests of its domestic producers and exporters.

The EU, for its part, has said that its policies are fully in line with WTO rules, and reportedly said at the DSB meeting that China did not have any substantial supplying interest during the renegotiation process, nor did it come forward within the relevant 90 days after the start of the second renegotiation to signal interest as a “substantial supplier,” according to sources familiar with the meeting.

Indonesia requests panel in EU biodiesel case

At Monday's DSB meeting, a first request by Indonesia for a panel be established in its complaint ([DS480](#)) against the EU's anti-dumping duties on biodiesel imports was rejected, sources confirmed.

Under WTO rules, a first request for a panel may be rejected by a respondent; however, should Indonesia re-submit the request, a panel will then be automatically established to hear the case.

The anti-dumping duties are already the subject of another dispute ([DS473](#)) lodged by Argentina against the EU, with that case currently undergoing review by a panel. A report in that case is expected by the end of this year, according to a [communication](#) circulated by the panel last December.

In its panel request, Jakarta raised questions over the “cost adjustment” methodology used by EU investigative authorities in the anti-dumping investigation, as well as citing various other concerns about how the probe was conducted.

The duties under scrutiny were confirmed by the EU in November 2013, following a 15-month European Commission investigation into claims that Argentina and Indonesia were exporting their energy product to the 28-nation bloc at a price below its normal value, a practice known as “dumping.”

While Argentina had filed its original consultations request in December 2013, Indonesia had followed suit several months later, in June 2014, and held consultations with the EU in July of that same year. (See Bridges Weekly, [12 June 2014](#))

Argentina and Indonesia together make up 90 percent of the EU's biodiesel imports, as well as over 20 percent of the 28-nation bloc's market share. The two countries are the world's top suppliers of the fuel.

At Monday's DSB meeting, Indonesia reportedly reiterated its concerns over the cost adjustment methodology's use in the investigation, sources said. The EU, for its part, reportedly noted that this panel request comes nearly a year since the two sides held

consultations on the subject, and that panel proceedings are already well underway in the Argentina case on the issue.

Argentina compliance date set in import restrictions case

In January of this year, the WTO's Appellate Body ruled that a series of Argentine import restrictions were in violation of global trade rules, upholding an earlier panel ruling. (See Bridges Weekly, [22 January 2015](#))

The original dispute was filed almost three years ago following claims from the EU, Japan, and the US alleging that Argentina's various trade-related requirements (TRRs) under its *comercio administrado*, or managed trade, policy were restricting imports and giving domestic products an unfair edge over their foreign equivalents ([DS438](#), [DS444](#), and [DS445](#)).

At this week's DSB meeting, Argentina reported that it had reached an understanding with the complainants on the "reasonable period of time" for bringing the WTO-inconsistent measures into compliance, with the parties agreeing on a 31 December deadline.

ICTSD reporting.

MERCOSUR

EU Trade Talks, Bolivia Accession in the Spotlight at Mercosur Leaders' Summit

Leaders of the Mercosur customs bloc [agreed](#) to bring a sixth country into their ranks, formally signing off on the entry of Bolivia to the South American group. During their summit in Brasilia on 17 July, the leaders also reviewed the next steps to take in their long-running trade talks with the EU, while discussing internal trade irritants.

At the summit, Mercosur leaders reiterated their support for concluding an Association Agreement and related trade deal with the EU. That process began 15 years ago but has since stalled repeatedly, over deep disagreements on issues such as agricultural trade.

While the five current full members of Mercosur include Argentina, Brazil, Paraguay, Uruguay, and Venezuela, only four of them are involved in the EU trade talks. Caracas is not currently involved in those negotiations, given that it only joined the South American bloc in 2012, well after that process began. (See Bridges Weekly, [4 July 2012](#))

A month ago, ministers from both sides met within the context of a larger summit between the leaders of the Community of Latin American and Caribbean States (CELAC, by its acronym in Spanish) and the EU to review how to revamp the trade talks. (See Bridges Weekly, [18 June 2015](#))

That meeting included a pledge to exchange tariff offers by year's end, though Brazilian officials said at the time that Mercosur's offer could be ready even sooner.

One of the main questions remaining, however, had been whether the other members of Mercosur would proceed at a "different speed" from Argentina, if necessary, given that Buenos Aires is widely seen as part of the reason the talks have lagged in recent years.

The four Mercosur members involved in those trade talks reportedly agreed last week to continue negotiations as a bloc.

Meanwhile, the Mercosur group also signed off on a plan to review ways to eliminate internal trade restrictions by December. Trade tensions among the group are not uncommon, which has led many analysts and officials alike to question the overall cohesion of the South American common market.

Ahead of the leaders' meet, Uruguay foreign minister Rodolfo Nin Novoa said that his country's "maximum aspiration" would be to make the bloc more transparent and remove the various trade restrictions still in place between them.

Should this fail, "we must admit that Mercosur has become a failure, it does not work as it should, which is as a free trade bloc," he said, in comments reported by Mercopress.

The group has also agreed to extend to 2021 the exceptions to its Common External Tariff for imports of goods from outside Mercosur, which were previously set to expire in December.

Bolivia to join, pending ratification

Leaders also [signed off](#) on the accession of Bolivia, which would make the country the sixth full member of the bloc. Bolivia was first invited to join the group in November 2012, during the period that Paraguay was suspended from the group. (See Bridges Weekly, [28 November 2012](#))

While the parliaments of Argentina, Uruguay, and Venezuela have already ratified the accession of Bolivia, the legislatures of Brazil and Paraguay have still to approve the decision.

Bolivia will now have four years from its accession to adopt Mercosur's normative framework, officials said, including the common external tariff and rules of origin. (See Pontes, [21 July 2015](#)) What the entry of Bolivia could mean for the EU trade talks remains unclear given the long-standing opposition by President Evo Morales to the pact.

ICTSD reporting; "Cristina Kirchner participa de su última reunión de presidentes del Mercosur," LA NACIÓN, 17 July 2015; "Strategic patience runs out," THE ECONOMIST, 14 December 2013; "Acuerdan en el Mercosur negociar en conjunto con la Unión Europea," LA NACIÓN, 18 July 2015; "Bolivia to join Mercosur as full member – Rousseff," REUTERS, 17 July 2015; Mercosul prorroga lista de exceções até 2021," VALOR ECONÔMICO, 17 July 2015; "El Mercosur revisará sus barreras arancelarias internas en seis meses," EFE, 17 July 2015.

EVENTS & RESOURCES

In Memoriam

On 15 July 2015, Professor Giovanni Anania passed away. Dr. Anania was Professor of International Trade, Trade Policies and Economics of Agro-Food Markets in the Department of Economics, Statistics and Finance at the University of Calabria, Italy. A leading agricultural policy expert, Dr. Anania authored several publications in the fields of EU agricultural and trade policies, WTO agriculture negotiations, and quantitative methods for analysing the effects of agricultural and trade policies.

In recent years, Dr. Anania [collaborated](#) extensively with ICTSD, writing several publications and actively participating in various policy dialogues on subjects such as the evolving debate around export restrictions; trade policies and competitiveness in the banana sector; and more generally on farm trade policy and sustainable development.

Events

Coming Soon

28-29 July, Johannesburg, South Africa. REGIONAL CHOICES, GLOBAL CONTEXT: OPPORTUNITIES FOR SOUTHERN AFRICA. This dialogue, being organised by the International Centre for Trade and Sustainable Development (ICTSD) and the South African Institute of International Affairs (SAIIA) will address a range of current issues that are affecting regional integration within the Southern African Development Community (SADC). Participants will also review policy options for leveraging opportunities for deeper integration both within SADC and across Africa. More information can be found at the following [link](#).

28 – 29 July, Yokohama, Japan. INTERNATIONAL FORUM FOR SUSTAINABLE ASIA AND THE PACIFIC (ISAP) 2015. This two-day forum will be co-hosted by the UN University Institute for the Advanced Study of Sustainability (UNU-IAS) and the Institute for Global Environmental Studies (IGES) to discuss potential partnerships to support achieving the Sustainable Development Goals (SDGs) and mitigate the effects of climate change. To learn more and to see a full programme for the forum, visit ISAP's [website](#).

28-30 July, Moroni, Comoros. NATIONAL TRAINING AND CAPACITY BUILDING WORKSHOP TO UPGRADE AND DIVERSIFY THE FISH EXPORTS OF COMOROS. The UN Conference on Trade and Development (UNCTAD) will lead a workshop to discuss technical and policy level opportunities for diversification of Comoros' fish exports. The workshop has four objectives, including sharing best practices in international food safety standards and increased international competitiveness within international standards, regulation, and measures for fish and fishery products. The event is part of UNCTAD's project on building the capacity of selected least developed countries (LDCs) in upgrading and diversifying their fish exports. For more information, visit UNCTAD's [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.

27-31 July: Geneva Week (Non-resident Members and Observers)

27-28 July: General Council

31 July: Trade Negotiations Committee

Other Upcoming Events

21 September, London, UK. ANTICIPATING AND MITIGATING MAJOR DISRUPTIVE RISKS TO GLOBAL FOOD TRADE. This one-day research event, hosted by Chatham House, invites key stakeholders to discuss potential disruptions to global food trade, and the sector's vulnerabilities and trends. This meeting is part of a Chatham House research project to discover the possible choke points in global food trade. The challenges in commodity trading and transport are an important component of infrastructural, security, and climate issues facing today's global economy. To learn more, visit Chatham House's [website](#).

25 September, Boston, US. COUNCIL ON BUSINESS AND SOCIETY: ENERGY FORUM. Hosted by the Council on Business and Society and organised by an alliance of global business schools and various corporate partners, this international dialogue will focus on the new developments seen in the energy sector; what capabilities will help businesses navigate this energy transition smoothly; and how to incorporate and manage societal interests and requirements. To learn more about the forum, visit the Council on Business and Society's [website](#).

25 – 27 September, New York City, US. UN SUMMIT TO ADOPT THE POST-2015 DEVELOPMENT AGENDA. The outcome document for the Post-2015 Development Agenda, with a set of Sustainable Development Goals (SDGs), is set to be adopted during this high-level UN Summit. Interactive dialogues will be held on six themes, including fostering sustainable economic growth, ending poverty and hunger, and combatting climate change. For more information, visit the UN's sustainable development [website](#).

7 + 8 December, London, UK. A SUSTAINABLE FOOD FUTURE. In response to the UN Summit to adopt the post-2015 development agenda in September, the Chatham House will host a conference to discuss challenges of the Sustainable Development Goals (SDGs) and international methods to develop a robust global food system. The debate will analyse implications for policy and business, changes in food production and consumption, and climate impacts. To learn more, click [here](#).

14-17 December, Nairobi, Kenya. TRADE AND DEVELOPMENT SYMPOSIUM. This biennial event, organised jointly by the International Centre for Trade and Sustainable Development (ICTSD) and the government of Kenya, will be held in parallel to the WTO's Tenth Ministerial Conference. The four-day event will include various high-level plenaries, press events, and private roundtables, among other features. A call for proposals is now underway for those interested in hosting partner sessions during the symposium. Further details can be found on the official event [website](#).

Resources

TACKLING ILLEGAL LOGGING AND RELATED TRADE: WHAT PROGRESS AND WHERE NEXT? By Alison Hoare for Chatham House (15 July 2015). This report highlights the difficulties seen in combatting illegal timber trade, despite reform measures adopted by many producers countries. Key findings include decreased influence of progressive consumers, such as the US and EU, due to high demand in some developing economies, and the increases in forest conversion for agriculture and other uses. The paper also emphasises the apparent boom in logging by small-scale producers who often operate illegally and remain outside the bounds of many international policy and regulations. To read the full document, visit Chatham House's [website](#).

GLOBAL IMPLICATIONS OF LOWER OIL PRICES. By Aasim M. Husain, Rabah Arezki, Peter Breuer, Vikram Haksar, Thomas Helbling, Paulo Medas, Martin Sommer, and an International Monetary Fund (IMF) Staff Team. Published by the IMF (July 2015). This staff discussion note discusses the global repercussions of lower oil prices, such as global economic growth. The authors also warn that the sharp price drop could create financial strains and that this price decline is likely to persist in the medium-term. The authors also recommend the tailoring of policy responses to the terms-of-trade impact, fiscal and external vulnerabilities, and domestic cyclical positions. To read the full report, click [here](#), or [listen](#) to the podcast.

UNCTAD: FOSTERING AFRICA'S SERVICES TRADE FOR SUSTAINABLE DEVELOPMENT. Published by the UN Conference on Trade and Development (UNCTAD) (July 2015). This report highlights Africa's service sector growth, which grew at more than twice the world average rate during 2009-2012. The services sector fuelled an increase in GDP growth in 30 out of 54 countries during that same period. The authors also include various policy recommendations to better harness the continent's services trade potential and related benefits. To read the full document, visit UNCTAD's [website](#).

FROM DRIFT TO DEALS: ADVANCING THE WTO AGENDA. By Gary Hufbauer, Euijin Jung, Sean Miner, Tyler Moran, and Jeffery Schott for the Peterson Institute for International Economics (PIIE) (June 2015). This report urges WTO members to build on the momentum gained during the Ministerial Conference held in Bali in 2013 to reach an agreement during the upcoming Ministerial Conference to be held in Nairobi in December 2015. The authors suggest a "grand bargain" where advanced economies concede to priority demands of developing countries regarding the Doha Round, in exchange for developing countries agreeing that subsets of WTO members can enter into plurilateral deals under the global trade club's framework. The paper includes a "roadmap" for putting such a grand bargain in place. To read the full report and its recommendations, click [here](#).

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