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TRADE AGREEMENTS

TPP Trade Talks at Pivotal Stage as Hawaii Meet Nears Conclusion

Trade ministers from 12 Pacific Rim countries are gathered in the US state of Hawaii this week, in an effort to bring the negotiations for the Trans-Pacific Partnership (TPP) Agreement to their much-awaited conclusion.

The meeting is currently scheduled to conclude tomorrow, with the hopes of reaching at least a broad outcome, even if some of the final details need ironing out later on. If completed, the planned trade agreement would cover 40 percent of global GDP, and proponents say it would break new ground with disciplines in areas such as competition and e-commerce, along with including enforceable environmental and labour protections, to name a few.

The 12-country group currently includes Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, Peru, New Zealand, Singapore, the US, and Vietnam. While no new members are expected before the conclusion of the negotiations, officials have said that other countries could potentially sign on after a deal is reached.

Building momentum

In the few short weeks since a new version of Trade Promotion Authority (TPA) was approved in the US, the push has been on to resolve as many of the remaining differences as possible ahead of a potentially final ministerial meeting, particularly given the upcoming election cycles in TPP member economies that could complicate the talks if they continue much longer.

Trade Promotion Authority, which sets the US' principal negotiating objectives in trade agreements as well as the terms for their consideration in Congress, was considered essential by many of the US' TPP partners before any final offers could be put on the table, given the concern that without it the trade deal could be amended by American lawmakers. (See Bridges Weekly, [2 July 2015](#))

Chief negotiators have already held several days of meetings in Maui ahead of the ministers' meet, in an effort to lay the groundwork for these final days.

Those talks came after various bilateral meetings between TPP officials, including some at the leaders' level, throughout the past month. (See Bridges Weekly, [9 July 2015](#))

National leaders such as Japanese Prime Minister Shinzo Abe have publicly reiterated in recent weeks that the deal is in the finishing stages, while cautioning that some of the most difficult decisions are now in front of the 12-country group.

"This will be a final stage meeting toward achieving the resolution of the TPP negotiations. The finish line is now within reach," [said](#) Abe during a 27 July meeting with his main ministers. "However, the end of the negotiations will be the hardest part."

Other officials, such as Australian Trade Minister Andrew Robb, have said that reaching a deal in Maui is key, citing the shifting political dynamics in some member countries, such as the US and Canada.

"If we don't do it this week, it's going to be very difficult I think to conclude it within a couple of years. But we are very close and I do feel we're into the last few issues," he said on Monday in an interview with ABC Radio, according to [a transcript](#) of his remarks.

Range of issues on the table

With the pressure piling on, key questions remain over how – and whether – high-profile disagreements on areas such as agricultural market access, intellectual property, investor-state dispute settlement, and state-owned enterprises might be resolved.

For example, in the area of intellectual property, the length of data exclusivity for biologics has been one of the major sticking point for some member economies. Biologics are those drugs that come from a biological background rather than a chemical one.

Whether the US and Japan – the two largest economies in the talks – will be able to confirm a long-awaited deal on agricultural and automobile trade is another key question, though some recent reports have indicated that the two heavyweights may be near a deal.

Robb confirmed on Monday that sugar and dairy also remain among the tough areas in terms of agricultural market access, noting that the sensitivity of these issues varies depending on the country involved. While securing better access to the US sugar market is [key for Australia](#), dairy has been particularly difficult for Canada, which will hold a general election this October and is being asked by TPP partners to lower existing protections.

Canada uses a supply management system for dairy and poultry, tightly regulating their price and production via the use of "marketing boards." New Zealand, a major dairy exporter has been among those [pushing strongly](#) for Canada to make significant concessions in this area.

However, industry groups and certain lawmakers in other TPP member countries, such as the US, have been making their own demands on dairy market access gains.

"A final Pacific Rim trade agreement must deliver significant access for US dairy exports, as well as ultimately achieve positive results for US dairy producers by ensuring that any additional New Zealand access to US dairy markets is not higher than the market opening we expect to see from Canada and Japan," [said](#) Jim Mulhern, the President and CEO of the US-based National Milk Producers Federation.

ICTSD reporting; "Issues Mount as Negotiators Gather to Wrap Up Trans-Pacific Trade Pact," THE NEW YORK TIMES, 27 July 2015; "Negotiators inch toward historic trade deal," FINANCIAL TIMES, 26 July 2015; "Rice, milk and cars stand in way of historic trade pact," POLITICO, 27 July 2015; "Dairy trade impasse holding up Pacific trade deal: NZ envoy," REUTERS, 29 July 2015.

WORLD TRADE ORGANIZATION

Azevêdo Calls on WTO Members to Set Sights on Nairobi, With July Deadline Likely to Be Missed

The 31 July deadline for inking a Doha Round “work programme” will very likely be missed, WTO Director-General Roberto Azevêdo said on Tuesday, urging delegations to come prepared this autumn to redouble their efforts toward reaching “substantive outcomes” ahead of their December ministerial conference in Nairobi, Kenya.

“In a scenario where there is no work programme by the Friday deadline – and this is not the only scenario, we all may yet be surprised – there will certainly be a sense of disappointment that we would have missed an opportunity to establish a clear roadmap to move forward,” Azevêdo acknowledged at a 27-28 July meeting of the WTO’s General Council.

“But we should not allow this to lead to inaction. It cannot become an obstacle,” he continued, urging instead that members ramp up their work and prioritise substance over process when they resume negotiations in September.

Sources familiar with the trade talks say that a work programme by 31 July is indeed highly unlikely, despite the move to reschedule a meeting of the Trade Negotiations Committee (TNC) from 24 July to the end of this month in order to gain more time.

Limited progress

Since the start of this year, WTO members have been reviewing ways to break the long-running deadlock in the Doha Round negotiations, which began nearly 14 years ago and have stumbled repeatedly in the years since.

The 31 July deadline is itself an extension of a previous December 2014 deadline for this work programme. This was pushed back after a months-long impasse over the pace of implementing some of the decisions reached at the 2013 Bali ministerial conference, which in turn led to an overall stall in the WTO negotiations. (See Bridges Weekly, [27 November 2014](#))

In the months since the impasse was resolved, some proposals have been tabled in the main negotiating groups in a bid to advance the work programme. Meetings have also been held across various configurations, including in the “Room W” format used in the preparations for the 2013 Bali conference.

However, members have proven to be deeply divided over the level of ambition in the “core areas” of the Doha talks – agriculture, non-agricultural market access (NAMA), and services – and how much to rely on the draft Doha texts from 2008.

The disagreements in agriculture have particularly come to the fore, with various members reluctant to proceed in areas such as NAMA or rules as long as there is a lack of clear signals from the farm trade talks. (See Bridges Weekly, [16 July 2015](#))

“The reality is that despite willingness to explore different approaches and consider proposals or ideas, many members have still not been willing to move towards

convergence. Progress has remained very limited," Azevêdo said in his report to members on Tuesday.

Furthermore, he noted, the difficulty in reaching a work programme "was not a question of the time available," but rather about making the necessary political calls.

Amina Mohamed, who serves as Kenya's Cabinet Secretary for Foreign Affairs and International Trade, was also in Geneva this week to update WTO members on Nairobi preparations. The Kenyan official has repeatedly highlighted in recent months the importance of reaching substantive results at the ministerial, which is the global trade body's first to be held in sub-Saharan Africa.

However, sources familiar with the talks say that the road ahead for the WTO talks is uncertain, given both the limited time between when delegations return in September to when the Nairobi conference kicks off this December, as well as the nature of the divides among members.

ITA update

Despite the sombre news on the Doha talks, reports were confirmed at the General Council of progress on updating a separate WTO deal, known as the Information Technology Agreement (ITA).

The tech trade deal, which was originally agreed in 1996 and entered into force the following year, includes 81 participant countries and eliminates tariffs on a wide range of information technology products. Of these 81 countries, 54 have been involved in negotiating an update to this product list, with this group announcing a tentative deal on Saturday 18 July. (See Bridges Weekly, [23 July 2015](#))

EU Ambassador Angelos Pangratis confirmed to WTO members this week that the final list has been agreed and that Thailand and Chinese Taipei – both of whom had sought more time to approve the deal – will indeed be signing on.

Whether Chinese Taipei, a major trader in information technology goods, would approve the deal was an open question last week, with sources noting that it was among the least satisfied with the final product list given the omission of flat-panel displays.

The EU official also circulated the product list, which features 201 items, and the associated declaration. These products include, among various others, semi-conductors, GPS devices, medical equipment, video game consoles, and blue-ray/DVR players.

"The figures provided by the WTO, US\$1.3 trillion of annual trade, are already very telling by themselves," Pangratis said, noting that eliminating tariffs on such goods will make global information technology industries more competitive and global supply lines more efficient.

The declaration outlines details such as the staging of tariff elimination on these products. These will take the form of four equal annual reductions, starting next year and ending in 2019, unless otherwise agreed by the parties involved. A draft schedule for these reductions should be provided by each party to all others by 30 October 2015, which will then be reviewed and approved by the group.

This process, the declaration says, should be finished by 4 December 2015, with sources saying that this is geared toward having these details approved by ministers in Nairobi. The deal will take effect once reaching 90 percent of world trade in the products involved, the document notes.

Notably, the declaration does include a requirement that parties meet periodically. Parties must also meet at least one year before changes by the World Customs Organization to the Harmonized System (HS) nomenclature and no later than January 2018 in order to review the ITA's product coverage to see whether any updates may be necessary.

This provision, sources say, is particularly important to ensure that the list continues to reflect the ever-changing realities of international trade in information technology products, given the rapid pace of developments in this sector. Many of the products on the original ITA expansion list have long gone out of use, while new ones have emerged onto the market.

The declaration also includes an agreement to ramp up consultations on non-tariff barriers in this sector, along with supporting the possible development of an upgraded work programme in this area.

Three of the 54 countries involved in negotiating the expansion had not yet formally confirmed their acceptance of the list as Bridges went to press. Those missing from the list of participants provided in the declaration were Colombia, Mauritius, and Turkey, though their approval is expected.

Bali implementation

Another key question ahead of the Nairobi ministerial conference is where WTO members will be in implementing those outcomes they reached during their last ministerial nearly two years ago, held in the Indonesian island province of Bali.

One possible outcome that has been pushed by many, including the Kenyan hosts of the conference, is the ratification and entry into force of the Trade Facilitation Agreement (TFA) reached in Bali.

To date, only eight WTO members have submitted their instruments of acceptance – far below the 108 needed to bring the deal into force. These eight are Hong Kong, Singapore, the US, Mauritius, Malaysia, Japan, Australia, and Botswana.

Other countries, such as China, South Korea, and Montenegro reportedly said on Tuesday that they will be submitting their instruments of acceptance in the near-term.

Another outcome from the Bali ministerial meet had been a decision to “operationalise” a waiver to grant preferential treatment to services and services suppliers from least developed countries (LDCs).

Earlier this year, various WTO members presented at a meeting of the Council for Trade in Services (CTS) indications of areas where they intend to provide such preferential treatment, while committing to endeavour to present formal notifications on the subject by 31 July after completing their necessary domestic legal procedures. (See Bridges Weekly, [12 February 2015](#))

However, as Bridges went to press on Thursday only nine WTO members have formally notified their preference offers. These are Norway, South Korea, China, Hong Kong, Chinese Taipei, Singapore, New Zealand, Canada, and Australia.

ICTSD reporting.

WTO Accessions: General Council Approves Kazakhstan Entry, Liberia Bid Advancing

WTO members formally signed off on Kazakhstan's accession on Monday, bringing the Central Asian country into the final stage of becoming the global trade body's 162nd member.

The approval of Kazakhstan's accession package came during the 27-28 July meeting of the WTO's General Council, which is the global trade body's highest decision-making body outside of the ministerial conference. The Working Party tasked with the accession talks had already approved these terms in principle in June. (See Bridges Weekly, [18 June 2015](#))

Astana's negotiations for joining the WTO kicked off in 1996. The accession package must now be ratified by its parliament by 31 October of this year, with its membership taking effect 30 days after Kazakhstan notifies the WTO of ratification.

Kazakh President Nursultan Nazarbayev, who was on hand on Monday for the General Council meeting, welcomed the development as marking a "truly historic day" for his country, noting that in the time since the talks began, its domestic economy's configuration "has changed dramatically."

Currently, the bulk of Kazakhstan's foreign trade turnover – over 90 percent – involves current WTO members, he noted, a significant shift from the mid-1990s, when the Central Asian economy mainly had ties with post-Soviet nations. Over forty percent of Kazakh trade involves the EU, with other main partners including Russia, China, the US, and Canada.

Among the various commitments that Astana has pledged to take on include binding tariff rates for all products on an average at 6.1 percent. Within the area of agricultural products, this average ceiling is set at 7.6 percent, while non-agricultural goods will be bound at a 5.9 percent average tariffs.

In agriculture, tariff-rate quotas (TRQs) will also be applied to both poultry products as well as any beef that is not high-quality. TRQs set a lower tariff for imports falling below the quota and higher ones for those falling outside the quota.

Notably, Kazakhstan has also made commitments in 10 services sectors, including telecommunications, insurance, banking, tourism, and distribution, among others. Nazarbayev noted on Monday that developing the services sector is a priority for Kazakhstan, given that this currently accounts for approximately 54 percent of domestic GDP.

This includes, for example, liberalising access to telecommunications, developing transport infrastructure and transport and logistic services, and working toward becoming a financial hub for the region in tandem with the liberalisation of financial services.

While Kazakhstan is known for having among the largest proven reserves of oil and natural gas, with the [Gas Exporting Countries Forum](#) ranking it at 11th in the world, Nazarbayev said on Monday that diversifying the national economy is a priority.

"We have gone at great lengths to make sure that the investments are channelled not only to the oil and gas and mining sectors but also to the processing sectors of the economy,"

he said. Kazakhstan also aims to put in place a “modern transport and energy infrastructure.”

Astana will also be joining the WTO's Information Technology Agreement (ITA), a plurilateral tariff-cutting deal that already has 81 participating countries. The Central Asian economy has also committed to beginning talks to join the Government Procurement Agreement (GPA), another plurilateral WTO pact that deals with public contracts.

Liberia to join by ministerial?

Another accession bid that is reportedly approaching the finish line is that of Liberia, a least developed country (LDC) situated in West Africa that has been in talks to join the WTO since 2007.

Notably, Liberia has reached a series of bilateral agreements with interested WTO members – such as Canada, Chinese Taipei, the [EU](#), the US, and Japan – over the past few months, which is a key component of accession negotiations.

To join the organisation, an acceding country must conduct bilateral negotiations with any existing members that express interest in additional market access concessions or commitments, which must then be extended to all other members of the global trade body in the final deal. This is in addition to the multilateral negotiations with WTO members at the Working Party level.

The Working Party tasked with the Liberia negotiations held its third meeting last week, with chairman Joakim Reiter of Sweden reporting that the accession is “on schedule” to be completed in time for the WTO's Tenth Ministerial Conference (MC10) in Nairobi, Kenya this December.

Reiter has suggested that Monrovia submit its final “Legislative Action Plan” by 6 August, while also urging both the West African country and the members of the Working Party to contribute the necessary technical input to finalise the latter's draft report.

Doing so, he said, would help in ensuring that Liberia's membership bid can be approved in time for MC10. A final meeting of the Working Party to adopt *ad referendum* the draft accession terms would be held in the first half of October, if all proceeds on schedule.

Should Liberia's accession negotiations be successful, it would mark the 35th LDC to join the WTO, as well as the 163rd member.

ICTSD reporting.

CLIMATE CHANGE

New, Streamlined Document Released to Aid UN Climate Talks

The co-chairs of UN talks geared towards negotiating a post-2020 emissions-cutting deal released a document last Friday clarifying and streamlining the various options countries have tabled so far, as well as outlining a possible legal structure for its adoption.

The 196 parties to the UN Framework Convention on Climate Change (UNFCCC) are hoping to secure the deal, which supporters say could help move the global economy towards a low-carbon growth trajectory, during a conference scheduled for December in Paris, France.

The "co-chairs' tool," as the 83-page document from Ahmed Djoghla of Algeria and the Daniel Reifsnyder from the US is dubbed, packages parties' existing textual proposals into three main sections.

The first are those that they say are "obviously appropriate" for including in some kind of agreement, touching on durable, overarching commitments such as countries' commitment to tackle climate change generally, guiding principles, and responsibilities around adaptation and finance.

The second part groups together options also "obviously appropriate" to include in a decision, organised along the lines of the regular outcome from the annual UNFCCC Conference of the Parties (COPs). This would include aspects around implementation, provisions likely to change over time, and ramping up climate action before 2020.

While the deal is largely targeted at replacing the existing Kyoto Protocol when it expires at the end of the decade, the countries agreed in 2011 that the outcome should also cover some of the years prior, in order to keep required mitigation efforts on track.

A final part identifies areas where further clarity is required among parties in relation to the draft agreement or draft decision. The latter covers areas such as the use of market-based mitigation mechanisms, regulating international transport emissions, a global goal on technology development and transfer, and managing the side-effects of transitioning to a low-carbon economy, among others.

Picking up the pace

The co-chairs' tool continues to present various brackets and sub-options for areas targeted by the deal – ranging from mitigation, adaptation, and capacity building to technology development and transfer – with some sources suggesting climate envoys will still have their work cut out for them.

The tool met with mixed reactions from civil society over the weekend, with some welcoming the effort to organise the proposals, while others complained that the document was still too lengthy given the limited negotiating time left before Paris.

"The co-chairs' intention, at the request of the parties, is to offer the document as a tool that can allow them more effectively to negotiate when they reconvene in Bonn from 31 August to 4 September," an official UNFCCC [press statement](#) read, referring to the next formal negotiating session.

Parties will then have one remaining negotiating session from 19-23 October before the December meeting. In a related "scenario note" the co-chairs highlight the importance of accelerating the talks and narrowing options for further negotiation.

An informal ministerial hosted last week by France, held before the release of the tool and outside the official negotiating process, reportedly yielded some progress on politically difficult issues, such as ramping up commitments over time. (See BioRes, [23 July 2015](#))

Market-based mitigating tools

Each section of the document includes a reference to the use of market-based tools, such as carbon markets. Under the finance language of the agreement, one option suggests leveraging a greater share of carbon market related proceeds and carbon pricing as innovative funding sources. The agreement's section on transparency of action presents possible options for elaborating rules on the use of market mechanisms and transferable mitigation outcomes.

The decision section includes some language on the purpose of using market mechanisms, setting up a potential work programme pending the deal's entry into force, and pledges that countries will avoid double counting emissions reduction efforts. One option would see no provisions on market mechanisms listed in the decision.

Under the tool's third section, several proposals are listed on the use of market mechanisms; the types of mechanisms and emissions reduction units that could be used; a potential executive body to help ensure international coordination in this area; or a governing body to help avoid double counting under existing and possible UNFCCC market-based tools.

Countries have repeatedly clashed over the role and arrangements for markets in a post-2020 climate framework. While some nations oppose using markets for climate action, supporters suggest that international standards are required to avoid confusion around the additional mitigation value of international market-based transfers, particularly given the proliferating use of domestic carbon markets and offset schemes worldwide.

Unilateral efforts

Several other trade-related areas are also mentioned under the third section. This includes the principle that unilateral climate action measures should not constitute a means of arbitrary or unjustifiable discrimination or a disguised restriction to international trade, which several countries oppose including in the agreement. The concept is, however, used in the founding UNFCCC [text](#).

Parties are also invited to consider options on the historically thorny issue of the potential unintended consequences of response measures – those measures countries take to mitigate climate change – on other nations.

Proposals are made to strengthen existing arrangements by establishing a mechanism or international institution to help manage the issue; a clause geared towards safeguarding economic development in developing countries; actions related to funding, insurance, and transfer of technology; a cooperative mechanism to recommend specific actions to minimise negative consequences; consideration for decent employment and a just transition of the workforce; and finally agreement to work on international aviation and maritime transport emissions reduction targets.

Negotiations on a forum and work programme on the impact of these response measures is currently under discussion in a separate negotiating track from the new climate deal in

the UNFCCC's technical bodies. Parties agreed in June to forward a bracketed draft decision on the issues for consideration in December. (See Bridges Weekly, [18 June 2015](#))

Several negotiators have said that clarity on treating the impact of response measures in the post-2020 climate deal could help unlock negotiations under the technical bodies.

Developed countries have been reluctant to give too much away to so-called developing countries, and criticise the lack of focus on the positive economic impacts of climate action, while poorer nations worry that asymmetric climate action could hamper development opportunities.

Climate action pledges

Forty-eight nations accounting for some 56.4 percent of total greenhouse gas (GHG) emissions have now submitted climate action plans, or "intended nationally determined contributions" (INDCs), slated as the building blocks for the post-2020 regime.

Most recently, Kenya [targeted](#) a 30 percent cut in GHG emissions by 2030 from business as usual (BAU) levels based on 2010 data, and called for some US\$40 billion to help fulfil the plan.

Pledges from significant emitters such as Brazil and Indonesia are expected soon, while Colombia also recent indicated it would aim for a 20 percent GHG cut by 2030, likely with a BAU projection from 2010 data.

ICTSD reporting; "UN releases 'streamlined' negotiating text for Paris climate deal," RTCC, 26 July 2015; "Global Warming Deal Takes Shape as UN Envoys Shuffle Options," BLOOMBERG, 24 July 2015; "Oil groups have shelved \$200bn in new projects as low prices bite," THE FINANCIAL TIMES, 26 July 2015; "Cheap oil endangers poorer nations' switch to renewable energy," THE FINANCIAL TIMES, 13 July 2015.

DISPUTES

WTO Panel Grants Victory to Argentina in Beef Dispute With US

A WTO panel ([DS447](#)) found last Friday that a US import ban on animals and beef from Argentina violates global trade rules, citing inconsistencies with the relevant rules on measures to protect food safety and animal and plant health.

The ban, which was imposed in response to an outbreak of foot-and-mouth disease (FMD) in northern Argentina in 2001, violates various provisions under the WTO's Agreement on the Application of Sanitary and Phytosanitary Measures (SPS Agreement), the panel ruled.

FMD is a highly contagious disease that primarily affects cloven-hoofed livestock and wildlife and is often fatal to non-vaccinated young animals. It can also lead to decreased milk yield, permanent hoof damage, and chronic mastitis. Vaccinating animals is considered one way to fight the disease.

Disease status

The WTO uses the World Organization for Animal Health (OIE) as the reference organisation for standards relating to animal health and zoonoses, including the latter's Terrestrial Animal Health Code (OIE Code).

Chapter 8.5 of this code is specifically devoted to foot-and-mouth disease. It aims to provide for safe trade in FMD-susceptible animals and products from them by recommending particular mitigating measures for both exporting and importing members, which are to be adopted depending on the exporting country or zone's FMD-status.

The OIE recognised the entire Argentine territory as free of foot-and-mouth disease where vaccination is not practised in 2000. This country-wide determination was then suspended in May 2001 following new FMD outbreaks.

Between 2003 and 2007, northern Argentina obtained OIE recognition as FMD-free where vaccination is practised, though the status was suspended three times following disease outbreaks in certain areas. This status was renewed annually after it was reinstated in 2007. In 2011 the OIE recognised the protection zone established along the Argentine border with Bolivia, Paraguay, and Brazil as FMD-free where vaccination is practised.

In 2002, the OIE recognised the part of Patagonia south of the 42nd parallel as FMD-free where vaccination is not practised, extending the same recognition to the northern part of Patagonia between the 42nd parallel and Rio Negro in 2007.

Import ban

The US has been FMD-free for over 80 years and does not vaccinate cattle or other FMD-susceptible species. The OIE has formally acknowledged the disease's absence in the US. Following various disease outbreaks in Argentina, Washington moved to prohibit imports of beef from the South American country, though such imports were allowed from neighbouring Uruguay, despite not being declared by the US Animal and Plant Health Inspection Service (APHIS) to be free of the disease.

After filing a request for consultations in 2012, Argentina then asked for a WTO panel to review the US' beef import ban, citing questions over its scientific justification and consistency with international standards, along with allegedly undue delays in US approval of imported fresh beef and recognising the Patagonia region as being disease-free.

Harmonisation, international standards, review process

The SPS Agreement encourages governments to "harmonise" or base national SPS measures on international standards, guidelines, and recommendations developed in other international organisations, such as the OIE.

The panel found that the relevant provisions of the OIE Code provides that imports from countries or zones that vaccinate cattle can be safely traded and should be permitted subject to the relevant mitigating protocols.

Under certain conditions, beef trade would still be allowed for a country or zone that does have the disease if it vaccinates in line with the relevant protocols outlined by the OIE. Given that northern Argentina does vaccinate, the panel concluded that the US import ban was not based on relevant international standards, such as the OIE Code.

The US regulation at issue prohibited imports of the relevant products from all of Argentina, thus preventing imports from specific zones, namely Patagonia. The panel said that measures that do not recognise variations in disease status between zones within the same country go against the OIE Code, and therefore WTO rules.

Separately, the panel also found that the US did not undertake and complete the procedure to review Argentina's request for imports of beef from northern Argentina as well as the request for declaring Patagonia as FMD-free without undue delay, as required by the SPS Agreement. Following this finding, the panel said that Washington failed to fulfil its obligations to provide Argentina requested updates or explanations for the delay.

Risk assessment

WTO rules require members to ensure that their SPS measures are based on an assessment of the risks to human, animal, or plant life or health, taking into account risk assessment techniques developed by the relevant international organisations.

The panel noted that the US' 2001 beef import ban referred to the standard scientific understanding of foot-and-mouth disease of that time, information on the situation in Argentina, and a review of the economic impact of potential measures – and therefore contained a risk assessment under the SPS Agreement.

Since the US has a higher appropriate level of protection than that outlined by the OIE, the panel found that the adaptation of the 2001 import ban was rationally related to the science and that the measures were based on the risk assessment, as required by the WTO.

Nonetheless, the panel noted that the US received significant new scientific information about Argentina's SPS situation in 2002 and thereafter, meaning that the 2001 risk assessment was no longer sufficient grounds for keeping the ban.

Given its earlier finding on the US' "undue delays" in completing new risk assessments, the panel said that maintaining the import ban violates this particular trade rule.

Trade restrictiveness

The panel found that the US' appropriate level of protection is "to prevent the introduction or dissemination of foot-and-mouth disease within the United States," which can be described as being higher than that achieved by the Terrestrial Code.

However, the panel accepted Argentina's argument that using "mitigating protocols" outlined under US regulations, which apply to imports from Uruguay, would achieve the US' appropriate level of protection if applied to Northern Argentina.

The panel also said that adding Patagonia to the list of FMD-free countries or regions under US regulations, coupled with the use of mitigation protocols on the relevant imports, would achieve Washington's appropriate level of protection from the disease.

The panel said that scientific evidence shows that northern Argentina and Patagonia have the veterinary capacity and infrastructure to prevent and control the disease and prevent its spread from neighbouring regions or those of higher FMD-risk; therefore, Argentina should be able to adopt and properly implement the mitigation protocols in question.

Ultimately the panel said that the US' import bans for northern Argentine and Patagonian beef are more restrictive than required to achieve this protection, violating trade rules.

Discrimination

The panel sided with Argentina in finding that the US' decision to import Uruguayan beef while blocking that from northern Argentina constituted arbitrary or unjustifiable discrimination between members where the same conditions prevail, and is applied in a way that serves as a disguised restriction on trade – thus violating trade rules.

Regarding imports from Patagonia, the panel also found the US ban to be at fault, noting that imports of animals from this region are similarly able to achieve Washington's appropriate level of protection as those from Santa Catarina and Chile, subject to the use of mitigation requirements.

The panel also said that the US failed to justify a regulatory distinction between Patagonia, Santa Catarina, and Chile. While imports are banned from the former, imports are accepted from the latter two, subject to these mitigation requirements.

Regionalisation

The panel said that at the time of the panel's establishment, Argentina had provided the necessary evidence to "objectively demonstrate" that Patagonia as a whole was disease-free and likely to remain so.

Therefore, the panel found that the US' decision not to recognise Patagonia as disease-free is a failure to adapt its general import prohibition of FMD-susceptible animals and products from Argentina to the specific SPS characteristics of the Patagonia region, thus violating the SPS Agreement's regionalisation obligations.

Next steps

In August 2014, after the panel was established, APHIS [announced](#) that it was adding the Patagonia region of Argentina to the lists of regions that are considered free of FMD and rinderpest, thus allowing exports of products to the US. Last month, APHIS [announced](#) it was lifting the import ban on beef from northern Argentina, effective 28 September 2015.

Both sides have 60 days from when the report was circulated to appeal the panel's findings. Under WTO rules, the Appellate Body can review aspects of law, such as legal interpretation, but generally will not interfere with the panel's factual findings.

ICTSD reporting.

TRADE MONITORING

WTO Report Finds Growing Stockpile of Trade Restrictions

The pace of removing trade-restrictive measures remains worryingly slow, WTO Director-General Roberto Azevêdo said last week, updating the global trade body's 161 members on the latest figures of both trade-restrictive and trade-liberalising measures.

The Director-General was referring to the data from the latest monitoring [report](#) by the organisation's economists, released on 23 July, which notes that 104 new trade-restrictive measures, excluding trade remedy measures, were adopted by WTO members during the period of mid-October 2014 to mid-May 2015.

On average, this breaks down to 15 new measures per month, leading to an overall increase in the stock of trade-restrictive measures since the last review, with the current total at 1,828. This amounts to an increase of 12 percent since the last reporting period, the report said.

Removal of these trade-restrictive measures has not moved as quickly as anticipated, with less than 25 percent of the total stock as calculated in October 2008 eliminated by May 2015.

However, the report noted, there has been an uptick in trade-liberalising measures, with 114 new measures of this kind being implemented during this latest period, averaging at 16 new ones per month.

Despite this positive development, "this should not detract us from the overall picture of a persistent and significant stock of trade restrictive measures," Azevêdo warned during an informal Trade Policy Review Body meeting, where he presented the results.

WTO economists have already predicted a 3.3 percent overall trade growth rate in 2015, but Azevêdo said last week that he is wary of growing restrictive measures and their impact on overall growth, as forecasted growth rates remain below historical averages. (See Bridges Weekly, [16 April 2015](#))

"The forecasts point to a moderate but continued expansion of trade in the months ahead. Yet, downside risks continue to cast shadows over this outlook," he [said](#).

The WTO is currently preparing for its Tenth Ministerial Conference in Nairobi in December 2015. What outcomes might come from this meeting, however, remain markedly uncertain, given that WTO members are likely to miss a 31 July deadline to ink a work programme for the Doha Round negotiations. (See Bridges Weekly, [16 July 2015](#)).

Referring to the Nairobi conference, Azevêdo said that the organisation "should seek to make decisive progress in eliminating remaining trade-restrictive measures while also delivering new negotiated outcomes," given the importance of a stable, predictable multilateral trading system.

The WTO also provides a similar report specific to the G-20 group of major developed and emerging economies, which was released last month. (See Bridges Weekly, [25 June 2015](#))

ICTSD reporting.

EVENTS & RESOURCES

Events

Coming Soon

Present – 29 September, online. TDS BRIDGES WRITING COMPETITION. This new competition is being launched by the International Centre for Trade and Sustainable Development (ICTSD) ahead of its biennial Trade and Development Symposium (TDS), being held this December in Nairobi, Kenya alongside the WTO's Tenth Ministerial Conference. All university students are invited to submit a contribution for consideration, with winners to be recognised at the TDS. More information, including details about prizes, essay topics, and criteria for submission, can be found at the TDS [website](#).

30-31 July, New York, US. THIRD E15 EXPERT GROUP WORKSHOP ON THE DIGITAL ECONOMY. This event is part of the ongoing E15 Initiative, which is being implemented jointly by the International Centre for Trade and Sustainable Development (ICTSD) and the World Economic Forum with the goal of generating strategic analysis and recommendations for government, business, and civil society geared towards strengthening the global trade and investment system. This particular expert group is convening in order to present and discuss their think pieces on various topics at the intersection of the digital economy and global trade. Please note that the meeting is by invitation only. To learn more, visit the ICTSD [website](#).

4 August, Tokyo, Japan. SEMINAR: PACIFIC OPPORTUNITIES: LEVERAGING THE BENEFITS OF ASIA'S GROWTH. This event, part of the Asian Development Bank Institute's "Seminar Series," will feature as its main speakers the two authors of a recent Asian Development Bank (ADB)-Asian Development Bank Institute (ADBI) book: "Pacific Opportunities: Leveraging Asia's Growth." The seminar will address issues such as how to improve economic and financial integration between Asia and the Pacific to benefit both regions, and is designed for policymakers, academics and researchers, and the general public. More information is available [here](#).

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.

31 July: Dispute Settlement Body

31 July: Trade Negotiations Committee

31 August: Dispute Settlement Body

15 + 17 September: Trade Policy Review Body – Guyana

17-18 September: Symposium on Government Procurement

22 + 24 September: Trade Policy Review Body – Angola

Other Upcoming Events

24-27 August, Libreville, Gabon. 14TH AGOA FORUM. This annual event, being hosted this year by Gabon in association with the US, is part of an ongoing effort between Washington and sub-Saharan Africa to deepen trade ties. Held just a few months after the renewal of the African Growth and Opportunity Act (AGOA), this year's forum will be held under the theme "AGOA at 15: Charting a course for a sustainable US-Africa Trade and Investment Partnership." The forum will include ministerial-level meetings, as well as private sector and civil society events. To learn more, visit the event [website](#).

10 September, London, UK. ASSESSING THE LEGACY OF THE MILLENNIUM DEVELOPMENT GOALS. Hosted by Chatham House, this meeting will feature an expert panel who will reflect on the achievements of the Millennium Development Goals (MDGs) as they approach their expiry date. The speakers will review both whether the MDGs have been met and what challenges remain unresolved, particularly ahead of the adoption of a new set of Sustainable Development Goals (SDGs) at a UN summit that same month. To learn more, visit the event [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](#).

28 September, Geneva, Switzerland. OPENING LECTURE OF THE ACADEMIC YEAR, FEATURING ROBERTO AZEVEDO. The Graduate Institute of International and Development Studies in Geneva will be convening this opening lecture to begin the academic year. This year's lecture will feature WTO Director-General Roberto Azevêdo. To learn more about the event, or to register, please visit the Graduate Institute's [website](#).

30 September – 2 October, Geneva, Switzerland. WTO PUBLIC FORUM: TRADE WORKS. This year's WTO Public Forum comes as the global trade body celebrates its 20th anniversary. The theme of "Trade Works" will focus on the contribution that global trade cooperation over the past two decades has made to the world economy. More information on the event is available at the WTO [website](#).

1-2 October, Geneva, Switzerland. TRADE FOR SUSTAINABLE DEVELOPMENT FORUM 2015: BUILDING SUSTAINABLE SUPPLY CHAINS. This meeting is being hosted by the International Trade Centre (ITC) and comes one year after the launch of the Trade for Sustainable Development principles – sustainability, transparency, harmonisation, UN Sustainable Development Goals (SDGs). The Forum will bring together key partners and practitioners in this field to discuss the progress to date and upcoming challenges. To learn more or to register, visit the ITC [website](#).

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 with 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

EVENT WEBCAST: REGIONAL CHOICES, GLOBAL CONTEXT: OPPORTUNITIES FOR SOUTHERN AFRICA. This event was organised jointly by the International Centre for Trade and Sustainable Development (ICTSD) and the South African Institute of International Affairs (SAIIA) and was held in Johannesburg, South Africa from 28-29 July. The meeting addressed a range of current issues that are affecting regional integration within the Southern African Development Community (SADC). Participants also reviewed policy options for leveraging opportunities for deeper integration both within SADC and across Africa. A webcast of the meeting can be found at the following [link](#).

INVESTMENT POLICY FRAMEWORK FOR SUSTAINABLE DEVELOPMENT. Published by the UN Conference for Trade and Development (UNCTAD) (July 2015). This framework aims to give guidance to policy makers as they work toward introducing a new generation of investment policies. The document has been updated to include three new areas: new insights into national investment policy guidelines and the menu of options for international investment agreements (IIAs); the elaboration on the liberalisation or pre-establishment component in this same options menu; and a section incorporating various transformative measures from an UNCTAD Action Plan for Investing in SDG, with the goal of promoting investments with a specific orientation toward sustainable development. To learn more, visit the following [link](#).

ACHIEVING ZERO HUNGER: COMBINING SOCIAL PROTECTION WITH PRO-POOR INVESTMENTS. Published jointly by the UN Food and Agriculture Organization (FAO), the World Food Programme (WFP), and the International Fund for Agriculture Development (IFAD) (July 2015). This new report finds that eradicating world hunger sustainably within the next 15 years will require an estimated additionally US\$267 billion annually in investments in rural and urban areas, as well as social areas. The report notes the progress made in tackling hunger so far, but also warns that today nearly 800 million people still lack sufficient food to eat. The report calls for an approach combining social protection with more targeted investments in areas such as agriculture, rural development, and urban areas. To learn more, visit the FAO [website](#).

FINANCING THE NEW SILK ROAD: ASIAN INVESTMENT IN LATIN AMERICA'S ENERGY AND MINERAL SECTORS. By Carlos Sucre; Estefanía Marchán, and Ramón Espinasa for the Inter-American Development Bank (July 2015). This publication aims to provide a detailed review and analysis of the investment to date by Chinese and Indian firms in the Latin American and Caribbean mining sectors, along with examining related patterns and trends. The report is available at the IDB [website](#).

TOWARDS GREEN GROWTH: TRACKING PROGRESS. Published by the Organisation for Economic Co-operation and Development (OECD) (July 2015). This new report, part of the OECD's Green Growth Studies, reviews the progress made since the launch of the 2011 Green Growth Strategy, which provided governments with initial guidance on ways to ensure economic growth and development while avoiding environmental damage. The authors also note where there may be potential to increase the ambition and effectiveness of green growth policy. To read the report, click [here](#).

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