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TRADE AGREEMENTS

TPP Leaders Push for Swift Ratification of Trade Deal Following Manila Meet

Leaders from the 12 Trans-Pacific Partnership (TPP) countries met on Wednesday in the Philippines to discuss next steps in implementing the trade pact, pushing for its swift approval while highlighting the interest of potential new entrants from the Asia-Pacific region.

The talks, held in Manila during the first day of this year's Asia-Pacific Economic Cooperation (APEC) Economic Leaders' Meeting, marked the first time that leaders of the TPP group have met since the conclusion of trade negotiations by ministers last month in the US city of Atlanta. (See Bridges Weekly, [8 October 2015](#))

"We are pleased that the negotiated text of the TPP agreement is now available in full for review and consideration before it is signed. We look forward following signature to the expeditious consideration and approval of the TPP, consistent with each of our domestic processes," the 12 leaders said in a [joint statement](#) following the 18 November discussions.

Furthermore, they noted, "we have also seen interest from a number of economies throughout the region," while noting that their current priority is on the TPP's approval and implementation within the existing 12-country group.

With the text of the TPP agreement released to the public on 5 November, proponents of the pact are now working to build support domestically in order to ensure the deal's ratification, particularly ahead of expected leadership transitions in key countries such as the US, which is the largest economy in the Trans-Pacific Partnership. (See Bridges Weekly, [12 November 2015](#))

Along with the US, the other members of the TPP include Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, and Vietnam.

Eyes on US process, election

With just over a year left in his second and final term, US President Barack Obama is openly pushing for his country's legislature to ratify the deal promptly, while

acknowledging that the road ahead will be difficult.

"As soon as the 90-day review period is completed and the new session of Congress begins after the Christmas break, I'm hoping that leaders in both parties and both chambers move promptly to get this done," the US president [said](#) during a Washington meeting last week.

Obama notified Congress the same day of the text's release of his intent to sign the deal, starting the clock on the above-mentioned 90-day window before he can sign the pact, as outlined under the terms of the Trade Promotion Authority (TPA) legislation enacted earlier this year. (See Bridges Weekly, [2 July 2015](#))

This would put the signing of the TPP by leaders in February 2016, at the earliest.

Also on 5 November, US Trade Representative Michael Froman [formally requested](#) the US International Trade Commission (USITC) to assess the likely impact of the trade pact – whose 12 member countries make up 40 percent of global GDP – "as soon as possible." The agency [confirmed](#) this week that it had begun the investigation process for that report, which will also involve public hearings.

The US TPA law requires that the USITC report both be made public, and that it be submitted to the US executive and legislative branches within 105 days after the signing of the pact. The USITC currently [anticipates](#) that the report will indeed be ready by 18 May of next year – which would be just months ahead of the country's general election that November.

Pushing ratification

In Manila this week, Obama also urged his TPP counterparts to ratify the trade deal swiftly in their domestic legislatures.

"The politics of any trade agreement are difficult. The fact that everyone here has stepped up and made some hard decisions that are going to pay off for decades to come I think is testimony to the vision that was reflected," he said, according to a White House [transcript](#) of his remarks.

Obama also held bilateral meetings with various fellow leaders, such as Australian Prime Minister Malcolm Turnbull. [Speaking to reporters](#) after their meeting, the Australian premier highlighted the importance of TPP for the region, reiterating his earlier remarks from this week's G-20 summit that "the flexibility that open markets and trade gives economies enables us better to deal with the disruptive change that we encounter in a modern global economy that is expanding but changing at a pace that has never been seen before in the history of human development."

In separate remarks made in Manila, however, Turnbull noted that getting the US Congress to approve the TPP will likely be the "major domestic hurdle... of the 12 nations."

Should ratification in Washington not occur in 2016 – as has been suggested this week by Orrin Hatch, the Utah Republican who chairs the Senate Finance Committee – the vote could then potentially occur under the next US president. Whether that new leader will be in favour of the pact remains an open question, given the mixed responses to TPP from presidential candidates of both parties.

The pace of ratification by TPP countries could potentially affect the timing of the deal's entry into force. Under the terms of the TPP, the deal will enter into force for all 12 signatories within two years of signing if they have completed their domestic procedures. Should this threshold not be met, an alternative scenario would be bringing the deal into force 60 days after that two-year period has expired, only if at least six countries that

make up 85 percent of the group's GDP have ratified. Otherwise, it will enter into force at any point thereafter once those two criteria have been met.

The US is not the only country that is slated to see a leadership change, and how the election politics of other TPP players may weigh into the ratification process remains to be seen. Australia will have its own federal election by January 2017 or sooner, while Peru will hold elections in April 2016.

Japan, which is the second-largest TPP economy, is currently set to hold elections next year for half of the members of the House of Councillors, which is the upper house of the Diet. Reports indicate that the ruling Liberal Democratic Party could call an election of the House of Representatives – the lower house – at the same time, well ahead what is required.

The recent leadership change in Canada has already highlighted the potential uncertainty that such processes can have.

Canada elected Justin Trudeau as its new prime minister last month. Ottawa had negotiated the TPP under Trudeau's predecessor, Stephen Harper of the Conservative Party, and whether Trudeau would ultimately back the pact after being reportedly lukewarm toward it as a candidate has drawn interest from trade watchers. (See Bridges Weekly, [22 October 2015](#))

To date, Trudeau's government has said that it will need to weigh the final TPP outcome before deciding on next steps. TPP leaders in their joint statement alluded to the leadership change in Canada, welcoming Trudeau as well as his "commitment to have his new government review the agreement and engage in a consultation process."

Asia-Pacific trade zone?

With the TPP negotiations now concluded and ratification efforts soon to be underway, another question that is expected to come up during the broader, two-day APEC leaders' meeting is what implications the deal will have for a possible trade area across the full Asia-Pacific region.

The idea of such a trade area, known as the Free Trade Area of the Asia-Pacific (FTAAP), originally proposed by the US nearly a decade ago, has now found decisive support from China as a response to other initiatives in Asia and elsewhere. However, the process so far had been slow until APEC leaders agreed last year to its reactivation, and despite a 2010 [commitment](#) to take concrete steps in this area.

During last year's APEC summit in Beijing, leaders ultimately decided that the 21-country coalition "should make more important and meaningful contributions as an incubator to translate the Free Trade Area of the Asia-Pacific... from a vision to reality." (See Bridges Weekly, [13 November 2014](#))

APEC ministers meeting earlier this week have since welcomed the progress that has been made on "the Beijing Roadmap for APEC's Contribution to the Realization of the FTAAP," referring to [an annex](#) on the subject appended to the 2014 leaders' declaration.

In a joint [ministerial statement](#) this week, officials also confirmed that last year's pledge to launch a "collective strategy study" on the economic and social costs and benefits of an FTAAP is still expected by the end of next year.

Furthermore, while not referring explicitly to TPP, they did note recent developments in regional trade negotiations, and thus "reaffirm our belief contained in the Pathways to FTAAP that an FTAAP should be pursued as a comprehensive free trade agreement by developing and building on ongoing regional undertakings," they said.

The 12-country TPP has already drawn interest from some other economies in the region, with South Korea, Indonesia, and the Philippines – all fellow APEC members – having [indicated](#) that they are considering asking to join the pact. Any accession of new entrants will require approval of the original TPP parties, as well as potential additional conditions for new members. (See Bridges Weekly, [12 November 2015](#))

How both the TPP, as well as the ongoing negotiations for a Regional Comprehensive Economic Partnership (RCEP) between China, India, South Korea, Australia, New Zealand, and the 10 countries of the Association of Southeast Asian nations, will play into this FTAAP idea remains unclear. The RCEP was an idea originally proposed by Japan to counterbalance ASEAN.

Chinese President Xi Jinping reportedly referred on Wednesday to concerns over the “potential of fragmentation” with the proliferation of new regional trade pacts, making a call for ramping up the “realisation of the FTAAP.” Beijing, while not a member of the TPP, is part of the RCEP process.

Analysts have similarly raised questions over whether these two trade pacts could play complementary roles, or if instead they may clash as they vie to influence trade practices in the broader region.

[Obama](#) and other key US officials, for example, have said repeatedly in recent years that inking the TPP was essential in order to ensure that the “rules of the road” for trade in the Asia-Pacific are not written first by China, while also noting that the 12-country pact could serve as a stepping stone toward the FTAAP.

“We welcome the interest of other economies in that [TPP] process. We do very much view it as an important building block towards the free trade agreement of the Asia-Pacific, along with other bilateral, trilateral, and regional arrangements,” said US Trade Representative Michael Froman on 16 November at the APEC ministerial’s [opening plenary](#).

Other officials, such as Australian Trade Minister Andrew Robb, have indicated more explicitly an interest in bringing together the TPP and RCEP to lead to this broader regional deal.

“Now the big topic of discussion, and the one that I’ve tried to kick along today, is if we can do a similar deal on the other side of Asia – which is underway at the moment – if we can finish that quickly and then put the two together, that would mean you’d have 21, 22, 23 nations as part of an Asia-Pacific free trade area,” he said in [an interview](#) with Radio 2GB.

However, despite earlier indications, reports indicate that a framework agreement for the RCEP will not be ready before the end of 2015, with leaders now preparing to consider alternate timelines for bringing that process to fruition.

ICTSD reporting; “LDP weighs up double elections next summer,” JIJI PRESS, 10 November 2016; “Talks stall on China-backed Asia-Pacific pact, no deal in 2015,” NIKKEI ASIAN REVIEW, 18 November 2015; “China’s Leader Urges New Free-Trade Pact at APEC,” WALL STREET JOURNAL, 18 November 2015; “Prospects dim for 2016 Pacific Rim trade vote in Congress,” REUTERS, 17 November 2015; “Biggest TPP hurdles are in US: Turnbull,” AAP, 18 November 2015.

WORLD TRADE ORGANIZATION

Brazil, EU Propose Tighter WTO Rules on Agricultural Export Competition

The EU has joined forces with Brazil and five other farm exporting countries to propose tighter WTO rules on export subsidies and similar measures, one month ahead of the global trade body's ministerial conference in Nairobi, Kenya.

Trade sources told Bridges that the proposal, which was presented at an informal negotiating meeting on Wednesday afternoon, raises the pressure on the US to make concessions on export credits and food aid – two areas where Washington has indicated it might have problems in accepting stronger WTO disciplines.

"How the US responds will be critical," one negotiator said.

Agricultural exporting countries Argentina, New Zealand, Paraguay, Peru, and Uruguay also co-sponsored the proposal, a copy of which was seen by Bridges.

The paper calls for developed countries to eliminate their export subsidies in 2018 – in other words, five years later than a 2013 deadline that was missed by WTO members – and for developing countries to do the same by 2021.

Under the proposal, developing countries would also be allowed to provide export subsidies that cover transport and marketing costs until 2026, by extending article 9.4 of the WTO Agreement on Agriculture. This clause had previously authorised developing countries to use these payments until the agreement's implementation period ended in 2004.

Australia: India's "substantial" sugar subsidies

However, Australia – another farm exporting country that has long sought more stringent rules on export subsidies – circulated a separate communication arguing that developing countries should not be granted this additional flexibility.

"Australia sees no development policy rationale for the formal reactivation of a legal entitlement to use Article 9.4 export subsidies," the Australian paper argues.

Some developing countries such as India have emphasised that the WTO's Hong Kong ministerial declaration, which was agreed in 2005, would have allowed article 9.4 payments to continue for five years after the original 2013 end-date for eliminating all forms of export subsidies. Other countries underscore that the declaration does not have the same legal force as the Agreement on Agriculture, and that the authorisation to provide these payments has therefore expired.

The Australian paper, a copy of which has also been seen by Bridges, finds that India has applied an export subsidy for exports of up to four million tonnes of raw sugar. It concludes that it would "be difficult to export significant volumes without a subsidy" given the difference between domestic and international sugar prices.

US export credits

The co-sponsors of the EU-Brazil paper call for export credits, export credit guarantees, or insurance programmes to be subject to new rules, basing their proposal on draft text that was originally prepared in 2008 by the then-chair of the WTO agriculture negotiations, New Zealand Ambassador Crawford Falconer.

Although the US has indicated it would have difficulty accepting the 180-day maximum repayment term for export financing that was proposed in the 2008 draft, the co-sponsors have maintained this term – but added a footnote that may provide some additional flexibility that sources said could make it less difficult for Washington to accept.

The new footnote allows for longer repayment terms, up to a maximum of 270 days, subject to additional conditions. These include using “minimum premium rates” as defined by the Organisation for Economic Co-operation and Development (OECD) and country risk categories as a benchmark for calculating risk based fees.

A similar arrangement formed the basis for the US and Brazil to reach an [agreement](#) in 2014 on their long-running dispute over cotton subsidies. (See Bridges Weekly, [2 October 2014](#))

Food aid “monetisation”

In another move aimed at accommodating Washington's concerns, the co-sponsors also propose adding a footnote to the 2008 draft text that could make it easier for countries to sell in-kind food aid in non-emergency situations – a process known as “monetisation.”

While the proposed new rules would establish a “safe box” for humanitarian aid in emergency situations, they would also establish tighter disciplines on non-emergency situations so as to ensure that in-kind aid does not cause commercial displacement and harm local producers.

Under the co-sponsors' new proposal, aid donors would be able to monetise some in-kind food aid in non-emergency situations, on condition that this did not exceed a to-be-determined share of total in-kind food aid donations.

Special safeguard mechanism

At Wednesday's meeting, negotiators from the G-33 group of developing countries also presented a proposed [ministerial decision](#) on the “special safeguard mechanism” – a tool which several food-importing developing countries have argued is necessary to protect their domestic producers from surges in import volumes or sudden price depressions.

The G-33 – which includes major trading countries such as China, India, and Indonesia, as well as far smaller economies such as Barbados and the Dominican Republic – also propose that WTO members would agree not to challenge developing countries that use the new safeguard under the trade body's dispute settlement mechanism.

The G-33 would like a political commitment that would allow them to use the SSM “from day one after Nairobi,” one source familiar with the proposal told Bridges.

“We've learned our lesson from the Trade Facilitation Agreement,” the official added, in a reference to the lengthy ratification process that has followed the conclusion of that agreement at the WTO's Bali ministerial conference in December 2013.

Two years after the Bali meet, the trade facilitation pact is still not in effect, with only 52 “instruments of acceptance” having been [submitted](#) to date – less than half of what is required to bring it into force, though more are expected in the coming weeks and months.

However, many agricultural exporting countries remain opposed to the SSM in the absence of a broader negotiation on market access issues.

"We have already made it clear that we won't accept the SSM without an outcome on market access," one developing country negotiator said.

SSM and export competition linkage?

The G-33 reportedly had asked for the chair of the agriculture negotiations to convene meetings on the special safeguard mechanism in parallel to similar consultations on export competition in the remaining time leading up to the ministerial.

However, one African country official expressed concern about linking progress on export competition to the SSM outcome.

"Suppose the linkage created a stalemate: then we'd get nothing on export competition," the source said.

Another negotiator said that the linkage was more on process than substance.

"The issue is not that the G-33 will block export competition," the source said. "We want our issues also to be on the Nairobi agenda."

Draft declaration talks bogged down

Disagreement between WTO members over the fate of the long-running Doha Round of talks continues to plague efforts to prepare a draft declaration for the Nairobi ministerial, sources said. (See Bridges Weekly, [12 November 2015](#))

Negotiators said that the US, EU, and Japan in particular were determined to avoid any reference that would reaffirm previous declarations from the Doha ministerial in 2001 onwards. In contrast, various developing countries were anxious to preserve aspects of the progress that they felt had been achieved.

While a number of negotiators expressed anxiety about the slow progress, one source pointed out that the drafting process had effectively only just begun.

"We hope there'll be compromises," the source told Bridges.

ICTSD reporting.

CLIMATE CHANGE

At Antalya Summit, G-20 Leaders Debate Over Climate Change Language

Negotiations on the [outcome document](#) from a gathering of leaders from the G-20 coalition of major advanced and emerging economies ran into the early hours of Monday morning in Antalya, Turkey, due to differences over a dedicated paragraph on tackling climate change, according to several reports.

The key divisions involved the mention of an internationally agreed target of keeping global temperatures below a two degree Celsius rise from pre-industrial levels, a process to review individual country pledges for greenhouse gas (GHG) emissions cuts, and how to distribute the burden of climate action.

The heightened attention on climate change comes as governments from nearly 200 nations prepare to meet in Paris, France in early December for a UN climate summit geared towards agreeing on a new climate regime to come into effect at the end of the decade.

Although confined to more limited participation than the UN process, many climate watchers ahead of the Antalya meet hoped the G-20 statement would provide clarity on some of the key landing zones on tough political issues related to the deal, given the participants. G-20 nations account for around 77 percent of global GHG emissions, 85 percent of global GDP, and 75 percent of world trade.

Meeting in the wake of violent terrorist attacks that left at least 129 dead in the French capital last Friday night, G-20 leaders joined the chorus of other high-level officials who re-affirmed intentions to attend the opening of the multilateral climate talks, adding various messages of support and solidarity for the nation.

Tough talks ahead

The two degree Celsius goal was reportedly absent from earlier versions of the G-20 leaders' communiqué, a move panned by France and other European countries in Antalya, who lobbied for its eventual insertion. Saudi Arabia and India had reportedly resisted inclusion of the temperature goal in order not to pre-judge outcomes from next month's climate talks.

"The initial draft wasn't satisfactory so I intervened and I received a great deal of support. We had to continue the hard work so the statement was a little more robust," said Laurent Fabius, the French foreign minister attending the talks on behalf of the President François Hollande, who cancelled his participation at the last minute in light of events in Paris.

Parties to the UN Framework Convention on Climate Change (UNFCCC) have agreed that the post-2020 climate agreement will be based on domestic climate action plans, dubbed "Intended Nationally Determined Contributions" (INDCs), but have yet to hammer out the details for much of the infrastructure required to shape these into a multilateral regime.

This includes, for example, how to ensure that domestic pledges over time add up to enough aggregate GHG abatement to stay within the two degree threshold. Most INDCs outlined by over 160 nations to date focus on the 2020-2030 period and collectively fall

short of the estimated required emissions cuts, according to a recent UN assessment, although the plans do make progress towards this goal compared to a business-as-usual scenario. (See Bridges Weekly, [5 November 2015](#))

No mention of an INDC review process is made in the communiqué. The document does, however, confirm G-20 leaders' determination to ink a deal in Paris applicable to all parties and that the outcome should be fair, balanced, ambitious, durable, and dynamic. The leaders also confirm intentions to implement their respective INDCs.

As noted by several green groups and analysts, other aspects of the climate talks absent from the G-20 communiqué that are likely to surface in Paris include a roadmap for delivering on a commitment by developed countries to scale up climate finance to US\$100 billion by 2020, clarification on the precise legal nature of the deal, and a long-term goal for phasing out fossil fuel use. The world's seven largest economies under the banner of the G-7 in June pledged to decarbonise the global economy over the course of the century. (See BioRes, [11 June 2015](#))

According to comments from a senior EU official reported by the Wall Street Journal, "some countries were clearly under strict instructions," to keep the G-20 from weighing in on the climate talks.

Disagreement also reportedly surfaced in Antalya over the framing of international cooperation around climate change, with some countries opposing the need to mention "collective action on climate change," and pushing instead for a "differentiated" approach whereby more industrialised nations should carry more of the burden of emissions cuts due to a historic use of fossil fuels.

Reference to "collective action" now features in the final text along with the UNFCCC principle of "common but differentiated responsibilities and respective capabilities" (CBDR). According to a number of experts, this principle could prove a hot topic in Paris as parties work to hammer out the operational dynamics and obligations set by the new regime. (See BioRes, [12 November 2015](#))

Although some stakeholders expressed concern that the G-20 outcomes has left climate negotiators with a lot of legwork to undertake in Paris, France's Fabius, who will chair the UN December meet, defended the final wording.

"You can see the political drive is there. The real desire to work on these subjects exists," he said, adding that he would travel to South Africa, Brazil, and India for bilateral meetings geared towards building consensus in preparation for next month's talks.

Fossil fuel subsidies

In a separate paragraph focused on energy, the leaders' communiqué reiterates a 2009 pledge to rationalise and phase out inefficient fossil fuel subsidies that encourage wasteful consumption over the medium term, while also recognising the need to support the poor. The paragraph also covers cooperative work on scaling up renewable energy and boosting energy efficiency.

"India has done a lot by phasing out subsidies on petrol and diesel but those on fertilisers and power are a politically sensitive issue," said Arvind Panagariya, the G-20 sherpa for Indian Prime Minister Narendra Modi, explaining that the nation could not support a target date for phasing out fossil fuel subsidies.

Various campaigners had hoped the Antalya document would deliver firmer commitments on fossil fuel subsidies phase out. A group of ten economists, including Jeffrey Sachs of Columbia University's Earth Institute, penned a [letter](#) calling on world leaders to outline a "robust timetable" to ensure the credible delivery of the 2009 pledge.

A joint [report](#) from Oil Change International and the UK-based Overseas Development Institute (ODI) released just ahead of the Antalya summit warned that G-20 governments provide US\$452 billion a year to subsidise fossil fuel production. The authors argue that this support flies in the face of warnings by UN climate scientists that three-quarters of proven fossil fuel reserves must be left untouched if the world is to stay below the agreed temperature goal.

Data from the Organisation for Economic Co-operation and Development (OECD) and the International Energy Agency (IEA) released earlier this year finds that fossil fuel consumption and production subsidies amounted to around US\$600 billion in 2014, compared to US\$112 billion for renewables. Although the cost of many renewable energy technologies has dropped dramatically in recent years, fossil fuels continue to make up around 81 percent of the world's energy supply.

Energy access

A separate paragraph focuses some of the specific outcomes from the first G-20 energy ministers' meeting convened in early October in Istanbul and endorses a voluntary [action plan](#) to complement energy access as part of commitments to the UN Sustainable Energy for All (SE4ALL) initiative and energy targets under the global body's new 2030 Agenda for Sustainable Development.

The plan highlights options that G-20 members could deploy to scale up electricity access in sub-Saharan Africa organised under the banners of policy and regulatory environment; technology development, dissemination, and deployment; investment and finance; capacity building; regional integration; and coordination and collaboration.

Among the options, the plan suggests promoting collaboration on key energy policies and technical standards among regions, and facilitating cross-border energy trade to support the development of local capacity.

Global economic governance

In addition to covering climate change and energy, the G-20 leaders' communiqué addresses a range of topics such as macroeconomic policies and growth, tackling inequality in various forms, financial and tax system reform, and a collection of other sustainable development issues.

A year ago in the Australian city of Brisbane, G-20 leaders had agreed upon and publicly released "national growth plans" meant to jumpstart the global economy, specifically by raising the group's collective GDP by 2.1 percent above current trajectories by 2018, as well as providing a 0.5 percent boost for non-G20 members. (See Bridges Weekly, [20 November 2014](#))

Noting that global economic growth "continues to fall short of expectations," leaders in Antalya, reaffirmed their growth commitments from Brisbane, stressing that their highest priority in that respect is "timely and effective implementation" of these national strategies. A related Antalya [Action Plan](#) notes that leaders have developed a "robust monitoring mechanism" to help meet this goal, including with detailed implementation schedules, while also having made some revisions to last year's growth plans to incorporate new recovery-oriented actions.

"We have made significant progress towards fulfilling our commitments since last year, implementing half of our multi-year commitments. Analysis by the [International Monetary Fund], OECD and World Bank Group indicates that our implementation so far represents more than one-third of our collective growth ambition," leaders said, while noting that more work remains.

The leaders also repeated earlier commitments against protectionism, while highlighting the importance of global trade and investment as important engines of economic growth and development. Leaders pledged their support to policies that help small-and-medium sized enterprises integrate into the global economy, and renewed a mandate for the WTO, OECD, and UNCTAD to continue a joint reporting exercise on the use of various trade and investment restrictive measures by member economies.

Given that this year's G-20 summit came not just ahead of the Paris climate talks but also ahead of the WTO's next ministerial conference, leaders indicated a commitment to work towards a successful ministerial meet next month in Nairobi, Kenya. Leaders stipulate that the gathering should yield a "balanced set of outcomes, including on the Doha Development Agenda, and [provide] clear guidance to post-Nairobi work."

WTO members are currently working to reach a package of outcomes in Nairobi that could include deliverables on export competition, select development and least-developed country issues, and transparency. What language to include in the ministerial declaration on the future of the 14-year-old Doha trade talks has been the subject of multiple textual proposals submitted in the past fortnight, and is expected to continue generating intense debate as the ministerial draws ever nearer. (For more on the WTO talks, see related article, this edition)

According to some experts, the G-20 language reflects a carefully crafted outcome designed to balance differences over how to deal with the WTO's current Doha Round negotiating mandate, given disagreements among some members over whether to continue the global trade talks in that same framework or to instead address Doha Round issues in another way, together with "new" trade issues that have come to the fore.

Additional pledges in the Antalya communiqué are made on increasing efforts toward [implementing](#) decisions taken at the WTO's last ministerial conference held in Bali, Indonesia, with leaders also stressing the importance of ensuring that bilateral, regional, and plurilateral agreements are complementary with the multilateral trade system.

The G-20 presidency is now set to go to China, with next year's summit scheduled for September 2016 in Hangzhou.

ICTSD reporting; "As Terrorism Unites G-20, Climate Change Exposes Divisions," BLOOMBERG BUSINESS, 15 November 2015; "Divisions Remain Ahead of Paris Climate Talks," THE WALL STREET JOURNAL, 16 November 2015; "G20 nations narrow differences on climate change," THE HINDU, 17 November 2015.

TRADE AGREEMENTS

EU, Australia Begin Preparations to Launch Trade Talks

The EU and Australia will begin work with a view to launching free trade talks in 2017, leaders from both sides confirmed on Sunday following a meeting in the Turkish city of Antalya on the sidelines of the G-20 leaders' summit.

"We believe that a FTA will support sustainable growth and investment, open up new commercial opportunities, and promote innovation and employment in Australia and the EU," said Australian Prime Minister Malcolm Turnbull, European Commission President Jean-Claude Juncker, and European Council President Donald Tusk in a [joint statement](#).

Meeting on the sidelines of the G-20 leaders' summit in the Turkish city of Antalya, the three officials pledged to now begin taking steps "as soon as possible" to define what the scope of such negotiations should be, as well as how to approach them.

"We will aim to achieve a comprehensive and balanced outcome that liberalises trade, promotes productive investment flows, and enhances the regulatory environment for business," they said.

The EU is Australia's third largest trading partner, surpassed only by China and Japan, according to the [European Commission](#). Australia, meanwhile, is the EU's 21st largest trading partner in goods.

Bilateral goods trade in 2014 hit €38.8 billion, while services trade the year prior was at €27 billion. Australia primarily imports manufactured goods from the 28-nation bloc, while its top exports to the EU are fuels and mining products.

The possibility of bilateral trade talks between the two sides had been raised earlier this autumn, after the European Commission released its new "Trade for All" strategy in which it proposed a series of initiatives for deepening its existing trade relationships, including through new or updated agreements. (See Bridges Weekly, [15 October 2015](#))

Trade landscape

The news comes as both trading partners also work to clinch various new deals in other parts of the globe, along with implementing other pacts that have recently been negotiated.

"This is a significant step towards expanding our trade, investment, and economic links with the EU," [said](#) Australian Trade Minister Andrew Robb in a statement welcoming the negotiations with Brussels.

"Having concluded landmark trade deals with Korea, Japan, and China, along with negotiations for the 12-country Trans Pacific Partnership Agreement (TPP), the EU is certainly the next frontier when it comes to future agreements," he added. (For more on the TPP, see related story, this edition)

The Australian trade chief, in separate remarks this week, also said that he still has high hopes for his country to reach an agreement with India by the end of this year, while noting that there may be "issues" on New Delhi's side that could interfere.

Meanwhile, the EU is also preparing to launch negotiations with New Zealand, upon the completion of similar scoping exercises and other related steps. (See Bridges Weekly, [5 November 2015](#))

As with its planned talks with Australia, the European Commission noted that it would be pursuing such negotiations while “taking into account EU agricultural sensitivities.”

Among various other trade initiatives, including the planned Transatlantic Trade and Investment Partnership (TTIP) under negotiation with the US and a separate trade deal with Japan, the European Commission is also slated to begin negotiations with the Philippines, one of the ten countries in the Association of Southeast Asian Nations (ASEAN) having [received the greenlight](#) from the European Council this week.

“Approximately 90 percent of global economic growth in the next 10 to 15 years is expected to be generated outside Europe. Economic recovery will need to be consolidated through stronger links with the new centres of global growth,” the European Commission said last month, explaining its interest in deepening the trade ties of the 28-nation bloc. (See Bridges Weekly, [15 October 2015](#))

ICTSD reporting; “Australia to launch free trade talks with EU in 2017,” THE GUARDIAN, 15 November 2015; “European trade deal next on Malcolm Turnbull’s agenda,” THE SYDNEY MORNING HERALD, 15 November 2015; “India trade deal still on the cards: Robb,” AAP, 16 November 2015.

ACCESSIONS

Afghanistan Bid for WTO Membership Set for Approval at Nairobi Ministerial

Afghanistan has now cleared one of the final hurdles for WTO membership, with officials confirming last week that negotiations in the Working Party tasked with that process are now completed.

The expected entry of Afghanistan to the global trade club marks the ninth least developed country (LDC) to be invited to join the organisation since it was founded in 1995. The talks have been underway for over a decade, with Kabul tabling its request to join the WTO in November 2004.

Joining the 161-member body is expected to provide the country with “new trading opportunities and boost economic development,” [according](#) to WTO Director-General Roberto Azevêdo, who commended members for “promoting the integration of another LDC” into the multilateral trading system.

Mohammad Ashraf Ghani, the President of Afghanistan, similarly welcomed the news, saying that WTO membership could pave the way for the country's transition into “an effective and functioning market economy that attracts investment, creates jobs and improves the welfare of the people.”

Along with negotiating with WTO members at the multilateral level in the Working Party process, any country interested in joining the global trade club must also hold bilateral negotiations with any interested current member, with those concessions then extended to the entire WTO. Afghanistan [concluded](#) the last of those bilateral talks in February 2014.

Acceding LDCs

Afghanistan's Working Party Chairperson, Roderick van Schreven of the Netherlands, remarked last week that the “conclusion of this least developed country's accession is a critical win-win for LDCs and the WTO,” as Afghanistan will be the second LDC to receive approval from the organisation's membership this year, following the [approval](#) of Liberia's accession package in October. (See Bridges Africa, [12 October 2015](#))

Six more LDCs, namely Bhutan, Comoros, Equatorial Guinea, Ethiopia, Sao Tomé and Príncipe, and Sudan, are all negotiating to accede to the organisation, though those processes saw limited to no movement last year, according to the [WTO Annual Accession Report](#) for 2014.

To date, 34 of the 48 countries classified by the UN as least developed countries are members of the global trade body, with Afghanistan and Liberia set to bring that number up to 36.

While becoming a member of the WTO often takes several years, given the complexity of the negotiations, the particular difficulties that least developed countries face in the process prompted the organisation's members to adopt in 2012 revised guidelines aimed at facilitating such accessions, including benchmarks in the area of goods. (See Bridges Weekly, [4 July 2012](#))

Both, Afghanistan and Liberia's accession packages are now set to be presented to trade ministers for formal adoption during the WTO's Tenth Ministerial Conference, taking place in Nairobi, Kenya, this December. By that point, the accession of Kazakhstan will be in force, bringing the organisation's membership to 162.

Once Afghanistan's accession package is approved by WTO members at the ministerial meet, Kabul will then need to formally accept the terms domestically by ratifying it in its legislature.

Thirty days after submitting its acceptance to the WTO, Afghanistan will officially become a member.

ICTSD reporting.

EVENTS & RESOURCES

Events

Coming Soon

23-26 November, Khartoum, Sudan. 17TH AFRICA OIL, GAS AND MINES TRADE AND FINANCE CONFERENCE AND EXHIBITION. This conference will be held under the theme "Extractive industries and sustainable job creation," with a view to examining possible ways to boost the contribution that the natural resources sectors makes to the economic and social development of resource-rich countries and, more broadly, the African continent. The event is being organised jointly by the UN Conference for Trade and Development (UNCTAD) and the Government of Sudan in partnership with Cubic Globe Ltd. Participants will include public and private sector representatives from the energy and mining industry, as well as financial and legal experts, academics, and civil society. More information can be found at the conference [website](#).

23 November – 14 December, online. TECHNIQUES AND PROCEDURES IN INTERNATIONAL ENVIRONMENTAL LAW. This online course, held by the UN Institute for Training and Research (UNITAR), aims to provide participants with an improved understanding of the techniques and procedures used in the international environmental law field, ranging from the adoption of new agreements to compliance and enforcement. The course is designed for government officials, international civil servants, academics, private sector and NGO representatives, lawyers, and judges that work in this area. More information about the course, including content, structure, fees, and registration processes, can be found [here](#).

25-26 November, Tokyo, Japan. Conference: THE IMPACTS OF A POSSIBLE GROWTH SLOWDOWN IN THE PRC ON ASIA. Organised by the Asian Development Bank Institute, this conference will feature a series of presentations focused on understanding the factors behind the long-term growth slowdown in various advanced Asian economies, as well as structural factors that may be having an impact on growth in China. The effects of slower Chinese growth on other Asian economies in areas such as trade and investment will also be raised during the event. Participants will also propose and revise potential policy approaches to mitigate or resolve some of the negative factors behind this slowdown. 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.

24 + 26 November: Trade Policy Review Body – Thailand

25 November: Dispute Settlement Body

Other Upcoming Events

30 November – 11 December, Paris, France. ICTSD AT THE TWENTY-FIRST CONFERENCE OF THE PARTIES TO THE UNFCCC. During this year's UN Framework Convention on

Climate Change's (UNFCCC) Annual Conference of the Parties (COP), the International Centre for Trade and Sustainable Development (ICTSD) will be hosting a series of side events addressing a wide range of issues at the intersection of trade and climate change, such as on carbon markets, the climate contribution of the planned Environmental Goods Agreement (EGA), consumption-based accounting and policies, and many more. For additional details on ICTSD's activities at the Paris meet, visit the event [webpage](#).

30 November – 11 December, Paris, France. UNFCCC COP 21. The UN Framework Convention on Climate Change will be holding its 21st Conference of the Parties this December in a bid to reach a global climate deal to take effect from the end of the decade. Details on the preparations and documents for the event, including the preceding UNFCCC meetings in Bonn, can be found at the following [website](#).

3 December, Tokyo, Japan. ADBI ANNUAL CONFERENCE 2015: GLOBAL UNCERTAINTY, MACROECONOMIC SHOCKS AND GROWTH IN ASIA. The 18th edition of this annual event by the Asian Development Bank Institute (ADBI) aims to foster regional policy dialogue on the economic prospects for Asia and the Pacific. The meeting will particularly highlight the challenges and opportunities resulting from a slowdown in the Chinese economy, as well as the monetary policy developments in advance economies. The presentations and discussions from the conference will afterward be released online. To learn more about the event, visit the ADBI [website](#).

3-4 December, Berlin, Germany. IP SUMMIT 2015. This conference, which is being hosted by Premier Cercle™, is expected to bring together over 100 speakers from the field of intellectual property, as well as over 500 delegates from the private sector, institutions, and academia. The meeting, known also as the Pan-European Intellectual Property Summit, will focus on a range of intellectual property-related developments and challenges, such as ongoing reforms in the EU; improvements in European intellectual property rights' systems, and more. Additional information can be found [here](#).

14-15 December, Paris, France. OECD GREEN GROWTH AND SUSTAINABLE DEVELOPMENT FORUM. The Organisation for Economic Co-operation and Development (OECD) is hosting this year's forum, with the theme of "Enabling the Next Industrial Revolution: The role of systems thinking and innovation policy in promoting green growth." Topics for discussion include, among others, how to facilitate and encourage the "next industrial innovation," building upon the work conducted by the organisation's various committees. More information is available on the OECD [website](#).

14-17 December, Nairobi, Kenya. TRADE AND DEVELOPMENT SYMPOSIUM. This biennial event, regularly organised by the International Centre for Trade and Sustainable Development (ICTSD), is being held this year in partnership with the government of Kenya. The event 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. Further details can be found on the official event [website](#).

15-18 December, Nairobi, Kenya. WORLD TRADE ORGANIZATION – TENTH MINISTERIAL CONFERENCE. The World Trade Organization will be holding its Tenth Ministerial Conference (MC10) at year's end, with Kenya serving as this year's host. These ministerial gatherings are the highest-level meeting of the global trade body, with members able to take decisions on any matters relating to any of the multilateral trade agreements. These meetings are usually held biennially. More information will be made available through both the WTO [website](#), as well as the Kenyan government's dedicated MC10 [website](#).

Resources

TECHNOLOGY IN THE 2015 PARIS CLIMATE AGREEMENT AND BEYOND. By Heleen de Coninck and Ambuj Sagar for the International Centre for Trade and Sustainable Development (ICTSD) (November 2015). This paper, prepared ahead of the UN climate talks in Paris, review the potential climate technology development and transfer arrangements for a deal that could emerge at that meeting. In preparing their recommendations, the authors analyse the existing literature, present interviews with climate negotiators and stakeholders, and examine technology-related submissions under the Durban Platform. The study is available at the ICTSD [website](#).

INFLATION AND ACTIVITY: TWO EXPLORATIONS AND THEIR MONETARY POLICY IMPLICATIONS. By Olivier Blanchard, Eugenio Cerutti, and Lawrence Summers for the Peterson Institute for International Economics (November 2015). In this working paper, the authors analyse both output and inflation in the wake of the global financial crisis, looking at over 100 recessions over the past half-century while also reviewing the effect of unemployment on inflation. The authors then review what implications these results may have for future monetary policy. The working paper is available [here](#).

THE ECONOMIC CONSEQUENCES OF CLIMATE CHANGE. Published by the Organisation for Economic Co-operation and Development (OECD) (November 2015). This paper analyses the potential ramifications of climate change on economic growth for the next 45 years, particularly in the context of the current effort to clinch a new global emissions-cutting deal during a UN meeting in Paris this December. The report is available [here](#).

REGULATORY POLICY IN PERSPECTIVE: A READER'S COMPANION TO THE OECD REGULATORY POLICY OUTLOOK 2015. Published by the Organisation for Economic Co-operation and Development (OECD) (November 2015). This new publication brings together a series of paper addressing topics involving regulatory policy, including an overview of the situation today; an assessment of regulatory impact; and evaluation after the fact. The document serves as a source of background material for a related OECD publication, known as the Regulatory Policy Outlook. To learn more, [click here](#).

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