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TRADE AGREEMENTS

EU-Canada Trade Deal Signed, Overcoming Hurdles in Belgium

Leaders from the EU and Canada signed the Comprehensive Economic and Trade Agreement (CETA) on Sunday, following several weeks of talks to win the required backing of all 28 EU member states.

The bilateral [agreement](#) aims to strengthen the economic relationship between the two transatlantic trading powers, such as by reducing barriers to trade and investment; improving public procurement market access; establishing transparent, predictable conditions for cooperation; and protecting commonly held values.

European Council President Donald Tusk, Slovakian Prime Minister Robert Fico, currently holding the rotating [EU Council](#) presidency, and European Commission President Jean-Claude Juncker joined Canadian Prime Minister Justin Trudeau in signing the pact at the [16th EU-Canada Summit](#), held 30 October in Brussels.

The summit had initially been scheduled for earlier in the week, but the initial failure to reach consensus among Belgian regional authorities meant that the Canadian premier's flight was postponed. (See Bridges Weekly, [27 October 2016](#))

On Thursday, Belgian approval was eventually confirmed after a compromise was reached addressing concerns raised by the region of Wallonia, a region of 3.6 million people which had led the opposition to signing on to the agreement.

Walloon officials had reportedly hesitated to make their agricultural sector more open to Canadian competition and expressed doubts over the proposed Investment Court System that would be enacted in CETA, which would replace the previous investor-state dispute settlement system that has become an increasingly common feature in free trade deals and bilateral investment treaties since the 1960s.

Belgium pledged to put the new arbitration system in front of the European Court of Justice to ensure that it is in line with EU law.

A joint [interpretive instrument](#) was issued to further assuage Walloon concerns, providing a binding interpretation of certain CETA provisions, including on investment protections and the right to regulate, as well as on labour and environmental protection.

Shaping globalisation

The agreement, which was preceded by a five-year negotiation process that concluded in 2014, temporarily stumbled as it approached the final stages, where the need to win over Wallonia was all that stood between advancing a pact affecting a wider 550 million inhabitants bridging the Atlantic.

The delay may have cast shadows on the viability of the EU as a trading partner for potential future arrangements – with some pointing to the upcoming “Brexit” talks with the UK and ongoing trade talks with the US – while also intensifying concerns over popular anti-trade pressures, pointing to globalisation as aggravating inequality both between and within countries.

In response to such concerns, European Commissioner for Trade Cecilia Malmström urged the international community to embrace trade agreements as an opportunity to positively mould these forces.

“This is how we can shape globalisation – through progressive, state-of-the-art trade agreements that uphold our values and set new standards for global commerce,” she said in a [press statement](#).

In a related [blog post](#), Malmström championed CETA as an example to be followed in this respect, serving to “clearly demonstrate the improvements we have made to our trade policy.”

In particular, proponents say that CETA includes some of the most far-reaching chapters on labour, environment, and sustainable development ever negotiated in a bilateral trade agreement, setting out decisive commitments on social and environmental issues.

“Our Comprehensive Economic and Trade Agreement promotes all the things that Canadians and Europeans care about: decency in the workplace, our health and safety, our cultural diversity, the quality of the land, sea, and air that surround us,” [said](#) Juncker.

CETA [promises](#) to eliminate 99 percent of tariffs, and the majority of them immediately after the deal enters into force. Upon implementation, Canada is set to remove duties amounting to up to €400 million (US\$440 million) for EU goods, which is slated to increase to more than €500 million (US\$550 million) annually following the transitional period.

Officials say that CETA seeks to move beyond trade liberalisation and strengthened economic activity.

“Ours is a relationship that is already very close. It is built on 40 years of good cooperation. But our foundations go much deeper, based on the values we share,” stated Juncker.

While assembled at last week’s EU-Canada Summit, officials signed on to the [Strategic Partnership Agreement](#), for which negotiations were launched in 2011. This transatlantic [deal](#) specifically targets and institutionalises cooperation on common issue areas, outlining shared principles on human rights; international security, from combating terrorism to tackling the nuclear arms threat; effective multilateralism; fighting climate change; and promoting development.

Challenges ahead

As the next step, the European Parliament will have to approve the pact in order for it to be provisionally applied.

CETA was submitted as a mixed agreement, which involves a deal where some subjects are deemed to fall under the EU's exclusive competence, while others fall under the national competences of member states. This will mean that at least 38 national and regional parliaments will have to ratify the deal for it to fully enter into force, including Wallonia.

The scope of CETA's provisional application will not cover some of the more contested issues, including investment protection, which means that the Investment Court System will have to pass through ratification by all member states.

In the meantime, the EU Commission says it will coordinate with Canada to work out the finer points of the proposed system, delineating the selection and appointment of judges, defining the appeal mechanism, and facilitating access by small and medium-sized enterprises.

ICTSD reporting; "Belgian politicians drop opposition to EU-Canada trade deal," THE GUARDIAN, 27 October 2016; "Canada and E.U. Sign Trade Deal, Bucking Resistance to Globalization," THE NEW YORK TIMES, 30 October 2016.

TRADE AGREEMENTS

US Trade Officials Prepare for a Post-Election Landscape on TPP

With less than one week remaining until US voters go to the polls, officials both from the current Obama administration as well as from other Trans-Pacific Partnership (TPP) countries are ramping up their efforts to build support for ratifying the 12-country pact.

"The President [Barack Obama] very much wants Congress to act on TPP this year, and we are doing everything we can, across the administration, whole-of-government, whole-of-White House to maximise the likelihood of that happening," [said](#) US Trade Representative Michael Froman on Tuesday at a Washington conference.

The US trade chief told CNBC in a separate interview that he held hope that Congress would be able to approve the deal, should top lawmakers choose to bring it forward following the election.

"If they bring it forward, I think we can get the votes there," he [told](#) CNBC, referring to congressional leadership in both chambers.

However, whether Senate and House leaders will retreat from their stated positions that the TPP does not have the necessary votes to pass if brought to the floor remains to be seen. Substantive concerns raised by some US lawmakers, such as on the data protection periods for biologic drugs, are also expected to be hurdles in any attempts at ratification.

Election politics

In the year since TPP negotiations were concluded in Atlanta, Georgia, the process of moving the deal through the various steps needed for its enactment has been slow-going at best. The politics of the US election have largely been credited for hindering the ratification process in Washington, as the nominees from both major political parties have disavowed the accord. (See Bridges Weekly, [8 October 2015](#) and [29 September 2016](#))

The US general election is scheduled for Tuesday 8 November, with voters choosing who will serve in the White House once Obama concludes his second term in January. Also on the ballot is the entire House of Representatives and one-third of the Senate, together with various other state and local officials.

Republican candidate Donald Trump has repeatedly likened the Pacific Rim trade deal with an existing trade pact – the North American Free Trade Agreement (NAFTA) – which he has termed the "worst trade deal in history." Democratic candidate Hillary Clinton, who previously championed the accord as Secretary of State, has said in recent months that the final version of the TPP does not meet the standards she had envisioned.

The election politics surrounding the TPP has put officials in the current administration in a difficult position as they try to secure the passage of a deal that has become increasingly unpopular both with the public and in political circles. Along the way, they have also had to encounter the various arguments raised against the deal, touting instead its potential to improve people's lives and correct problems that have arisen from earlier accords.

This includes, for example, attempting to sever the link being made between NAFTA and TPP, or at least clarify how the two accords are manifestly different in content and scope.

"Junking the TPP actually means sticking with the status quo that NAFTA created – which means this trade agreement is our only real shot at bringing NAFTA up to code," [said](#) Obama in response to written questions on website Quora about the NAFTA-TPP comparisons.

Japan moving on ratification?

Meanwhile, other TPP countries have been taking steps towards ratifying the accord, despite the uncertain prospects for the trade deal in Washington.

The lower house of the Japanese Diet had aimed to vote on the TPP this Friday, followed by deliberations next week in the legislature's upper house. While the recent postponement of a committee vote in the lower chamber is now expected to slow down the process, the move is widely expected to pass if and when a vote takes place – meaning that the TPP's second-largest economy will have ratified.

Under the TPP's rules, signatories have an initial two-year window from when the deal was signed to complete their respective domestic procedures for ratification. Should all 12 not ratify in that timeframe, the trade agreement will enter into force only after meeting two thresholds. The first is that six countries will have completed their domestic procedures; the second is that those who have ratified make up 85 percent of the overall group's combined GDP, under 2013 figures.

In other words, ratification by both the US and Japan is essential to meet the 85 percent GDP threshold.

Other TPP signatories are also taking legislative steps in this direction, including New Zealand. Australia is expected to see legislation introduced on the subject early next year.

The TPP's members include Australia, Brunei, Canada, Chile, Malaysia, Mexico, New Zealand, Peru, Japan, Singapore, the United States, and Vietnam.

Global positioning, credibility

As the ratification efforts continue, TPP proponents have argued that the issue is more than just about opening new markets and enacting ground-breaking rules in areas such as labour and the environment, though both are essential elements of the deal's potential.

Rather, they also say that it has become an issue of credibility, influence, and strategic positioning in the Asia-Pacific in a rapidly changing world – and that not approving the TPP would be a devastating blow on all of these fronts.

"If we were to see the TPP rejected, it would be a gigantic self-inflicted wound on our nation – a setback to our own interests in the region, where our credibility as a country on any agreement we're trying to negotiate would be in doubt," [said](#) US Secretary of State John Kerry in Chicago last week.

Other TPP leaders have issued similar warnings, including Singaporean Prime Minister Lee Hsien Loong on repeated occasions.

Speaking to [Time Magazine](#), Lee affirmed that approving the TPP would be a sign that the US is "serious" and dedicated to deepening its relationships in the region.

"Now, let's say you cannot deliver on the TPP. After you have gotten Vietnam to join, after you have gotten Japan to join, after Japanese Prime Minister Shinzo Abe has made very difficult arrangements on agriculture, cars, sugar, and dairy. Now you say, 'I walk away, that I do not believe in this deal.' How can anybody believe in you anymore?" said Lee.

Similar arguments have been raised in other major trade debates, including in the fraught process of getting all 28 EU member states on board to sign a new accord with Canada, which required round-the-clock negotiations and sparked fears that the EU's larger trade agenda could be dealt a potentially crushing blow. (For more on the EU-Canada deal, see related story in this edition)

ICTSD reporting; "Not dead yet – TPP free trade deal could pass in lame duck Congress, US trade rep says," CNBC, 1 November 2016; "Japan lower house to vote on TPP ratification bill on Friday," NIKKEI ASIAN REVIEW, 1 November 2016; "Trans-Pacific Partnership Bill returns to Parliament," NEWSHUB, 27 October 2016; "Singapore deputy PM warns on US retreat from Asia," FINANCIAL TIMES, 24 October 2016; "PM Lee on TPP, US-China ties and jobs in Singapore," TODAY ONLINE, 26 October 2016; "Australian Trade Minister Ciobo sets sights on FTAs," NIKKEI ASIAN REVIEW, 26 October 2016; "Ruling coalition gives up trying to pass TPP-ratifying bill after minister's gaffe," THE JAPAN TIMES, 2 November 2016.

CLIMATE CHANGE

UN Shipping Agency Announces Plans for Developing Emissions Reduction Strategy

The UN's shipping body has confirmed plans to develop a strategy for reducing greenhouse gas (GHG) emissions from the sector, with an initial version of this plan to be confirmed by 2018 and a final version due in 2023.

Negotiators met in London from 24-28 October for the International Maritime Organization's (IMO) Marine Environment Protection Committee (MEPC), aiming to take steps that would help tackle the climate-warming risks from a growing demand in the maritime sector.

The planned strategy will be developed following a roadmap for the years 2017-2023, which will include taking on more research into the sector's greenhouse gas emissions, along with tying in these efforts and others with the ongoing work to implement previously-agreed steps on improving ships' energy efficiency.

The news comes after previous attempts to set an emissions target for the sector had repeatedly hit roadblocks, with those countries pushing against it arguing that more data is needed in order to do so. (See BioRes, [29 April 2016](#))

Similar to aviation, shipping-related emissions were ultimately not covered under the UN's Paris Agreement on climate change, despite having been discussed earlier in the negotiations. (See BioRes, [13 December 2015](#))

Data system

As an early step in considering future action on emissions, the UN body [agreed](#) last week on a mandatory data collection system on fuel oil consumption, which would apply to all ships that are of at least 5,000 gross tonnage and will take effect from 1 January 2018. A draft version of the system was already confirmed in April. (See BioRes, [29 April 2016](#))

UN officials say that collecting this data will help inform upcoming policy deliberations, especially given that vessels of this size together produce 85 percent of shipping-related carbon emissions.

The new rules on data aim to capture a series of elements: consumption of each individual fuel type; how far a ship has travelled; number of "service hours" at sea; along with design cargo capacity. The latter three elements are meant to help indicate a ship's energy efficiency.

Flag states will process this information, transmitting it to the UN agency along with providing compliance documentation for the ship, assuming the data has been reported appropriately. The IMO will then be tasked with preparing a report based on this information for the MEPC, though identifying information involving ships will be removed.

How useful this data is will depend on developing the right guidelines, some officials say. The European Commission, for example, noted in a [factsheet](#) that while the 28-nation bloc is pleased with the move towards data collection, a "sufficiently robust" scheme will need to be in place.

That task has been set for the next MEPC, scheduled for May 2017.

Sulphur emissions cap

Notably, the committee also agreed last week [to cap](#) the level of global sulphur in marine fuel – set at 0.5 percent mass/mass (m/m) – which would take effect at the beginning of 2020. The new global limit follows a prolonged effort dating back several years, and includes exceptions in case of life-threatening situations at sea; ship safety; or damaged equipment.

The sulphur decision has been touted by IMO officials as being particularly significant for both environmental and public health reasons, given that sulphur emissions can lead to the production of acid rain. Using sulphur-heavy fuels can also lead to the release of “fine dust” that studies say can have [severe implications](#) for respiratory and heart health, especially in seaside cities and towns.

“The reductions in sulphur oxide emissions resulting from the lower global sulphur cap are expected to have a significant beneficial impact on the environment and on human health, particularly that of people living in port cities and coastal communities, beyond the existing Emission Control Areas,” [said](#) IMO Secretary-General Kitack Lim.

The new limit is separate from those in the above-mentioned “Emission Control Areas” (ECAs), which have been in place for nearly two years and cap sulphur limits in various designated areas at 0.10 percent m/m.

Shipping industry groups, including the International Chamber of Shipping, had warned that the move to set a global sulphur limit could lead to a significant increase in costs, given their estimates that low-sulphur compliant fuel oil will be much more expensive than the residual fuel that ships currently burn.

The ICS had therefore been [among those](#) calling for a clear outcome on the subject at the MEPC meeting, including on timing, in order to have enough warning for the industry to make the necessary adjustments.

Various environmental groups lauded the IMO decision, while also calling for additional clarity on how it will be put in practice.

“This decision reduces the contribution of shipping to the world's air pollution impact from about five percent down to 1.5 percent and will save millions of lives in the coming decades,” [said](#) Bill Hemmings, who is the shipping director of Brussels-based NGO Transport & Environment.

Need for action

Over the years there have been increasing calls from climate officials and observers for developing rules that will help curb harmful emissions from international transport sectors, particularly in light of studies which suggest that these could increase astronomically in the coming years.

A 2014 [study](#) by the IMO suggested that carbon emissions from the sector could rise by anywhere between 50-250 percent by 2050.

Already for the 2007-2012 period, shipping made up just over three percent of global carbon emissions, along with representing 2.8 percent of annual greenhouse gases as measured by their “carbon dioxide equivalent,” a standardised unit that helps demonstrate the effects of different greenhouse gases.

The challenge has been heightened given the role of the sector in the global economy. Shipping is by far the top carrier of global trade, with the International Chamber of Shipping [estimating](#) that approximately 90 percent relies on maritime transport.

The IMO already has mandatory measures in place on energy efficiency, agreed in 2011 and in force since 2013. Those were welcomed at the time as a landmark development, given that it was the first global, binding effort aimed at reducing emissions from an international industry sector. (See Bridges Weekly, [20 July 2011](#))

Climate governance context

UN officials said last week that the developments at MEPC, while a promising start, still need to be followed by additional, concrete steps that will help answer the climate challenge.

"Welcoming these important steps, the Secretary-General calls for urgent and ambitious action to limit the greenhouse gas emissions from global shipping," said a [spokesperson](#) for outgoing UN Secretary-General Ban Ki-Moon.

Indeed, the past month has seen a series of other promising advances on climate action. These include the news that the Paris Agreement on climate change would enter into force on 4 November; the addition of hydrofluorocarbons (HFC), a potent climate-warming gas, to the Montreal Protocol on Substances that Deplete the Ozone Layer; and the agreement on an international carbon-offset system for civil aviation. (See Bridges Weekly, [6 October 2016](#), [20 October 2016](#), and [13 October 2016](#), respectively)

ICTSD reporting; "Mayday, Mayday: UN's shipping body needs a climate compass," CLIMATE HOME, 31 October 2016; "UN shipping chief warns of industry's rising climate impact," CLIMATE HOME, 24 October 2016.

DISPUTES

Disputes Roundup: Raw Materials Panel Requested, Appellate Body Talks Continue

The past fortnight has seen a series of developments in WTO dispute settlement, including a first request for a panel to rule on a dispute between the US and China on raw materials export restrictions, as well as the continuation of a debate among the membership on Appellate Body reappointments.

The WTO's Dispute Settlement Body (DSB) met on 26 October for both a formal gathering as well as an informal, dedicated session on the Appellate Body issue. Along with the above-mentioned items, other topics up for discussion included the long-standing US-India dispute on poultry, as well as the adoption of the WTO reports in an EU-Argentina dispute on anti-dumping measures affecting imported biodiesel.

US requests panel to hear raw materials case

The US has moved forward in its WTO dispute with China over export restrictions on certain raw materials, filing a first request ([DS508](#)) for a panel after bilateral consultations failed to produce a solution.

The case dates back to July 2016, when the US requested WTO consultations with China over alleged export duties, export quotas, and quota administration issues. These involved various raw materials, including antimony, chromium, cobalt, copper, graphite, indium, lead, magnesium, talc, tantalum, and tin. (See Bridges Weekly, [21 July 2016](#))

Those materials are essential inputs for a wide range of industrial manufacturing processes, including aerospace, automotive, electronics, and chemicals. The two sides have previously sparred on export restrictions on other raw materials, as well as various rare earths. (See Bridges Weekly, [10 September 2014](#) and [1 February 2012](#))

At the DSB meeting, China reportedly reiterated its argument that the measures are necessary to protect the environment and ensure that these resources are not exploited to the point of depletion.

The US, however, argues that this gives domestic Chinese manufacturers an unfair competitive advantage by providing them access to lower-priced raw inputs, which allows for cheaper production of goods at later points in the value chain. US manufacturers, in turn, are effectively forced to purchase these raw materials at higher costs, making it more expensive to produce downstream goods.

While Beijing rejected the establishment of a panel last week, should the US make a second request it will automatically be granted.

The EU has filed a similar dispute ([DS509](#)) against China concerning the same measures. Its panel request was filed shortly after last week's DSB meeting, with a view to discussing it at the November session. (See Bridges Weekly, [21 July 2016](#))

India, US spar on poultry compliance

Separately, the US and India continue to disagree on how to move forward in their dispute on New Delhi's poultry import ban. The Appellate Body had ruled that the import

prohibition violated global trade rules, while India had argued that the measure was needed to limit the spread of avian flu.

Earlier this year, the US requested permission to suspend concessions against India to the tune of US\$450 million annually. India objected the level of suspension that the US asked for, with the issue then referred to arbitration. India has repeatedly claimed that the steps it has taken to remove the ban – such as a revised measure announced by New Delhi last month – have been sufficient to rectify the issue, and that arbitration should be halted.

However, the US argues that these changes do not go far enough. “Under the September 2016 version of India’s measure... the United States continues to have concerns that India’s measure may be substantially more trade restrictive than a measure based on OIE recommendations,” [said](#) the US delegation, referring to the international standards of the World Organization for Animal Health.

WTO members debate Appellate Body reappointments

The debate over the reappointment of Appellate Body members intensified again in a dedicated session of the Dispute Settlement Body (DSB) on 26 October, when a group of members made an informal proposal to eliminate the reappointment process entirely.

Under the WTO’s Dispute Settlement Understanding (DSU), Appellate Body members are currently appointed for a four-year term with the possibility of a one-time renewal. Sources say that Brazil, India, Korea, and Mexico have now proposed amending the DSU to limit appointment to one single term, with the length to be determined. This change, they argued, would help ensure that WTO Appellate Body members can be independent and impartial, without worrying about reprisal.

The debate dates back to last May, when the US opposed the reappointment of one of the Appellate Body members, Seung Wha Chang, on the grounds that the rulings he was involved in ultimately exceeded the Appellate Body’s mandate.

The unprecedented move drew widespread pushback from various WTO members, with some questioning whether this could potentially undermine the independence of the Appellate Body, among other concerns. (See Bridges Weekly, [25 May 2016](#))

The suggestion of adopting a single term limit drew mixed reactions from delegations, sources say. While the US reportedly argued that such a change is unnecessary and that the ability to block reappointments is actually a sign of the DSU’s functioning, others such as the EU, Indonesia, and Switzerland backed the suggestion of a single term. Other members said they still had questions before taking a set position.

A source familiar with the issue suggested that finding an agreed outcome on the subject would be unlikely, partly given the difficulty in reforming dispute settlement rules in the past, while suggesting that having these types of discussions could still be useful exercises for the system.

Furthermore, the source suggested, the debate is also a reflection of a deeper disagreement among the membership over how the Appellate Body should approach disputes: either as a body that focuses solely on the case at hand, or as an institution that also seeks to clarify WTO rules through its jurisprudence – or instead as a mix of these two options.

Another meeting of the dedicated session is slated for next month. Meanwhile, nominations for replacing Chang along with another Appellate Body member, Yuejiao Zhang, have been submitted, with a recommendation by the Selection Committee also expected in November.

ICTSD reporting.

AGRICULTURE

Brazil Reports Sharp Drop in Total Farm Subsidies

Agricultural trading giant Brazil has reported that its domestic support to the agriculture sector fell sharply in the 2014-15 marketing year, in [new figures](#) released by the government.

Total agricultural domestic support was around half the level it reached the previous year, according to data that Brasilia submitted last week to the WTO.

The drop in total reported support was mainly due to a decline in spending in categories classified as "green box" at the global trade body, meaning subsidies that cause no more than minimal trade distortion.

The chair of the WTO negotiations on agriculture, New Zealand ambassador Vangelis Vitalis, has repeatedly warned that delays in reporting farm subsidy spending could hinder prospects for talks in this area at the global trade body. (See Bridges Weekly, [12 May 2016](#))

Brasilia's new data release brings it more up-to-date than other major agricultural trading powers, according to WTO [analysis](#) released last Friday.

The report by the WTO secretariat finds that Brazil and Russia are 100 percent compliant with their domestic support notifications, while Australia, Canada, and the US are 95 percent compliant. Japan and the EU have submitted 90 percent of the domestic support data they have agreed to provide, while Indonesia has submitted 85 percent, India 80 percent, and China 75 percent.

At the same time, the secretariat figures show that a number of developing countries are fully compliant with their reporting obligations, with least developed countries Cambodia, Chad, and the Gambia also in this category.

Zero "amber box" support

Since the 2012-13 marketing year, Brazil has consistently reported zero support under its "amber box" spending – payments seen as highly trade-distorting under WTO rules. (See Bridges Weekly, [12 February 2015](#))

The bulk of Brasilia's remaining trade-distorting subsidies were instead classified as "de minimis" – meaning that they amounted to less than ten percent of the value of production for both product-specific and non-product-specific support.

De minimis spending was just under US\$2 billion in the 2014-15 marketing year, the new figures show. Green box support accounted for another US\$1.6 billion, down from US\$4.2 billion the previous year.

Finally, the figures show that Brazil also provided US\$1.3 billion in trade-distorting input and investment subsidies which developing countries alone are allowed to provide under a special clause in the WTO's Agreement on Agriculture, Article 6.2.

Ten-fold drop in "general services" payments

The fall in green box support is particularly steep in the sub-category of "general services" – a set of payments covering spending in areas such as pest and disease control, research, and farming advisory services.

In 2015, general services payments accounted for just US\$227 million, compared to almost US\$2 billion the previous year, and US\$3.7 billion in 2013.

All sub-categories of general services payments appeared to have been affected, as well as other types of green box support schemes such as domestic food aid.

One source familiar with Brazil's farm policy told Bridges that fiscal constraints had led to cuts in government spending across a number of ministries.

Brazilian support in perspective

The US\$2 billion that Brasilia says it provided in trade-distorting support is significantly lower than the subsidy levels most recently reported by various other major agricultural trading powers.

Trade distorting support in China amounted to US\$18 billion (R123 billion) in 2010, Beijing has said, while Japan has reported it provided US\$14 billion (¥1440 billion) in 2012. Similarly, data from the US indicates it provided US\$14 billion in 2013. (See Bridges Weekly, [13 May 2015](#), [10 April 2014](#), and [2 June 2016](#)) (*Editor's note: the Chinese yuan renminbi and Japanese yen use the same currency symbol*)

The most recent domestic support notification from the EU, for the 2012-13 marketing year, indicates that the bloc's trade-distorting farm subsidies amounted to €6 billion (US\$7.7 billion). In April, Russia reported that it provided around US\$5 billion (¥190 billion) of trade-distorting support in 2014, while India has also indicated it provided just US\$2 billion in 2010-11. (See Bridges Weekly, [12 November 2015](#), [4 May 2016](#), and [18 September 2014](#))

The WTO Committee on Agriculture is due to meet on 9-10 November to discuss recent domestic support notifications and other questions related to implementation of the global trade body's rules on farm trade.

ICTSD reporting.

WORLD TRADE ORGANIZATION

Countries Report Steady Progress on Implementing Tariff Cuts on ICT Goods

A group of WTO members who agreed last year to eliminate duties on a series of information and communication technology (ICT) goods are making steady progress in doing so, sources say, with three-quarters of participants already having enacted their new commitments.

To date, 18 participants of the WTO's expanded Information Technology Agreement (ITA-II) have submitted revised tariff schedules to the global trade body. These include China, which sources say was the latest to do so, as well as the [United States](#). The accord has a total of 24 participants, counting the 28-nation EU as one.

Under the revised ITA, the tariff reductions are due to be implemented in four progressive cuts: the first by 1 July 2016; the second by 1 July 2017; the third by 1 July 2018; and the final one by 1 July 2019. However, some products are due to see tariff elimination over a longer period – in other words, up to five or seven years.

The updated version of the accord covers over 200 additional products, ranging from video game consoles to new-generation semi-conductors, with some estimates suggesting that the value of goods covered under the deal are worth US\$1.3 trillion in annual exports. The participants who have signed onto the ITA-II are responsible for around 90 percent of trade in these goods.

Sources say that the updated accord is also drawing interest from possible new participants, including Macao, one of China's special administrative regions.

Landmark IT deal

At last year's WTO Ministerial Conference in Nairobi, Kenya, ministers from this group finalised negotiations for what is known as the expansion of the Information Technology Agreement. While the original accord has been in force since 1996, various items on it are no longer in use, prompting the negotiations for an updated version. (See Bridges Daily Update, [16 December 2015](#))

Both the ITA and ITA-II are "plurilateral" agreements under the umbrella of the WTO: while they do not count the full organisation's membership as participants, any tariff cuts adopted by participants of either the ITA or ITA-II are extended to the entire global trade body.

The landmark accord marked the first tariff-cutting agreement that had been reached under the WTO in nearly two decades, and took various years to negotiate, having stumbled repeatedly as participants worked to agree on a final list of products; the timeframe for phasing out tariffs; and other related subjects.

Proponents say that the deal will not only provide an economic boost, but could be a useful confidence-builder for the global trade body, in light of the overall difficulties seen over the years in achieving negotiated outcomes in other areas.

ICTSD reporting.

EVENTS & RESOURCES

Events

Coming Soon

7 November, Geneva, Switzerland. THE 2016 G-20 INVESTMENT PRINCIPLES IN THE BROADER TRADE AND INVESTMENT AGENDA: ADVANCING THE G-20 OUTCOMES. This joint event by the International Centre for Trade and Sustainable Development (ICTSD) and the World Economic Forum (WEF) will focus on how to move forward with the G-20 Guiding Principles for Global Investment Policymaking, which emerged from this year's G-20 process. Participants will also examine the results of meetings between G-20 trade and investment officials, and what these could yield going forward. More information is available [here](#).

9 November, Doha, Qatar. BROOKINGS INSTITUTION EVENT: AMERICA DECIDES: IMPLICATIONS OF THE U.S. ELECTION RESULTS. This event is being hosted by the Brookings Doha Centre and will address the outcome of this year's presidential election, due to be held the day prior. The event will focus on both the domestic and international policy ramifications of the 8 November polls. Pre-registration is available [here](#).

9 November, Washington, US. PLANET AT THE CROSSROADS: INSIGHTS FROM IUCN'S WORLD CONSERVATION CONGRESS. This conference is being co-sponsored by the Environmental Change and Security Program and the Brazil Institute at the Woodrow Wilson International Centre for Scholars. Frank Hawkins, director of the International Union for Conservation of Nature's (IUCN)'s Washington office, will provide both a recap and analysis of IUCN's annual World Conservation Congress held in Honolulu, Hawaii, in September. Fellow participants in this panel discussion will address topics such as gender, illegal wildlife trade, and conservation finance. Registration is available [here](#).

9 November, London, United Kingdom. THE EVOLUTION OF INEQUALITIES IN THE GLOBAL ECONOMY. This event being organised by the London School of Economics and will feature as its guest speaker Professor Nicola Phillips, Chair of the British International Studies Association (BISA). This talk will address the evolution of inequalities in the global economy and how different powers are propelling new forms of unequal development across the world. More information and registration can be found [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.

4 November: Committee on Trade and Development – Dedicated Session on Small Economies

7 November: Working Group on Trade and Transfer of Technology

7-8 November: Committee on Regional Trade Agreements

7-9 November: Informal Committee on Technical Barriers to Trade

8 November: Dispute Settlement Body

8 November: Informal Committee on Agriculture

8-9 November: Council for Trade-Related Aspects of Intellectual Property Rights

9-10 November: Committee on Agriculture

10 November: Committee on Technical Barriers to Trade

Other Upcoming Events

7-18 November, Marrakech, Morocco. UNFCCC COP22. The 22nd Conference of the Parties (COP) to the UN Framework Convention on Climate Change (UNFCCC) will focus on preparations for the Paris Agreement on climate change's entry into force. The UN negotiations are being held this year under the presidency of Morocco, and will be the first under new UNFCCC Executive Secretary Patricia Espinosa Cantellano. To learn more, visit the COP22 [website](#).

7-18 November, Marrakech, Morocco. ICTSD AT THE TWENTY-SECOND CONFERENCE OF THE PARTIES TO THE UNFCCC. The International Centre for Trade and Sustainable Development (ICTSD) will be organising a series of events on the sidelines of the UN's climate conference in Morocco, including on scaling up renewable energy; implementing Article 6 of the Paris Agreement; and a post-Paris roadmap on consumption-based carbon accounting and policies. To learn more, click [here](#).

17 November, London, United Kingdom. THE WORLD IN 2017: TOP 10 FACTORS SHAPING THE US AND EUROPEAN ECONOMIES. This research event is being organised by Chatham House, featuring as its guest speaker Daniel Franklin, Executive Editor at The Economist. The event will examine what may lie ahead in the coming year for both the US and EU, in light of the various political transitions and other changes that may lie ahead. More information is available [here](#).

21-22 November, Geneva, Switzerland. TOWARDS INCLUSIVE RULES OF ORIGIN. This meeting is being organised by the International Centre for Trade and Sustainable Development (ICTSD) in partnership with the Inter-American Development Bank (IDB). The meeting represents the first in a series of RTA Exchange dialogues set to take place over the course of 2016 and 2017 to systematically explore possibilities for convergence and coherence-building between regional trade agreements (RTAs) and the multilateral trading system. To learn more, visit the ICTSD [website](#).

26-27 November, Ashgabat, Turkmenistan. GLOBAL SUSTAINABLE TRANSPORT CONFERENCE. The UN Secretary-General Ban Ki-moon is convening the first-ever global conference on sustainable transport in recognition of its critical role in combating climate change and achieving sustainable development. The Conference will address: all modes of transport, including road, rail, aviation, ferry and maritime; the concerns of developing countries; transport in both urban and rural areas; energy and transport; public transport; road safety; and financing for sustainable transport. To learn more, visit the event [website](#).

5-7 December, Abuja, Nigeria. AFRICAN ECONOMIC CONFERENCE 2016. The theme of this year's African Economic Conference will be "Feeding Africa: Towards Agro-Allied Industrialization for Inclusive Growth." The meeting is being organised jointly by the African Development Bank Group (AfDB), the UN Development Programme (UNDP), and the United Nations Economic Commission for Africa (UNECA). Coming in the wake of the 2015 adoption of the Sustainable Development Goals (SDGs) and other key international events, this meeting will focus on how agricultural policy in the continent must evolve to achieve improved growth and help address poverty and hunger. More information is available [here](#).

Resources

CARBON MARKET CLUBS UNDER THE PARIS CLIMATE REGIME: CLIMATE AND TRADE POLICY CONSIDERATIONS. By Sonja Hawkins for the International Centre for Trade and Sustainable Development (ICTSD) (October 2016). This policy brief assesses the potential for developing carbon market clubs following the adoption of the UN's Paris Agreement on climate change, together with various other carbon pricing initiatives that have emerged in recent years. The author also examines how the trade system can support such an endeavour. The publication can be found [here](#).

THE TRADE SYSTEM AND CLIMATE ACTION: WAYS FORWARD UNDER THE PARIS AGREEMENT. By Susanne Droege, Harro van Asselt, Kasturi Das, and Michael Mehling for Climate Strategies (October 2016). This working paper is part of the Climate Strategies project on "Making the International Trade System work for Climate Change." The authors provide an overview of the climate and world trade regime, discussing the upcoming issues and possible synergies regarding climate policy and trade rules. The paper is available for download [here](#).

BIG DATA: BRINGING COMPETITION POLICY TO THE DIGITAL ERA. Published by the Organisation for Economic Co-operation and Development (OECD) (October 2016). This working paper attempts to define the term "Big Data" and what this means in relation to competition policy and law. The authors also review topics such as regulations on data ownership, access, and portability, including their potential implications across various issue areas. The document can be found [here](#).

THE ORIGINS AND DYNAMICS OF EXPORT SUPERSTARS. By Caroline Freund and Martha Denisse Pierola for the Peterson Institute for International Economics (PIIE) (October 2016). This working paper analyses the role that top manufacturing exporters across various developing countries play in boosting exports, along with how such firms came into being. The publication is available for download [here](#).

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