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ENVIRONMENTAL GOODS

Ministerial Talks to Clinch Environmental Goods Agreement Hit Stumbling Block

A ministerial-level meeting of several WTO members aimed at concluding talks for a tariff-cutting deal on environmental goods finished without agreement on Sunday 4 December, leaving the next steps unclear for the time being.

The 3-4 December meeting in Geneva, Switzerland, came immediately following a week of negotiations aiming to set the stage for when ministers arrived in town. The ministers' meeting was co-chaired by the US and EU.

"Many EGA participants engaged constructively and brought new contributions to the table," said EU Trade Commissioner Cecilia Malmström and US Trade Representative Michael Froman in a [joint statement](#) issued Sunday afternoon at the ministerial's close. The two trade chiefs referred to good progress over the week, while noting that participants would now need time to discuss with their capitals what may come next.

"Participants negotiated in good faith and made good progress towards an agreement," [said](#) WTO Director-General Roberto Azevêdo, who was on hand at the ministerial meeting. "I urge participants to show whatever flexibility they can to help conclude the deal."

The EGA negotiations have been underway for over two years, having been launched in July 2014. The group of WTO members negotiating the EGA includes Australia, Canada, China, Chinese Taipei, Costa Rica, the EU (counted as one), Hong Kong, Iceland, Israel, Liechtenstein, Japan, New Zealand, Norway, Singapore, South Korea, Switzerland, Turkey, and the United States.

Competing lists

Recent EGA negotiating rounds had worked on the basis of a so-called "landing zone" product list, also referred to as an L-list by negotiators. This list covered just over 300 tariff lines and related ex-outs, and was narrowed down from over 600 tariff classifications that had been nominated by participants earlier in the process.

During the negotiations leading up to the ministerial – which included ambassadors' level meetings – that 300-plus list was subsequently split into two, with one "A list" of over 250 items that were deemed to have reasonable levels of consensus, along with another "B" list of more sensitive items that would require political decisions. These were prepared by Andrew Martin of Australia, who chairs the talks in his personal capacity.

Among the more political issues, sources said, included how to treat bicycles in the final agreement – a key demand by China that was reportedly difficult for the EU, though the option of including bicycle parts was among the potential scenarios discussed. Among the other sensitive goods that proved especially difficult last week were wood, which is reportedly a difficult area for several members including Japan, and gas turbines.

The co-chairs of the EGA ministerial subsequently issued their own list, sources say, adding some tariff lines to the original A list.

"The Chairs issued documents designed to stabilise the text of the agreement and produced a revised products list that balances priorities and sensitivities," stated Malmström and Froman in their joint announcement.

Later on Sunday, China reportedly put forward its own list of products, after deeming that the earlier A/B list approach and the subsequent list by the US and EU ministers had both "failed to reflect the balance of interests of all participants and was unable to form the basis for negotiation," according to Chinese Vice Minister of Commerce Wang Shouwen.

"In order to break this impasse, China made tremendous efforts in presenting a third product list within two hours, which demonstrated China's flexibility and served to address the core concerns of all participants," said the Chinese official in an [interview](#) with the Xinhua news agency.

China has consistently argued throughout the negotiations that they have higher tariffs on many of these environmental goods, and that therefore the concessions being made would be much larger for them than for other participants.

Sources familiar with the Chinese list said that it contained some items that had been deemed "red lines" for other participants, along with missing some of the items that were deemed key offensive interests for others. Others referred to the timing of the submission – on the second day of the ministerial – as also leaving little time for building convergence or consensus around it.

However, a few sources suggested that the timing of the earlier list from the ministerial co-chairs also proved difficult, and that the issue of balance is a subjective one, with the A/B list approach potentially being more balanced for some participants than others.

While the emphasis throughout the week was on the product list, other areas discussed included an EGA text, which covers issues such as the timing for phasing out tariffs, along with what constitutes a "critical mass" threshold of the percentage of trade in goods in order to prevent free riding when the final deal's benefits are extended to the full WTO membership, as well as a possible revision mechanism.

Whereas multiple sources said that the text was relatively advanced, despite having some unresolved areas, there are also reports of a second text, hence indicating that there was no consensus yet.

No in-depth discussions on either of these texts took place though, as resolving those outstanding issues would largely depend on sorting out a final product list.

Next steps, global climate landscape

Despite the setback at the ministerial, sources affirmed that there is a shared willingness to continue with the negotiations, describing last week's talks as still being productive. They generally suggested that the remaining issues can likely be resolved should participants demonstrate the necessary political will.

Setbacks like these are far from being unusual in trade negotiations – a point which some officials have made both publicly and privately. Daniel Blockert, Sweden's Ambassador to the WTO, cited the efforts to expand the Information Technology Agreement's (ITA) product coverage as another process that hit a few roadblocks before reaching a successful resolution. (See Bridges Daily Update, [16 December 2015](#))

"On the 12th October 2014 on this blog I lamented the fact that we had failed to conclude negotiations on another plurilateral agreement, the Information Technology Agreement (ITA). But on the 17th December 2015 I wrote an article celebrating the fact that the ITA review was finally concluded during the WTO ministerial meeting in Nairobi," said the Swedish ambassador in a [blog post](#).

"The next WTO ministerial will be held in Buenos Aires in December 2017. So watch this space," he added.

Other sources similarly raised the prospect of concluding the EGA in time for the WTO's next ministerial conference in Buenos Aires, Argentina, though whether that will be the new target date has not yet been formally confirmed. A next negotiating session has tentatively been agreed for the first quarter of 2017.

Some negotiators speaking to Bridges said that the timing for next steps will depend partly on how the incoming administration under US President-elect Donald Trump approaches the issue. Trump has shown a range of opinions on climate change, pledging on the campaign trail that he would end the US' involvement with the UN's Paris Agreement on climate change, while tempering that assessment after the election, saying that he would "keep an open mind."

Upcoming elections in major EU member states, including France and Germany, have also raised questions over how these political transitions could affect the EGA negotiations. Similarly, the upcoming "Brexit" is a cause of concern for parties contemplating to enter a trade agreement with the EU.

Even with this political uncertainty, a few sources noted that the EGA does have bipartisan support in the US Congress, along with having the backing of many in the American private sector, which could prove promising. Some US industry groups have publicly urged EGA negotiators to conclude a deal, given the rapid growth in the sector and its significant economic and environmental potential.

"Facilitating trade in environmental goods, which currently is estimated at US\$1 trillion annually, would promote the use and development of environmental technologies that will address global environmental goals, supporting jobs and growth in all 18 participants," [said](#) the US-based National Foreign Trade Council's (NFTC) Coalition for Green Trade after this weekend's ministerial.

The coalition is chaired jointly by the NFTC, the National Association of Manufacturers, and the US Council for International Business.

Clean energy

In a separate development, Google announced this week that it will move to power all of its data centres on renewable energy in 2017. The technology titan has explained the move as

being one that makes sense from both a business and economy-wide perspective. Other large companies like Facebook and Amazon have similarly been working to upscale their use of cleaner energy sources in fuelling their business.

Some trade officials have pointed to [estimates](#) which say that the environmental goods market could reach an estimated US\$3 trillion by the end of the decade, making it imperative to advance a tariff-cutting accord in this field. For example, the [European Commission](#) says that within the 28-nation bloc alone there are already four million people working in the sector, with many more expected.

The EGA's potential to help support the deployment and increased use of clean energy technologies through eliminating tariffs has been one of its key innovations, and has been welcomed by many in the climate and environment community – particularly in light of other efforts at the international level to pursue more ambitious steps towards climate adaptation and mitigation by transitioning to a lower-carbon global economy.

For example, the UN's Paris Agreement on climate change has been in force since early November, and has now been ratified by 116 parties representing nearly 80 percent of global emissions. That same month, UN climate negotiators and ministers concurred in Marrakech that they would continue their efforts to increase the "irreversible momentum" at tackling the climate challenge. (See Bridges Special Update, [20 November 2016](#))

One source familiar with the talks regretted that EGA-members failed to see the bigger picture of climate change and sustainable development as the rationales for action, and rather let themselves get bogged down in haggling over offensive and defensive interests. He argued that the delay may be an opportunity to allow the Paris Agreement and the UN Sustainable Development Goals, adopted after the launch of the EGA talks, to now more fully inform the EGA negotiations forward.

ICTSD reporting; "EU blames China for WTO environmental trade talks collapse," REUTERS, 4 December 2016; "China makes positive contributions to WTO negotiation on environmental products: Vice Minister," CHINA DAILY, 6 December 2016; "Google Says It Will Run Entirely on Renewable Energy in 2017," THE NEW YORK TIMES, 6 December 2016.

TRADE AGREEMENTS

Malmström: EU-Japan Trade Talks Near End Stage, Though Obstacles Remain

EU Trade Commissioner Cecilia Malmström [affirmed](#) this week that the 28-member bloc is "very close" to finalising talks for a bilateral free trade agreement with Japan, following nearly four years of negotiations to date.

Speaking to the Financial Times, Malmström maintained that a conclusion to negotiations in the coming months is still feasible, potentially this year or early next. Officials had earlier suggested that they hoped to reach an "agreement in principle" by the end of 2016. (See Bridges Weekly, [4 May 2016](#) and [2 June 2016](#))

A statement issued by Japan's Ministry of Affairs late [last month](#) similarly suggested that the two sides are working to conclude an "agreement in principle" in the near term, potentially by year's end. Along with a free trade agreement – referred to by Japan as an economic partnership agreement – both trading partners are working to ink a [Strategic Partnership Agreement](#) covering areas such as climate and environment cooperation, development, and security.

The planned agreement would potentially cut tariffs, lower regulatory and non-tariff barriers, improve services and public procurement market access, and strengthen the rules in place to promote trade and investment between Japan and the EU. The Asian economy is the EU's second largest trading partner in the region.

The 17th and most recent round of negotiations was held in Brussels at the end of September, led by Deputy Director-General Mauro Petriccione of the Directorate-General for Trade from the EU delegation and Ambassador Koji Haneda on the Japanese side as the chief negotiators.

Deliberations covered trade in goods, including market access and trade remedies; trade in services; investment; intellectual property rights; competition policy; rules of origin; non-tariff measures and technical barriers to trade; government procurement; and dispute settlement, as well as sustainable development.

Issues remaining

As the talks continue, EU negotiators must assuage concerns surrounding the public sentiment regarding trade, as manifested earlier this autumn during the complicated signing of the Comprehensive Economic and Trade Agreement (CETA) with Canada, where a single Belgian region was able to considerably delay the process. (See Bridges Weekly, [20 October 2016](#))

Similar debates have arisen around the globe, including in the US over the merits of the Trans-Pacific Partnership (TPP) Agreement, which drew significant attention during the presidential election campaign earlier this year.

The proposed EU-Japan agreement would be considerably larger than CETA, where Japan's economy is three times bigger than Canada's. When combined with the EU, the pact will comprise over a third of the world's GDP.

As talks pick up again in Tokyo this month, there are a number of additional issues still to be resolved on the negotiating table, including disagreements over Japanese auto industry regulations and the volume of European exports of agricultural goods to Japan.

The prospective EU-Japan deal would also include a mechanism for resolving investor-state disputes, though how similar it would be to the investor court system included under CETA remains to be seen. A report by the European Commission on the [latest negotiating round](#) refers to proposals from both sides, noting that “a substantial convergence of approaches remains to be achieved.”

The investor-state provisions were a major area of debate over the EU-Canada deal, specifically regarding questions such as whether the right to regulate in the public interest was sufficiently protected, among others.

Meanwhile, whether the final EU-Japan deal will be considered a “mixed agreement,” encompassing some areas falling under the EU’s exclusive competence and others under member state competence, is not yet clear. That classification regarding the deal’s subject matter will determine whether it will require approval of EU member state legislatures – and in some cases their regional bodies – as well as the European Parliament and Council.

One development that could help clarify the EU’s role in this matter would be an upcoming ruling from the European Court of Justice, set to take place in the new year. This would clarify whether a free trade agreement with [Singapore](#), for which negotiations concluded in 2014, can be signed and ratified under the competence of EU institutions, or whether some areas fall under the competence of EU member states.

“We need to make sure that we have a decision-making procedure that is functional and that’s why we hope very much that the court will clarify this so that we can act accordingly,” said Malmström.

ICTSD reporting; “Brussels ‘close’ to free trade deal with Japan,” FINANCIAL TIMES, 5 December 2016; “Globalisation by stealth: the quiet success of EU-Japan trade talks,” FINANCIAL TIMES, 29 November 2016.

INTELLECTUAL PROPERTY

WIPO Members Update Draft Text on Protecting Traditional Knowledge

Members of the UN's intellectual property agency reportedly made some headway last week in updating a draft text relating to the protection of traditional knowledge, though many items remain unresolved.

The work took place during the [32nd session](#) of the Intergovernmental Committee on Intellectual Property and Genetic Resources, Traditional Knowledge and Folklore (IGC) of the World Intellectual Property Organization (WIPO), held at the agency's Geneva headquarters.

The committee, established almost two decades ago, [provides](#) a forum for negotiations among member states to determine the legal nature of a final instrument(s) for the protection of traditional knowledge and expressions of folklore, and for governance over access to and equitable benefit-sharing of genetic resources.

Ensuring these areas receive due recognition, including legal protection, is considered crucial for supporting biodiversity-rich countries and indigenous peoples, due to concerns that these resources may otherwise be misappropriated or exploited, particularly given their potential economic worth.

Traditional knowledge is [considered](#) to be knowledge within those communities – such as relating to traditional medicines, or hunting or fishing skills – that is transmitted across generations and is in constant evolution.

"For me, a striking feature of the 32nd session was that many demandeur countries presented a coordinated view on many of the key outstanding issues and adopted quite a pragmatic stance on several of them," said Wend Wendland, Director of WIPO's Traditional Knowledge Division, in comments to Bridges.

"This contributed to a streamlining of a number of the articles. Views continue to differ, however, on the degree to which the new version of the draft international legal instrument reflects a narrowing of the gaps," he added.

Revisions to the draft articles

The draft articles on traditional knowledge which could eventually form part of an international treaty were revised twice from the [version](#) approved by the Committee in its 31st session in September. The 16 [draft articles](#) define a range of issues including the objectives, subject matter, beneficiaries, an origin/source disclosure requirement, administration of rights, and the relationship with other international agreements, according to a copy posted online by IP Watch. (See Bridges Weekly, [9 June 2016](#)).

This revision process unfolded over the course of the week-long meeting through a series of informal consultations bringing together delegates and two facilitators, Margo Bagley of Mozambique and Ema Hao'uli of New Zealand. These aimed to ensure that all member state positions were reflected in the text in a clear manner.

The revisions, issued [first](#) on 30 November and then [updated further](#) on the closing day of the meeting, saw progress in the scope of protection and subject matter of the instrument, as well as the beneficiaries of protection.

The issue of the beneficiaries of protection is now under the domain of Article 4, and has been reduced to two alternatives from the earlier three in the September document.

A debate has endured surrounding whether indigenous people and local communities (IPLCs) should be the only beneficiaries (Alternative 1), reportedly supported by the US and EU, as well as certain GRULAC countries, or whether it should also extend to other beneficiaries (Alternative 2). GRULAC refers to the Latin American and Caribbean Group, under UN terminology.

Alternative 2 has now been revised to include the terminology, "states [and/or nations]," which is bracketed, along with "other beneficiaries."

The second alternative is preferred by those delegates "noting the significant divergences in national laws and environments where [traditional knowledge] can be found, that flexible policy space be provided to take account of these differences," according to an [information note](#) prepared by the IGC Chair, Ian Goss of Australia.

Article 5 now deals with the scope of protection, where the second revision updated the title of the article to "Scope of [and conditions of] [positive] protection," and has been reduced to three alternatives from the earlier four. The article distinguishes between secret and sacred traditional knowledge, as well as the degree of diffusion, whether narrow or wide.

"The characteristics of TK (and TCEs) throughout the world vary greatly, hence the importance of identifying those high-level and universal characteristics that belong in an international instrument," said Goss in the information note, referring to the debate over how narrowly to define the scope of what should be covered under an international instrument.

The chair also noted that while a "precise" definition has been backed by some as useful for transparency, using a broader definition of what could be protected under the accord would likely mean adjusting the exceptions and eligibility criteria in a way that would serve as a "limiting filter."

The second and third alternatives under the "scope of protection" section are based on a tiered approach, first introduced in the IGC's 27th session, allowing for differentiated protection according to the availability of the traditional knowledge to the general public. Alternative 2 enjoys support from the African Group and the Group of Like-Minded Countries, whereas Alternative 3 is backed by certain developed countries, including the US, according to IP Watch.

The Group of Like-Minded Countries includes various developing countries spanning different regions, including from Africa, Asia, and South America.

"The 32nd session of the IGC made important progress in some core issues regarding traditional knowledge, such as scope of protection and beneficiaries," said one developing country delegate familiar with the talks.

"Nevertheless, members could not reach consensus regarding other aspects of this protection. Perhaps differing views could be attributed to the novelty of the subject. We believe the best way forward would be to encourage more in-depth discussions and to compile diverse viewpoints on the matter," said the same official.

The subject matter of the instrument, including various alternatives for describing and defining traditional knowledge, is now addressed under Article 3. It features four alternatives, including one which sets a minimum of half a century – or five generations – as the minimum period that this knowledge must be passed along within a community to qualify for protection.

The US delegation submitted a [document](#) which identifies concrete examples of traditional knowledge in order to facilitate discussion on what should be termed protectable subject matter, along with what should be left unrestricted. These examples include food and beverages such as popcorn, chocolate, and coffee; products with medicinal applications, such as syringes, antibiotics and anaesthetics; and sports, including surfing and football.

The US document also notes the value some of these products have on the international market. Tea, for example, is estimated to be worth US\$40 billion annually, while chocolate revenue was well over US\$100 billion in 2014.

Alternative instruments and next steps

Several member states offering support for a non-binding instrument submitted proposals for alternatives to a treaty, including a [joint recommendation on the prevention of erroneous patent granting](#), tabled by Canada, the US, Japan, South Korea, and Norway.

An additional [joint recommendation](#) sponsored by the same group, with the exception of Norway, explores the use of a database search system for the protection of genetic resources and traditional knowledge.

As the meeting drew to a close, certain member states, including the United States, South Korea, the European Union, and Canada, said that much remains to be done in order to reach an understanding on some central issues, according to IP Watch.

The draft articles will be discussed further at the next session, and the revised text will be transmitted to the 34th session of the Committee to be held in June. It will then be submitted to the WIPO General Assembly in 2017, in accordance with the Committee's mandate for 2016-2017 and the work programme for 2017.

ICTSD reporting; "WIPO Committee On Traditional Knowledge Agrees On Revised Text For Further Discussions," IP WATCH, 5 December 2016; "Popcorn, Football And Chocolate – US Idea To Prompt Discussions at WIPO TK Committee," IP WATCH, 1 December 2016; "New Draft Articles For The Protection Of Traditional Knowledge On Table At WIPO, IP Watch, 30 November 2016.

EUROPEAN UNION

EU Trade Chief Warns Against Protectionism, Suggests Bloc Can "Fill Void" If US Turns Inward

EU Trade Commissioner Cecilia Malmström called for the 28-nation bloc to continue its efforts to push back against protectionist policies and better answer and address the concerns raised about globalisation's impacts, while suggesting that the EU could also "fill the void" should US policy take a more inward-focused approach.

"We are seeing now huge changes in societies. But failing to sign trade deals will not stop globalisation or technological change, at home or abroad. It will just mean that we have fewer resources to manage the change," [said](#) EU Trade Commissioner Cecilia Malmström, speaking at the Alliance of Liberals and Democrats for Europe ([ALDE](#)) Party Congress in Warsaw, Poland, last week.

"We liberals, we've always been fighting for openness, opportunities – not putting needless barriers in the way of business is a part of that," she said, calling for the EU to ensure that it takes a role in shaping globalisation, rather than just accepting it.

Indeed, the coming year could prove to be a pivotal one for the European Union, as it faces elections in large member states such as France and Germany. The "Brexit" negotiations between the UK and the other 27 member states are also expected to kick off by late March, unless legal challenges underway in Britain prevent it.

The trade debate in Europe has been especially heated over the past year, as already seen in the process leading up to the signing of the Comprehensive Economic and Trade Agreement (CETA) with Canada. The accord is now being considered at the committee level within the European Parliament, with a plenary vote slated for next February. (See Bridges Weekly, [1 December 2016](#))

Malmström warns against walls, protectionism

Across the Atlantic, US President-elect Donald Trump is due to take office on 20 January 2017. The incoming leader has not made his views known on EU-US trade, including the prospects for the Transatlantic Trade and Investment Partnership (TTIP). European officials say they expect those talks to enter a "freeze" next year until there is more clarity from Washington. (See Bridges Weekly, [17 November 2016](#))

Most recently, Trump has reaffirmed his election pledge to pull the US out of another trade accord, the 12-country Trans-Pacific Partnership (TPP), along with warning on social media site Twitter that any US company "that leaves our country for another country, fires its employees, builds a new factory or plant in the other country, and then thinks it will sell its product back into the US without retribution or consequence is WRONG" (emphasis in original [quote](#)).

Furthermore, the President-elect pledged that those companies who engage in those practices and then attempt to sell their goods back to the US will face a tax of 35 percent. The suggestion has reportedly drawn pushback from various House Republican lawmakers.

Without referring specifically to either situation, Malmström told the ALDE conference attendees last week that the EU should be ready to step up to the plate should the US pursue a more isolationist approach in trade negotiations or other international areas.

"Whether that is bad news, I think the EU has the possibility to fill the void. We can show that walls, that protectionism, is not what the world needs right now," she said.

She also touted the EU's ability to negotiate strong, values-based deals, while warning that the trade debate needs to become more fact-based, particularly in light of today's political climate. Furthermore, she suggested that trade plays an essential role in supporting individual livelihoods, broader economic growth, and in testing out new ideas.

"Those who claim that we should prosper and thrive without trade need to explain how we're going to compensate if we don't take these benefits. They cannot. That is why I would rather trade in facts than in fantasies," she said.

ICTSD reporting; "House G.O.P. Signals Break With Trump Over Tariff Threat," NEW YORK TIMES, 5 December 2016; "EU may fill 'void' in global trade left by U.S. under Trump: Malmstrom," REUTERS, 2 December 2016.

TRADE AGREEMENTS

Australian Treaties Committee Urges TPP Ratification

The Australian Joint Standing Committee on Treaties (JSCOT) issued its report on the Trans-Pacific Partnership (TPP) Agreement to the country's parliament last week, [recommending](#) that Canberra ratify the accord.

The [report](#), released on 30 November, is one of the necessary steps towards approving the accord in Australia. A separate enquiry is being conducted by another Australian panel, which is known as the Foreign Affairs, Defence and Trade References Committee. That report is [due out](#) by early February of next year.

Once these reports have been submitted to Australian lawmakers, implementing legislation can later be tabled to ratify the accord. The JSCOT report is not binding, however. The opposition Labor Party had previously asked that the JSCOT wait on issuing its report, given the political developments seen in the United States, though has not yet indicated its final position on the TPP itself.

The JSCOT report's stated aim was to review what it deemed the most relevant aspects of the TPP for Australia. It therefore includes a series of chapters dealing with the agreement's strategic implications; investment protections; copyright protections for patent medicines and provisions on "biologic" drugs; services and non-tariff barriers; "unequivocally good" tariff outcomes; and the imperative to make a better public case for trade.

Need for more public engagement, committee says

The committee process also included a period for receiving e-mailed comments from the public, with some treated as correspondence and others as submissions depending on length. Many of these raised concerns with the accord's content, such as its investor-state dispute settlement (ISDS) provisions; how much the TPP would actually benefit Australia's economy; pharmaceutical prices; and "temporary entry provisions" for professional workers.

"The Committee acknowledges that many Australians have deep concerns about how free trade agreements will affect their lives," the report says, suggesting that these public comments are indicative of a more widespread scepticism over the merits of trade accords.

The panel added that international trends – specifically a growing tendency towards inward-focused policy approaches – make it key for Canberra to work on its public engagement in order to build the necessary buy-in.

Therefore, along with recommending that the TPP be ratified, the committee also suggests revising the Australian government's approach to trade talks so that more private sector and civil society members can have access to domestic negotiating positions, so long as these individuals receive the necessary security clearance.

The JSCOT also makes related recommendations on assessing trade deal benefits that will focus more on measuring actual outcomes – such as by "a single set of documentary procedures and the paperless trading provisions of the TPP" – rather than solely creating models for estimating their potential impact, which might fuel "false expectations."

Trade climate

The JSCOT report makes a reference to the broader political tensions over trade at the international level that have been heightened over the past year, as already seen most starkly in the US presidential election process and in the "Brexit" referendum vote in the UK.

"The Committee is aware of the resurgence in nationalist and isolationist points of view across the globe, and the threat this represents to the benefits brought by free trade. Addressing these views is an underlying theme in the Committee's recommendations and comments throughout the Report," says the document.

Indeed, what this may mean for the TPP's ratification prospects is not yet known. Just last month, US President-elect Donald Trump reaffirmed his campaign trail promise that he would pull Washington out of the 12-country accord, and that he would submit a "notification of intent" for doing so on his first day in office this coming January. (See Bridges Weekly, [24 November 2016](#))

However, some TPP country officials say that they will continue to press on with their ratification processes in order to allow additional time for the US transition, and that doing so could help in making the case in Washington for staying part of the Pacific Rim trade accord.

"Ultimately, Australia will continue to pursue our domestic processes. New Zealand's doing that. Singapore's doing that. Japan's doing that," said Australian Trade Minister Steven Ciobo in an [interview](#) with Bloomberg Markets Asia on 7 December. "So I just think we've got to give it time. It's too early to call it a day."

The Australian trade official also recently suggested to [BBC Radio](#) that the group plans to look into expanding their membership, which "may potentially include China" or Indonesia.

ICTSD reporting; "Labor calls for Australia to indefinitely delay on TPP unless US ratifies it," THE GUARDIAN, 13 November 2016.

WORLD TRADE ORGANIZATION

WTO Trade Facilitation Agreement Nearing Entry into Force

The process to bring the WTO's Trade Facilitation Agreement (TFA) into force is entering the home stretch, with the Geneva-based organisation reporting that only eight more ratifications are needed to do so.

The two most recent ratifications – Gabon and Kyrgyzstan – were confirmed this week, coming fast on the heels of Dominica and Mongolia. Under WTO rules, two-thirds of the global trade body's membership must ratify an accord in order for it to enter into force for those members.

To date, 102 of the WTO's 164 members have ratified the TFA. The deal includes a series of provisions aimed at making customs and border procedures easier, thus speeding up the passage of goods between countries and lowering their costs.

These include commitments relating to publishing import, export, and transit procedures and forms online; allowing opportunities for comments on new laws and regulations that may affect the movement and clearance of goods; disciplines on fees and charges for customs processing; pre-arrival processing of goods; and various others.

Overall, the Geneva-based organisation predicts that the TFA's export gains could add up to US\$750 billion to US\$1 trillion annually. [According](#) to the global trade body, developing countries – particularly African and least developed countries – are expected to see the greatest reductions in costs due to the TFA.

The WTO's Trade Facilitation Agreement was adopted in Bali, Indonesia, in December 2013 at the organisation's Ninth Ministerial Conference. It then opened for ratification in November of the following year. (See Bridges Daily Update, [7 December 2013](#))

Category notifications, donor support

Along with its potential to cut costs and speed up trade, the TFA is also notable among the WTO's body of rules as having provisions that enable developing and least developed countries to notify which commitments they can implement right away, and which ones will require more time or support to implement.

According to [a list](#) provided by the WTO's TFA Facility – a mechanism designed to help developing and least developed countries implement the new deal's requirements – 90 WTO members have put forward their Category A notifications, which list those commitments which will enter into force as soon as the TFA comes online.

For the other two categories – those that require a transition period, known as "Category B" and those that will need both extra time and technical assistance – six notifications have been received.

To that end, various bilateral donors and regional/multilateral organisations have already been making [preparations](#) to provide the necessary support. WTO members having difficulty getting the help or information they need can also turn to the TFA Facility for additional assistance.

The facility is working to provide training materials, courses, regional workshops, and other support, according to a 2016 [work plan](#).

Coming up

Once the Trade Facilitation Agreement enters into force, a series of institutional arrangements will also take effect. For example, the Preparatory Committee on Trade Facilitation – which has been shepherding the process of preparing for the deal to come online – will be replaced with a Committee on Trade Facilitation which will meet at least annually.

That new committee will aim to provide a forum for information sharing, along with collaborating with the World Customs Organization (WCO) and other relevant international bodies that could help support the TFA. It will also hold a review on the TFA's "operation and implementation" four years after it takes effect, with subsequent reviews held regularly.

Meanwhile, WTO members will also need to have in place national committees on trade facilitation, or their equivalent, in order to help in the implementation process.

ICTSD reporting.

EVENTS & RESOURCES

Events

Coming Soon

12 December, Washington, US. CHINA'S 15TH WTO ANNIVERSARY: ASSESSING THE RECORD AND CHARTING THE PATH FORWARD. This event is co-hosted by the Centre for Strategic and International Studies (CSIS), and the Asia Society Policy Institute. The panel will discuss the economic progress China has made since its entry to WTO in 2001 as well as the future for the country's involvement in the global trade body. Scholars and WTO officials from both China and abroad are expected to attend. Detailed information and registration is available [here](#).

13 December, New York, US. UNGA BRIEFING ON THE HIGH-LEVEL UN CONFERENCE TO SUPPORT IMPLEMENTATION OF SDG 14. This event is being organised by the Permanent Missions of Fiji and Sweden to the United Nations, and will feature a briefing by the President of the UN General Assembly (UNGA) on the progress made to prepare for the High-Level UN Conference to Support Sustainable Development Goal 2014 in June 2017. That particular goal calls for the conservation and sustainable use of the ocean and water resources. More information on this briefing and upcoming conference is available [here](#).

13 December, Beijing, China. 15TH ANNUAL CONFERENCE ON WTO AND CHINA. The conference is being co-hosted by University of International Business and Economics (UIBE), the China Society for World Trade Organization Studies (CWTO), and the International Centre for Trade and Sustainable Development (ICTSD). Participants will discuss topics such as the impact of China's WTO accession over the past 15 years, along with Beijing's G-20 presidency in 2016 and other related issues. More information is available at the [ICTSD website](#).

13 December, London, United Kingdom. FOSSIL FUELS EXPERT ROUNDTABLE: PROGRESS, PITFALLS AND POLITICS IN SINO-RUSSIAN GAS. This event is being organised by Chatham House and will feature as its guest speaker Dr. Keun-Wook Paik, Associate Fellow at Chatham House. Paik will discuss the current situation of Russia's asset sales in east Siberia as well as India's role in those deals. He will also address the Russia-China cooperation projects in building crude pipelines, as well as the future of US Liquefied Natural Gas (LNG) sales in China. To learn more, click [here](#).

15 December, Washington, US. FREE TRADE, INNOVATION, TECHNOLOGY, AND JOBS: A CONVERSATION WITH COMMERCE SECRETARY PENNY PRITZKER. This event is organised by the Centre for Strategic and International Studies (CSIS) in partnership with Citibank and will feature as its guest speaker Penny Pritzker, US Secretary of Commerce. She will discuss the free trade landscape of the United States within the broader context of innovation and its impact on job market, drawing on her work experience in both private and public sectors. Registration 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.

9 December: Geneva Week (Non-resident Members and Observers)

9 December: Informal Open-ended Negotiating Group on Rules

9 December: Trade Policy Review Body meeting on Monitoring

13 + 15 December: Trade Policy Review Body - Solomon Islands

Other Upcoming Events

15 December, Washington, US. CLIMATE COMPARED: CLIMATE CHANGE OPINIONS IN THE UNITED STATES AND CANADA. This panel discussion is being organised by the Canada Institute at the Woodrow Wilson International Centre for Scholars and aims to compare public opinions on climate change in the US and Canada based on a 2016 study, building on national-level surveys. The panellists will also talk about how the results provide policy implications on climate change for both countries. The event will be webcast live. Detailed information and registration is available [here](#).

19-20 December, Hanoi, Vietnam. CONFERENCE: FINANCING QUALITY AND GREEN INFRASTRUCTURE IN ASIA. The conference is being organised by the Asian Development Bank Institute (ADBI) in partnership with the Organisation for Economic Co-operation and Development (OECD) and the State Bank of Vietnam. The conference will address ways to boost infrastructure growth in Asia, focusing on issues of financing, improving quality, and achieving sustainability. Participants from both public and private sectors are expected to attend. More information is available [here](#).

18 January 2017, Tokyo, Japan. MAKING TRADE INCLUSIVE: SYMPOSIUM ON SMES AND TRADE ADJUSTMENT. This event is organised by the Asian Development Bank Institute (ADBI) and will discuss the ways to increase small and medium-sized enterprises' (SMEs) participation in international trade. The event will feature a presentation of the WTO's 2016 World Trade Report. Guest speakers include Robert Koopman, WTO chief economic and director of the Economic Research and Statistics Division; Lucian Cernat, chief trade economist of the European Commission; and Peter Petri, Carl J. Shapiro Professor of International Finance in the International Business School and a senior fellow of the East-West Center. Other discussion topics include how to overcome trade barriers and how to distribute trade benefits evenly. More information and registration is available [here](#).

Resources

NOTE DE SYNTHÈSE DE L'E15 INITIATIVE (FRENCH). By Ricardo Meléndez-Ortiz and Richard Samans for the E15 Initiative (December 2016). This new publication provides a French translation of the E15 Initiative's synthesis paper. The E15 Initiative was established to convene world-class experts and institutions to generate strategic analysis and recommendations for government, business, and civil society geared towards strengthening the global trade and investment system. It has been implemented jointly by the International Centre for Trade and Sustainable Development (ICTSD) and the World Economic Forum (WEF). The publication can be accessed [here](#).

GLOBAL VALUE CHAINS, INDUSTRIAL POLICY, AND SUSTAINABLE DEVELOPMENT – ETHIOPIA'S APPAREL EXPORT SECTOR. By Cornelia Staritz, Leonhard Plank, and Mike Morris for the International Centre for Trade and Sustainable Development (ICTSD) (November 2016). This paper analyses the apparel export sector in Ethiopia, which has been deemed a government priority. The author examines the growth trajectory of this sector, the challenges and successes seen in the process, as well as the government's efforts to support growth in the apparel industry. The paper is available for download [here](#).

INTELLECTUAL PROPERTY AND ACCESS TO SCIENCE AND CULTURE: CONVERGENCE OR CONFLICT? Published jointly by the Centre for International Intellectual Property Studies (CEIPI) and the International Centre for Trade and Sustainable Development (ICTSD) (November 2016). This new paper is the third in a series by the two institutions. The publication features a series of contributions by scholars that address the relationship between intellectual property rights and the right to science and culture. The publication can be found [here](#).

TRADE AND ENVIRONMENT REVIEW 2016 – FISH TRADE. Published by the United Nations Conference on Trade and Development (UNCTAD) (December 2016). This review examines the marine resources and ocean ecosystem provisions of the Sustainable Development Goals (SDGs), focusing specifically on fish trade. The review analyses the key issues facing fisheries, including the need for improved implementation of the current international legal regime and governance frameworks, and features recommendations for the future. The publication is available for download [here](#).

NAVIGATING COMPLEXITY: CLIMATE, MIGRATION, AND CONFLICT IN A CHANGING WORLD. By Schuyler Null and Lauren Herzer Risi for the Woodrow Wilson International Centre for Scholars (November 2016). This paper discusses the relationship between climate change and migration and conflict, and provides suggestions on how to improve the current situation. The paper includes country-specific case studies and aims to provide policy implications for public service and diplomacy professionals. The paper is available for download [here](#).

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