

BRIDGES WEEKLY

Global trade news from a sustainable development perspective

VOLUME 20, ISSUE 8, 3 MARCH 2016

TRADE AGREEMENTS

TTIP Negotiators Reaffirm 2016 Goal, As Long As Substance Measures Up.....1

INVESTMENT

EU, Canada Revise Investment Protections in Trade Deal.....4

DISPUTES

WTO Decision on Local Content Requirements Will Not Affect India Solar Ambitions, Officials Say6

EUROPEAN UNION

UK Prime Minister Warns Against "Brexit," Citing Trade Risks.....12

GLOBAL ECONOMY

G-20 Finance Chiefs Pledge to Prioritise Implementation of National Growth Plans.....14

SERVICES

Services Trade in Focus as TISA, TTIP, RCEP Aim for 2016 Conclusion.....16

AGRICULTURE

Reconsider Farm Safeguard Focus, India's Chief Economist Urges.....19

EVENTS & RESOURCES

Events22
Resources24

TRADE AGREEMENTS

TTIP Negotiators Reaffirm 2016 Goal, As Long As Substance Measures Up

Negotiators for a bilateral EU-US trade and investment pact reaffirmed last Friday that they hope to conclude their talks this year, so long as this does not involve a compromise on quality.

"We are ready to seek to conclude our negotiations in 2016, provided that the substance is right," said EU Chief Negotiator Ignacio García Bercero on 26 February, following the twelfth round of Transatlantic Trade and Investment Partnership (TTIP) talks. "So we must ensure we pick up the pace and give the necessary impulse to get this agreement right."

His US counterpart, Dan Mullaney, similarly affirmed that Washington is interested in concluding a TTIP deal this year. Earlier this month, White House Press Secretary Josh Earnest had suggested that the Obama Administration was not expecting a concluded pact in 2016, but was rather aiming to make as many advances as possible before the next President takes over. (See Bridges Weekly, [11 February 2016](#))

"Let me be clear: We want to finish this year, but we do not favour an 'early harvest' or a 'TTIP light'," said Mullaney, who is Washington's chief negotiator in the TTIP talks. "We want an ambitious, comprehensive, and high-standard agreement. And the United States remains committed to doing its part to accomplish that."

The US will be holding its next presidential election this November, with the new leader to take office in January 2017. Whoever wins the upcoming polls – Republican or Democrat – will be entering a deeply divided political landscape, with trade being one of the topics that is highly polarising in Washington circles and across the country.

Investment protection, sustainable development

Notable from the 22-26 February round, which was held in Brussels, Belgium, was the fact that both sides now have on the table their proposals for the investment protection terms of the pact, as well as for a sustainable development chapter.

The EU had tabled proposals on both topics late last year. (See Bridges Weekly, [12 November 2015](#))

US officials now confirm that their own proposals on those issues have now also been put forward for discussion, referring to the sustainable development documents as proposals relating to labour and environmental challenges.

Officials from both sides say that the discussions on investment protection and sustainable development are still in the early stages, with the past week devoted to understanding each other's proposals better. One of the key questions for trade and investment watchers will be how close – or how far apart – the two sides are on investment protection, given the EU's push for a TTIP "investment court" with an appellate mechanism. (See Bridges Weekly, [17 September 2015](#))

"This round marks the beginning of discussions in this area so we have spent significant time understanding each other's proposals better, and starting to identify areas of convergence," said García Bercero at the closing press conference.

The 28-nation bloc announced just this week that it has agreed with Canada to include such an investment court system in their separate bilateral pact, known as the Comprehensive Economic and Trade Agreement (CETA). (For more on the EU-Canada developments, see related story, this edition)

Government procurement talks this week

TTIP talks are set to continue through this week, officials confirmed, as part of an effort to make faster progress than previously on the various outstanding issues that remain.

This will include a discussion of initial public procurement offers – one of the three TTIP market access pillars, along with goods and services – which were to be exchanged this week. The talks will also address the terms of the actual public procurement chapter, officials confirm.

According to the EU, their side would like to see "substantially improved access to government procurement opportunities at all levels of government on the basis of national treatment," in line with the conclusions of a joint EU-US report issued before TTIP was launched nearly three years ago.

Intensified work

Given the goal of reaching a deal this year, officials outlined last Friday a series of milestones that they say will be key toward meeting this goal.

According to García Bercero, this will entail two additional negotiating rounds between now and summer, with continued contact between teams and top officials in between.

Furthermore, he said, there should be "meaningful offers" in all three market access areas by summer, as well as proposals in all areas involving regulatory issues and rules, with negotiators having also made significant strides in consolidating such documents.

"This would mean that only the more difficult issues in each chapter would remain bracketed," he said.

Whether such progress will be possible is an open question. The two sides were far apart in their first goods market access offers, and while their exchange of revised offers last October was greeted as being a major milestone, putting them at a "comparable level," Mullaney noted on Friday that more needs to be done. (See Bridges Weekly, [29 October 2015](#))

"This is a good start, but the United States remains committed to the goal of eliminating these transatlantic tariffs under TTIP. We look forward to working with the European Union in the coming months to achieve that objective," he said, noting that one of the issues to come up this week was how to cut down the time periods for removing tariffs.

While the offers put forward in October each involved elimination of 97 percent of the two sides' respective tariff lines, according to negotiators, the remaining three percent are expected to involve more work given political sensitivities. Of the 97 percent on the table, not all would entail immediate tariff elimination. (See Bridges Weekly, [29 October 2015](#))

The two sides have also exchanged initial and revised services offers. (See Bridges Weekly, [23 July 2015](#))

Regarding services, some discussions are also taking place under the regulatory cooperation area. (For more on the services aspect of TTIP, see related story, this edition)

On regulatory cooperation, TTIP negotiators say that they have made "significant" progress in this latest round, which could pave the way toward meeting their timing goals. For example, the US and EU have each put forward revised regulatory cooperation proposals, dealing with both services and goods manufacturing, with the Brussels version set to become public in the coming days.

ICTSD reporting.

INVESTMENT

EU, Canada Revise Investment Protections in Trade Deal

The EU and Canada announced on Monday that they have revised the investment protection terms in their bilateral trade pact, with the new version now including an investment court system that Brussels is hoping to pursue in other trade agreements – including with the US.

"We have responded to Canadians, EU citizens, and businesses with a fairer, more transparent system," said EU Trade Commissioner Cecilia Malmström and Canadian Trade Minister Chrystia Freeland in a [joint statement](#).

The changes were made during the "legal scrub" of the trade deal, which is known as the Comprehensive Economic and Trade Agreement (CETA). The original negotiations for the pact were completed in 2014, following over six years of talks.

"With the changes we have agreed we bring CETA fully in line with our new approach on investment protection in trade agreements. In particular, we demonstrate our determination to protect governments' right to regulate, and to ensure that investment disputes will be adjudicated in full accordance with the rule of law," said the European Commission's First Vice President, Frans Timmermans.

Eyes on international investment court

Under the terms of the [revised investment chapter](#), the EU and Canada will now put in place a 15-member, permanent tribunal to adjudicate investment-related disputes, with five EU nationals, five Canadian nationals, and five nationals of third countries. The court's members will be appointed by country governments, with three people judging a given case – one from Canada, one from the EU, and one from elsewhere.

There will also be an appellate mechanism – rather than just potential plans to create one, as had been originally agreed – from the start of the deal's entry into force.

The appellate tribunal will be able to make changes to the earlier tribunal's award on the grounds of errors or application in law; "manifest errors" regarding facts; and also [Article 52\(1\) of the ICSID convention](#), which involves issues on how the tribunal was constituted, whether it exceeded its powers or if an individual member showed corruption, or if the reasons for the award were not stated or procedures were not upheld.

ICSID refers to the International Centre for Settlement of Investment Disputes, an independent institution set up under the World Bank Group to provide arbitration and conciliation in complaints between governments and investors.

Notably, Canada has agreed that it shares the EU's goal of setting up an international version of this court system, one that will eventually replace the one in CETA if agreed.

"The Parties shall pursue with other trading partners the establishment of a multilateral investment tribunal and appellate mechanism for the resolution of investment disputes. Upon establishment of such a multilateral mechanism, the CETA Joint Committee shall adopt a decision providing that investment disputes under this Section will be decided pursuant to the multilateral mechanism and make appropriate transitional arrangements," says Article 8.29 of the trade pact.

Right to regulate

Another revision touted by the two sides involves the terms used to describe each party's right to regulate, which officials say provides stronger guarantees than what was in the original version.

"For the purpose of this Chapter, the Parties reaffirm their right to regulate within their territories to achieve legitimate policy objectives, such as the protection of public health, safety, the environment or public morals, social or consumer protection or the promotion and protection of cultural diversity," the agreement reads under Article 8.9.

The agreement continues on to say that "the mere fact that a Party regulates, including through a modification to its laws" such that it has adverse implications for either an investor or their expectations does not mean that the party has violated its commitments under the CETA investment chapter. The document also outlines terms regarding whether a country's decision to maintain, renew, or end a subsidy would constitute a breach.

Whether such terms will indeed be viewed by sceptics as providing the necessary assurances that governments will have the right to continue adopting domestic policies geared toward the public interest remains to be seen.

Some advocacy groups have already come out against the changes, warning that they are insufficient to address the past problems seen under investor-state dispute settlement.

"The Investment Court System is nothing but private arbitration under another name, keeping VIP rights for foreign investors fully alive and allowing them to sideline the legal system in Europe," said Natacha Cingotti, trade campaigner for Friends of the Earth Europe, [in a statement](#).

Other quarters have, however, expressed interest in the result, noting that it marks an effort to improve.

"Congrats EU & Canada negotiators on concluding CETA legal review bringing on board the new investment protection system EP called for," said European Parliament President Martin Schulz via [social media site Twitter](#). "CETA shows EU's capacity to safeguard and set standards, open up markets to keep EU competitive in a world of trading giants."

The European Parliament will have to sign off on the final deal, once it is tabled.

Coming up

With the legal scrub now behind them, the difficult hurdles of ratification still remain. The two sides say that they aim to see the deal signed this year and in force in 2017.

The EU is Canada's second largest trading partner, while the North American country is the EU's twelfth largest trading partner. According to the [European Commission](#), bilateral goods trade reached €59.1 billion in 2014, with services trade at €27.2 billion. Regarding investment, Canadian investors in 2013 had nearly €117 billion in direct investment stocks, while European investors had over €225 billion in Canada.

Meanwhile, the EU is continuing to push for this type of court system in other trade deals it is negotiating. Having already worked it into its recently-concluded pact with Vietnam, Brussels is pushing for such a system to be incorporated into the Transatlantic Trade and Investment Partnership (TTIP) with the United States – a task that is widely expected to be difficult, given the scepticism expressed by top US trade officials over the need for this level of changes. (For more on TTIP, see related story, this edition)

ICTSD reporting.

DISPUTES

WTO Decision on Local Content Requirements Will Not Affect India Solar Ambitions, Officials Say

A WTO panel ruled on first instance last Thursday on the US dispute ([DS456](#)) against India concerning the use of domestic content requirements in the context of the Jawaharlal Nehru National Solar Mission (JNNSM) energy scheme.

In the initial phases of the JNNSM, solar power developers were required to use certain types of solar cells and modules manufactured in India for power generation projects in order to ultimately sell that electricity to government agencies under a long-term agreement at a guaranteed rate.

The US complained that these domestic content requirements violate India's national treatment obligations under the General Agreement on Tariffs and Trade (GATT) 1994 and the Agreement on Trade-Related Investment Measures (TRIMs Agreement). A panel was established in May 2014 to hear the case. (See Bridges Weekly, [28 May 2014](#))

Washington made clear in its submissions as well as in public statements that it does not take issue with either India's environmental or developmental goals, nor with New Delhi's attempts to improve its domestic capacities in solar energy.

"The United States strongly supports the rapid deployment of solar energy around the world – including in India," said US Trade Representative Michael Froman [in response](#) to the ruling. "But discriminatory policies in the clean energy space in fact undermine our efforts to promote clean energy by requiring the use of more expensive and less efficient equipment, raising the cost of generating clean energy and making it more difficult for clean energy sources to be competitive."

While the report had been scheduled for release earlier, this was delayed repeatedly while the two parties attempted to clinch a settlement.

National Solar Mission

India launched the JNNSM in 2010 with the goal of promoting "ecologically sustainable growth while addressing India's energy security challenge," along with serving as part of the country's efforts to tackle climate change.

The mission aims to ultimately generate 100,000 mega-watts (MW) of grid-connected solar power capacity by 2022. Under the JNNSM, the Indian government enters into power purchase agreements (PPAs) with solar power developers, providing a guaranteed rate for a 25-year term. India resells the electricity to downstream distribution utilities, which in turn resell it to consumers.

The JNNSM is being implemented in several successive "Phases," which are further divided into "Batches." Mandatory domestic content requirements were imposed on solar power developers participating in the initial Batches between 2010 and 2014.

Depending on the conditions under each Batch, solar power developers could use foreign cells and or modules and still comply with the applicable domestic content requirement,

provided they used the types of foreign cells and/or modules that fell outside of the scope and coverage of the applicable domestic content requirement; or by bidding only for specific projects.

For the current dispute, the panel emphasised that its analysis was of the WTO-legality of the domestic content requirements, and that the legitimacy of the policy objectives pursued through the National Solar Mission is not under dispute. The panel indicated that it will take India's policy objectives and the wider factual context into account in the course of its analysis so long as these are legally relevant.

National treatment derogation

The panel found that the domestic content requirements are trade-related investment measures violating the national treatment obligations under the TRIMs Agreement and the GATT 1994. Promoting the use of more efficient, best price available intermediate goods in global markets for a country's manufacturing needs, is the economic assumption underlying this WTO obligation.

The panel also found that the discrimination relating to solar cells and modules under the domestic content requirements cannot be exempted by the GATT Article III:8(a) derogation for government procurement, as the solar cells and modules discriminated against were not in a "competitive relationship" with the electricity bought by the Indian government from power developers.

Article XX defences

The GATT Article XX exceptions outline a set of justifications under which WTO members may, under certain conditions, use measures that would otherwise be inconsistent with agreements under its purview, including measures "necessary to secure compliance with laws or regulations" under GATT Article XX (d); and measures "essential to the acquisition or distribution of products in general or local short supply" under Article XX (j).

India argued that the domestic content requirements are justified under the latter, citing supply risks both due to its limited domestic manufacturing capacity in such goods, along with the potential for a disruption in imports of foreign-made versions.

The panel disagreed, arguing that the Article XX (j) justification refers to the situation where the quantities of such good from all available supply sources, both foreign and domestic, fail to meet demand in the relevant geographical area or market in question, which can range from being a region within one country to a shortage of global scale.

The panel also considered that this does not include the risk of "becoming in short supply," which New Delhi had also not proven existed.

India also argued that the domestic content requirements are justified under Article XX(d), on the grounds that they secure New Delhi's compliance with "laws or regulations" which require the government to take steps to promote sustainable development.

"In this case, India argues that the DCR measures are justified under Article XX(d) because they are 'integral to its compliance with both domestic and international law obligations to ensure ecologically sustainable growth while addressing India's energy security challenge, and ensuring compliance with its obligations relating to climate change'," the panel report noted.

"According to India, these obligations are reflected in four international instruments, and four domestic instruments," the report continued.

India identified four international instruments, including the United Nations Framework Convention on Climate Change (UNFCCC), and four domestic legal instruments, including the Electricity Act, as well as the National Plan, National Policy documents on electricity or climate change.

Regarding international agreements, the panel said that these may constitute “laws or regulations” within the meaning of Article XX(d) only in being rules that have “direct effect” in, or otherwise form part of, the domestic legal system of the member concerned – which India failed to prove.

The panel also found that among the domestic legal instruments identified by India, only Section 3 of Electricity Act falls in the scope of “laws or regulations,” as this term refers to legally enforceable rules of conduct under a country’s domestic legal system, and not the general objectives of those laws.

Nonetheless, the panel failed to see how the domestic content requirements could secure compliance with the obligations in Section 3 of Electricity Act, which are to prepare periodically the National Electricity Policy and National Electricity Plan. The panel therefore ruled against India’s claim on Article XX(d).

Energy security?

Aiming to facilitate a potential Appellate Body review in the future, the panel made additional factual findings on whether the domestic content requirements are “essential” or “necessary” within the meaning of Article XX (j) and XX (d), as India claimed.

To do so, the panel said that it would need to review the importance of the objective that India is seeking to achieve; the trade-restrictiveness of the domestic content requirements; and the contribution such requirements make toward that objective.

The panel said that ensuring that Indian solar power developers have access to a continuous and affordable supply of the solar cells and modules for power generation is an important objective.

It also recalled that the domestic content requirements are trade-restrictive, because they restrict the use of foreign solar cells and modules by solar power developers that are participating, or would have participated, in the National Solar Mission.

The panel also found that, in the short term, by reducing available supply sources for solar power developers, the domestic content requirements are unlikely to help ensure access to a continuous and affordable supply of the necessary solar cells and modules, and arguably undermine that objective.

With regard to the contribution such measures make to India’s objective in the long run, the panel said that the information given regarding the domestic content requirements’ effect on boosting manufacturing capacity seems to call into question whether this effect is positive.

The panel also said that India has not identified any related measures that it is taking to ensure the supply of the raw materials and consumables necessary to domestically produce and use solar cells and modules, and that it is not clear that domestic manufacturers would sell these products to Indian developers, as opposed to their foreign competitors, in the event of a shortage or import disruption.

The panel concluded that the effect of the domestic content requirements is uncertain and unpredictable regarding the realisation of India’s stated objective.

The panel also found there was not sufficient information to reach a conclusion on the extent to which the six alternative measures identified by the United States, such as removing trade barriers or stockpiling such goods, would contribute to meeting India's objective, and desired level of protection, relative to any contribution being made by the domestic content requirements.

Stakeholders, trade watchers mull implications

The panel ruling has been highly anticipated for many months, given the relationship to renewable energy and the major players involved, among various other factors. The result has already drawn significant scrutiny from many trade watchers, particularly in light of a possible appeal, as well as what this might mean for each country's solar energy sectors – along with the efforts to scale-up the deployment of renewable energy globally.

According to a senior Indian commerce ministry official, who spoke on condition of anonymity, the case is an important one as it brings in several dimensions, such as climate change, trade, energy access, domestic manufacturing, and local employment.

The domestic content requirements under scrutiny also fed into India's "Make in India" programme and sought to address the real concern of supply disruption and energy security, the official said, adding that the ruling should be viewed both for its long-term implications, and not just from a short-term market access perspective.

Other Indian officials, such as Tarun Kapoor, Joint Secretary of India's Ministry of New and Renewable Energy, have commented that the ruling will not inhibit New Delhi's future plans.

"It does not affect the future course of action which India is considering, as India is committed to protecting its industry while following WTO regulations," [Kapoor told PV-Tech](#). "This will not, therefore, cause any dent in [the] 'Make in India' programme because we still have several options to support the domestic industry while remaining within the WTO regulations."

Santanu Mukherjee, Partner at Luthra and Luthra Law Offices, New Delhi heading its International Trade/WTO Law and Policy Advisory Practice said that "it is a fact that not only clean energy alternatives are essential for a fast-industrialising country like India, local capacity development in this sector is also necessary, the decision can have a long-term repercussion."

"Among others, the panel found that India's measures couldn't pass the necessity test needed to qualify for the exception under Article XX (d), one reason being, India does not follow direct effect of international commitments," added Mukherjee. "Given the importance of the sector in India some questions arise, if India allowed direct effect or could establish implied direct effect based on existing Indian jurisprudence, would the panel decision be different? It is crucial to watch the developments as India moves ahead with its "Make in India" initiative."

The ruling has also been watched closely by solar product manufacturers in both the US and India.

"The opportunity for solar development in India has been coined by many as the second gold rush, and rightly so," said Sourabh Sen, CEO of New York-headquartered Sentral Energy, an independent power producer, which aims to bring energy to India and other emerging markets in Asia, Africa, and Latin America.

Noting Indian Prime Minister Narendra Modi's goals to [significantly scale up](#) the country's solar sector in the coming years, with set goals and timeframes, Sen noted that fulfilling

such an endeavour would involve over US\$100 billion in new investment, requiring both domestic and foreign efforts.

"In this light, local content requirements are naturally obsolete, as India has already created an environment where the country will be able to grow the domestic industry as well as welcome increasing foreign investment, which in turn will firmly place India not only as a major contributor, but as a leader in the global solar development landscape," said Sen.

Meanwhile, Dhurv Sharma, coordinator of the Indian Solar Manufacturers Association, noted in remarks to [the Economic Times](#) that the ruling has been long expected, and that producers have therefore adapted their plans accordingly. "We know that the government will keep resolutely backing solar manufacturers," Sharma said.

Dr. Arunabha Ghosh, the CEO of the Council on Energy, Environment, and Water (CEEW), an independent, not-for-profit research institution based in New Delhi, commented that India could have argued some of the points where it lost at the panel stage in a different way that might have ensured another outcome.

For example, on whether the UNFCCC's Paris Agreement reached last December has a "direct effect" in India, he suggested that since the country is a parliamentary democracy and the executive a member of parliament, any international treaty obligations on climate change entered into by the executive would arguably have the force of law in India.

On that subject, he noted that it would be interesting to see how WTO adjudicators would interpret the Paris Agreement after it has been ratified by member states, including India, later in the year.

Ghosh added that the question could be asked whether including domestic content requirements – the issue at the centre of the dispute in the case – were indeed "essential" for India's pursuit of global climate change objectives.

With regards to India's unsuccessful efforts to claim an Article XX (j) exception, for example, he suggested that New Delhi could have argued that domestic manufacturing capacity takes time to create, and may not be invoked as required during a possible imminent crisis – drawing parallels to how essential medicines are treated with regards to the Doha Declaration on the TRIPS Agreement and Public Health.

He also predicts that domestic content requirements would, as a result of the decision, increasingly shift to government procurement of solar panels for entities such as railways and defence, which would make it immune from future WTO challenge.

"Solar has to grow in India but at what cost?" asks Madhavan Namboothiri, founder and director of RESolve Energy Consultants and a regular solar industry watcher.

He adds that domestic content requirements were not making much of an impact on the ground for the domestic solar cell and module manufacturers and would merely have a temporary "prop-up" effect for domestic manufacturers. What was needed was a broader structural approach that would genuinely address domestic manufacturers' constraints and enable them to become cost-competitive.

Whether it was for grid-connected power projects or procurement of solar PV modules by entities like railways, the government ultimately needs to do a long-term cost-benefit analysis, he added.

Next steps

Both sides have 60 days from when the report was circulated to appeal the panel's findings. Under WTO rules, the Appellate Body can review aspects of law – such as legal

interpretation – but generally will not interfere with the factual findings of the original panel.

ICTSD reporting; "India can support its solar manufacturers despite WTO ruling, says government official," PV-TECH, 25 February 2016.

EUROPEAN UNION

UK Prime Minister Warns Against "Brexit," Citing Trade Risks

A vote to leave the European Union could spell a dangerously uncertain future for the United Kingdom, the country's Prime Minister warned last week, calling upon advocates for a "Brexit" to clarify how they will address potential risks – particularly to trade.

Writing for The Telegraph newspaper, UK Prime Minister David Cameron laid out a series of questions to those campaigning against keeping the United Kingdom in the 28-nation EU bloc. The [27 February article](#) comes just over a week following an agreement reached at the European Council level that revises the terms of London's membership with fellow EU members. (See Bridges Weekly, [25 February 2016](#))

The deal reached on 19 February is legally binding and irreversible, according to both Cameron and EU leaders. A vote to leave the EU, however, would render that agreement obsolete.

"If you vote to remain in Europe, I can clearly describe what you're voting for. Our trade links with a reformed Europe and the wider world will grow; we'll keep on working with our neighbours to make our country safer, and Britain will continue to help set the rules of the market of 500 million people on our doorstep, and have a say over the future of the continent to which we are geographically tied," Cameron said in The Telegraph.

By comparison, he said, an "out" vote would pose questions in areas ranging from the UK's relationship with the rest of the EU, as well as the time it would take to resolve that question, along with other issues such as security and his country's position in global diplomacy.

For instance, he noted that UK has a comparably better trading position with fellow EU members when it is part of the Single Market – both because it has the ability to weigh in on the rules that govern that market, unlike non-EU countries such as Norway, and also given that the trade deals that Brussels has reached with third countries do not typically provide the same level of market access.

"There is no doubt in my mind that the only certainty of exit is uncertainty; that leaving Europe is fraught with risk," he added. Such a gamble, he concluded, would have effects not just for the current generation, but also for future ones to come.

Malmström: Open markets key for United Kingdom

[Speaking in London](#) two days prior, EU Trade Commissioner Cecilia Malmström outlined a series of benefits that comes from the bloc's efforts to open markets further, including the potential gains for the United Kingdom.

While Malmström did not explicitly refer to the risk of "Brexit," she did note that the European Union's shared trade policy is key for such market opening, and that the increasingly global nature of production means that UK companies are heavily reliant on imported goods both from fellow EU member states and from outside the bloc – and that the terms under which such trade is conducted therefore do matter.

"European value chains support Britain's integration in global value chains, which support jobs in Britain and across the EU," said Malmström.

The EU trade chief also highlighted the various trade negotiations that the 28-nation bloc is involved in, with countries throughout Latin America and Asia, along with its high-profile talks for a trade and investment pact with the United States. (For more on the Transatlantic Trade and Investment Partnership, or TTIP, talks, see related story in this edition)

"The EU has such a broad geographical agenda of free trade agreements because countries are queueing up to negotiate with us. And that's because the EU, with our 500 million consumers, is the world's largest vital market," she said.

In addition, the EU's size has translated into significant diplomatic clout, the sort which allows the bloc to be one of the main players at the table during major negotiations. For instance, at the WTO's Tenth Ministerial Conference in Nairobi, Kenya, last December, the EU was one of the actors at the table during the round-the-clock talks that characterised the final days of the meet, together with the US, Brazil, China, India, and Lesotho on behalf of the African Group. (See Bridges Daily Update #5, [19 December 2015](#))

"There were others who could have been in the room but were not. The EU was. Because we are collectively the world's largest economic bloc. And that translated into results," she explained.

Ticking clock

With a domestic referendum set for 23 June, precious little time remains for different campaigns to make their case to the British public, which remains strongly divided on the subject.

Government studies released in recent days have also highlighted the potential losses of a "Brexit." Proponents of leaving the EU, however, have argued that such claims are overstated.

Other issues that have come up in the larger debate include whether Cameron's deal with the European Council is indeed legally binding and irreversible, as he and EU leaders have said, and whether another renegotiation would be possible should the vote be for leaving – a possibility which the UK premier has ruled out. (See Bridges Weekly, [25 February 2016](#))

ICTSD reporting; "Brexit Would Cause Disruption and May Take a Decade, Says Government Report," THE WALL STREET JOURNAL, 29 February 2016; "Factbox: Legal Hurdles to British PM Cameron's EU deal," REUTERS, 29 February 2016.

GLOBAL ECONOMY

G-20 Finance Chiefs Pledge to Prioritise Implementation of National Growth Plans

G-20 finance ministers and central governors have pledged to take further steps to shore up the global economic recovery, including in the implementation of their national growth plans agreed in Brisbane over a year ago.

After meeting in the Chinese city of Shanghai on 27 February, the finance chiefs warned in their [communiqué](#) that the global economic recovery “remains uneven and falls short of our strong, sustainable, and balanced growth.”

The officials noted that growth is also facing significant risks, including volatile capital flows, depressed commodity prices, and geopolitical tensions ranging from the refugee crisis to the prospect of a potential British exit from the European Union. (For more on Brexit, see related article, this edition)

“Additionally, there are growing concerns about the risk of further downward revision in global economic prospects,” they said.

Indeed, recent updated growth projections from the International Monetary Fund (IMF) showed more dismal prospects than previously anticipated, with figures for 2016 and 2017 revised down to 3.4 percent in 2016 and 3.6 percent in 2017. (See Bridges Weekly, [21 January 2016](#))

The uneven nature of the global economic recovery has continued to dominate international gatherings since, including at the World Economic Forum's Annual Meeting in Davos, Switzerland, last month. (See Bridges Weekly, [28 January 2016](#))

National growth plans

Given the current context, finance chiefs pledged they would adopt monetary, fiscal, and structural policy tools in a bid to promote increased growth and financial stability, while noting that “monetary policy alone cannot lead to balanced growth.”

Furthermore, the finance chiefs said they would use the coming year to “prioritise and put special emphasis” on setting into motion their adjusted national growth plans, which were designed and adopted in 2014 under the Australian presidency of the G-20 so that that the group might see a collective boost in GDP of two percent above current trajectories by 2018. (See Bridges Weekly, [20 November 2014](#))

Part of this effort will include putting together a set of “priorities” and “guiding principles” to serve as a point of reference in the implementation process. The finance officials also plan to develop indicators for assessment and monitoring.

G-20 finance officials have therefore asked that the “Framework Working Group” prepare policy papers related to such priorities and principles in time for their next gathering, scheduled for April in Washington, while also asking that the International Monetary Fund, the Organisation for Economic Co-operation and Development (OECD), and the World Bank Group prepare by July an update on implementation progress.

Furthermore, they noted, G-20 members will bring together their growth strategies with investment strategies, with a view “to enhance the efficiency of our efforts.”

Trade, investment, green finance

On trade, the group reiterated past pledges to “resist all forms of protectionism,” along with promising to explore policy options in both trade and investment, with help from international organisations.

Specific to investment, G-20 members “reaffirm[ed] our commitment to advancing the investment agenda with focus on infrastructure both in terms of quantity and quality aspects,” with the group noting also the results of last year’s Financing for Development (FfD3) Conference in Addis Ababa, Ethiopia – which among various other points called upon multilateral development banks to boost infrastructure development and take additional steps to address poverty. (See Bridges Weekly, [23 July 2015](#))

Among other pledges, the G-20 officials said they would kick off a “global infrastructure connectivity alliance initiative” in order to improve collaboration between infrastructure projects.

The 7-page communiqué, along with a host of other items, also includes paragraphs relating to climate change, green finance, and the phase out of inefficient fossil fuel subsidies. In the area of green finance, the group has set up a G-20 Green Finance Study Group that will be tasked with identifying “institutional and market barriers” and provide recommendations by this July for better mobilising private capital.

Ensuring developed countries provide developing economies with the financial support for climate adaptation and mitigation was also referred to in the outcome document, with a reminder that others are also “encouraged” to give such support on a voluntary basis.

Regarding fossil fuels, finance officials reiterated past commitments to “rationalise and phase out inefficient fossil fuel subsidies that encourage wasteful consumption, over the medium term, recognising the need to support the poor.” They also referred to a voluntary peer review of such subsidies, urging all members of the group to take part.

Lagarde calls for bold action

In a [press release](#) after the meeting, IMF Managing Director Christine Lagarde – who was recently confirmed for a second five-year term at the Washington-based organisation – praised the G20 members’ call for strengthened global growth. (See Bridges Weekly, [25 February 2016](#))

The Fund’s staff had prepared [a note](#) on “global prospects and policy challenges” ahead of the Shanghai meet, outlining the problems facing the global economy, and the vulnerability it currently has to negative shocks – both of economic and non-economic origins.

Calling for “bold, broad, and accelerated policy actions,” Lagarde urged G-20 members to use “all available policy tools” in their efforts to boost global growth, with steps at both the national and international level. Regarding the latter, these should involve “bold multilateral actions,” focusing on following through on previous commitments and ramping up efforts for meeting the 2018 growth goal.

ICTSD reporting; “G20 to say world needs to look beyond ultra-easy policy for growth,” REUTERS, 27 February 2016.

SERVICES

Services Trade in Focus as TISA, TTIP, RCEP Aim for 2016 Conclusion

Services trade governance could see some significant developments in the coming year, as various major trade initiatives confirmed separately last month that they hope to reach conclusion in 2016.

In recent weeks, negotiators for three major pacts – the Trade in Services Agreement (TISA), the Transatlantic Trade and Investment Partnership (TTIP), and the Regional Comprehensive Economic Partnership (RCEP) – have all met to set the stage for a scale-up in pace for their respective talks.

Meanwhile, the Trans-Pacific Partnership (TPP) is now entering the ratification stage in its 12 participating countries, with one-third of the pact's 30 chapters dealing either directly or indirectly with services.

Together, the four processes cover nearly one-third of the world's countries, while representing the lion's share of world output and trade. Along with their commercial heft, they have also drawn growing attention in light of the limited progress in trade negotiations at the multilateral level, including on services, with the WTO's Doha Round of trade talks facing an uncertain future after members agreed to disagree over whether to reaffirm its mandate at last December's ministerial conference. (See Bridges Daily Update, [19 December 2015](#))

Unlike TISA, which exclusively focuses on services, TTIP and RCEP address both services and a host of other issues. The negotiations of these mega-regional agreements – along with the TPP – are wide-ranging and ambitious, addressing services in depth in order to facilitate global value chain (GVC) operations. Therefore, negotiations cover not only barriers to trade but also investment for both goods and services. Other areas for negotiation include tariff elimination, regulatory cooperation, and improved and new rules in areas such as intellectual property, investment, labour, and the environment.

TISA work plan agreed

In February, the 23 participants of the TISA negotiations agreed on a revised work plan with key milestones for potentially reaching a deal this year. The plan would see the content of key "annexes" to the trade pact agreed by this July, while aiming to finalise the content of the remaining text by September, according to a European Commission [report](#). The next negotiation round will be chaired by Australia during the second week of April, with two revisions of market access offers set for May and October.

The meeting marked the sixteenth formal round of talks since the TISA initiative officially began in March 2013. The group involved, which covers 50 countries when counting all 28 EU member states individually, came together in an effort to overcome the two-decade lack of progress in multilateral services negotiations.

Members of the TISA group [have cited](#) the outcome of the WTO's 2011 ministerial conference in Geneva – where members were encouraged to reach "provisional or definitive agreements based on consensus earlier than the full conclusion of the single undertaking" in a bid to advance the Doha talks.

While TISA participants recognise the strong foundation provided by the WTO's General Agreement on Trade in Services (GATS), they note that services trade has evolved significantly in the years since that deal was enacted. Therefore, they explained in [their joint July 2012 statement](#) announcing the talks, the proposed deal would aim to capture a substantial part of the liberalisation that has been seen "autonomously as well as through more than 100 services trade agreements notified to the WTO."

The group's participants are geographically dispersed and at different levels of development, ranging from the United States and the European Union to Pakistan and Mauritius, while sharing a common interest and objective in advancing the services liberalisation agenda. In this spirit, they say that the agreement "should be comprehensive in scope, including substantial sectoral coverage with no *a priori* exclusion of any sector or mode supply."

These countries make up two-thirds of global GDP and 70 percent of global services trade, accounting for 23 percent of global population.

Moreover, the pact also aims at addressing new and enhanced rules, with negotiations touching upon cross-border trade in services, investment, financial services, telecommunications, electronic commerce, maritime and air transport, road freight transport and related logistics services, competitive delivery services, energy-related services, environmental services, movement of natural persons, professional services, mutual recognition of professional qualifications, domestic regulation, transparency, state-owned enterprises, government procurement, competition policy, and small and medium enterprises.

The negotiating modality being used in TiSA is a hybrid, scheduling national treatment commitments under a negative list approach and market access ones under a positive list approach.

According to the European Commission's [report](#) on the February round, TiSA participants got closer to agreeing on text in Annexes covering two sensitive matters: digital issues, namely telecommunications, e-commerce, and localisation, as well as Mode 4. There were also discussions addressing financial services as well as transparency in sectoral annexes, along with continued bilateral talks on market access.

TTIP eyes 2016 outcome

Meanwhile, negotiators for the EU-US TTIP deal confirmed last week that they wish to conclude the talks this year, but only if the progress on substance allows.

The two trading giants make up half of global GDP, a third of global trade, 57 percent of global services trade, and around 11 percent of the world's population.

Given that tariffs are relatively low on both sides of the Atlantic – with the simple average applied tariff at 5.5 percent for the EU and 3.2 percent for the US in 2013, with only some remaining tariff peaks – the major gains are expected to come from services and government procurement liberalisation, investment, and enhanced regulatory cooperation.

Regarding services, sources say that TTIP is following a negative list approach, in line with how the EU and Canada conducted their services talks under the banner of their Comprehensive Economic and Trade Agreement (CETA).

With twelve rounds behind them, the two sides aim to reach an agreement ideally before the conclusion of US President Barack Obama's administration in early 2017. (For more on TTIP, see related story, this edition)

The two parties [are set](#) to hold two more rounds in the coming months with the objective of reaching advanced, consolidated draft text on all issues by the summer break.

RCEP aims for new deadline

For its part, the RCEP includes 16 countries, including the 10 members of the Association of Southeast Asian Nations – Brunei Darussalam, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand, and Vietnam – as well as six countries with whom ASEAN has an FTA, namely Australia, China, India, Japan, South Korea, and New Zealand.

This large group comprises developed and developing countries, among them also emerging economies that are not involved in other mega-regional negotiating processes, namely China and India. Together they account for one-third of global GDP and trade, 20 percent of global trade in services and half of the world's population.

The group launched negotiations in November 2012, aiming for a deal that will, among other things, be “comprehensive, of high quality and substantially eliminate restrictions and/or discriminatory measures with respect to trade in services between the RCEP participating countries.” (See Bridges Weekly, [21 November 2012](#))

Furthermore, [these guiding principles](#) state that the agreement will be consistent with the GATS and will build on the commitments made both under the GATS and ASEAN+1 FTAs, with no exclusion of sector or mode of supply in negotiations. Although it is not completely clear which modality the RCEP participants are following in services negotiations, India and six ASEAN members have reportedly insisted on following a positive list approach, according to the [Economic Times](#).

[According to the Australian government](#), negotiations on the approach to scheduling both services and investment commitments took place during the fourth round in April 2014, in China, indicating that participants “hold a diversity of views and there is a broad range of interests and varying levels of ambition across the negotiating agenda.”

According to the RCEP leaders' [joint statement](#) last November in Kuala Lumpur, Malaysia, “substantive negotiations on trade in goods, trade in services and investment have intensified,” also recognising the progress made in text-based negotiations. By the end of last year, it was reported that revised services offers had been circulated and the first substantive meetings of the Sub-Working Groups on Financial Services and Telecommunications had taken place.

The eleventh round, held from 15-19 February in Brunei, will be followed by three other rounds during 2016 before the expected conclusion of negotiations, [according to a statement](#) from the Malaysian government. This has been tentatively scheduled for September in Laos, to coincide with the 28th & 29th [ASEAN Summit & Related Summits](#)

Governance questions

These developments come as the area of services trade has drawn growing attention over the years, both for its importance in terms of output and employment but also as a driver for productivity growth and facilitator for operating global value chains. Furthermore, the membership of these various parallel groups often overlap; for example, both TTIP members are also in TISA, while Japan is a participant in TPP, RCEP, and TiSA.

These various processes have therefore all sparked interest in how these may affect world trade both in terms of market access opportunities but also regarding global governance in services trade, among other issues. Analysts note that this is particularly clear with TISA, where participants are already discussing the eventual multilateralisation of the agreement.

ICTSD reporting; “India to resist tariff cut at RCEP meeting,” THE ECONOMIC TIMES, 9 February 2015.

AGRICULTURE

Reconsider Farm Safeguard Focus, India's Chief Economist Urges

India should reconsider its negotiating focus on a "special safeguard mechanism" at the WTO, says a wide-ranging new report led by the government's chief economic advisor, Arvind Subramanian.

The [Economic Survey](#), launched last week in New Delhi ahead of the government's budget announcement, warns that India's tough trade stance on the issue at the WTO could lead to the country being sidelined as other major economies pursue closer integration through preferential deals instead.

"Do we want to be inside, shaping these agreements, or do we want to be outside?" Subramanian asked at a [press conference](#) last Friday.

India must revisit its approach at the global trade body "if the WTO is not to be consigned to irrelevance," the report says, which highlights how India could be affected by the new Trans-Pacific Partnership (TPP) in particular.

The 12-country TPP was signed earlier this month in Auckland, New Zealand, with participating countries now focusing on their ratification processes.

SSM needed?

The Economic Survey says it is "not very clear" why Indian officials have prioritised a new "special safeguard mechanism" that would allow developing countries temporarily to raise tariffs on farm goods in the event of a sudden surge in import volumes or a price depression.

The report suggests that the safeguard – dubbed the "SSM" by negotiators – may be largely redundant, given the significant gap that already exists between India's actual applied tariff rates on most farm goods and the higher ceiling which the government has agreed not to exceed in its WTO commitments.

Only four percent of India's applied tariff lines are set at levels that are close to the maximum permitted "bound rate," the survey says.

"India's only real need for SSM arises in relation to a small fraction of its tariff lines – some milk and dairy products, some fruits, and raw hides," it concludes.

Reciprocal concessions needed

In comments to Bridges, Indian farmer Ajay Vir Jakhar agreed that tariffs on low-value imports like wheat and rice were not the main worry for them.

"We are more concerned about high value imports like fruits and vegetables, almonds, spices, milk, saffron, and chicken," said Jakhar, who works with the farmers' organisation Bharat Krishak Samaj.

The Economic Survey said that India needs to overcome its "reluctance" to make reciprocal concessions in WTO talks, by taking a more pragmatic approach to negotiations.

"Lofty theologising about freedom and sovereignty needs to cede to mundane haggling over hides and hibiscuses," says the report, which argues that countries such as India and China need to be willing to undertake greater commitments so as to help revitalise talks at the global trade body.

Subsidy reform: fertilisers

Subramanian told the press conference that subsidies for products such as fertilisers should be reformed so that wealthy firms and individuals do not capture the lion's share of benefits.

A "huge" black market for urea meant the current policy "actually ends up hurting the small farmer," Subramanian said. Only 35 percent of the total urea subsidy reaches these producers, with inefficient firms, diversion overseas, and large producers making up the rest.

On average, small farmers also paid 50 percent more than the administered price, he said.

"We're telling the government to start giving fertiliser subsidies directly to farmers provided the fine print is proper," Jakhar told Bridges.

Many of India's farmers have been hard hit by two successive years of failed monsoons and poor rainfall, prompting the government to highlight support to agriculture in its [budget](#) on Monday. The Economic Survey notes that as many as 195 million people in India are undernourished, many of whom live in rural areas and rely on farming.

More freedom to support farmers?

In addition to reforming fertiliser subsidies, the report suggests that India's WTO negotiators "could consider offering reduction in its very high tariff bindings and instead seek more freedom to provide higher levels of domestic support."

"The costs of reluctant engagement need careful review," argues the Survey.

It emphasises that WTO rules do not restrict India's ability to provide direct income support to farmers and crop insurance – which the authors say the government seeks to move towards as an alternative to other types of farm support that have been linked to environmental degradation, health hazards, and waste.

"The farmers need to be able to pick and choose what to produce," said Jakhar, who noted that the government was "moving in the right direction."

TPP: a cost/benefit analysis?

New regional and bilateral deals that have excluded India in recent years, such as the Trans-Pacific Partnership, "do not take into account India's important interests," the report says

Rules on intellectual property are a good example, it adds.

However, Subramanian emphasised that there would also be costs associated with India remaining largely outside the emerging web of preferential agreements.

"Exporting into these markets will be much more difficult," he said, noting that the government would need an "economic cost/benefit analysis" of membership in the new free trade agreements.

While India is not currently a TPP member, it is involved in negotiations with 15 other Asia-Pacific countries for a Regional Comprehensive Economic Partnership (RCEP), with the group aiming to conclude a deal this year.

Among other initiatives, India is also involved in trade talks with the European Union, though those talks have floundered in recent years.

"Targeted assistance" needed

India must be ready to provide "a cushion" to help address what the survey says are the "transitory costs" of trade liberalisation.

"Greater trade opening will increase the size of the pie but it must be combined with assistance in the transition phase to make everyone better off," says the report.

Recent economic developments means that the country now has an opportunity to "collectively self-interrogate on the national near-consensus," it says, noting that India's "fundamental position on trade" was shared by a wide range of intellectual opinion.

On Friday, Subramanian acknowledged that the report might "tread on many toes" – although he argued that failing to have done so would mean that he and his team had "actually not done a good job."

ICTSD reporting.

EVENTS & RESOURCES

Events

Coming Soon

4 March, London, UK. LEVELLING THE PLAYING FIELD: FOSTERING RULES-BASED COMPETITION IN GLOBAL TRADE. This Chatham House event will feature Fred P. Hochberg, the Chairman and President of the US Export-Import Bank, as its main speaker. This research event will discuss the ways in which companies in countries like the United States have faced growing international competition, with a specific focus on competition resulting from unregulated export finance. Hochberg will focus on the ways in which new rules can be established in the global market that will foster competitive but reliable international trade. Please note that the event is by invitation only. More information is available [here](#).

6 March, Toronto, Canada. GOOD GOVERNANCE: THE KEY TO SUSTAINING MINING INVESTMENTS IN A TOUGH COMMODITY CYCLE. This convention, hosted by the Prospectors and Developers Association of Canada (PDAC), will focus on the ways in which mining can move towards sustainable development. The World Bank will host multiple panels at the event, looking at issues such as good governance in mining and establishing frameworks for community consent. With these practices in place, the hope is that a regulated environment will help move towards long-term, sustainable development. More information on the World Bank's role in the event can be found [here](#), and general information, such as convention registration details, can be found [here](#).

8 March, Paris, France. CONFERENCE ON IMPROVING WOMEN'S ACCESS TO LEADERSHIP. This event, hosted by the Organisation for Economic Co-operation and Development (OECD), is being held in honour of International Women's Day. The key focus of the event will be analysing how policy changes can be used in order to lessen the leadership gap between men and women in both the public and private sectors. A special address will be made by Ángel Gurría, Secretary-General of the OECD, and many other key figures from international companies, governments, and NGOs. The [draft agenda](#) for the event outlines multiple events that will take place, including a Plenary Session and Breakout Sessions. The event is by invitation only, but is also being livestreamed starting at 2 PM CET. More information can be found [here](#).

9 March, Washington, US. THE E15 INITIATIVE WASHINGTON LAUNCH. Hosted by the Peterson Institute for International Economics, this event will feature the launch of the E15 Initiative's report released in Davos, Switzerland, earlier this year. The E15 Initiative is implemented and convened by the International Centre for Trade and Sustainable Development (ICTSD) and the World Economic Forum (WEF), and aims to improve the global trade and investment system in a way that supports sustainable development. Panellists will include Ricardo Meléndez-Ortiz, the co-founder and chief executive of the ICTSD; WEF Managing Board Member Richard Samans; Peterson Institute Senior Fellow Gary Clyde Hufbauer; and Harvard Kennedy School Professor Robert Z. Lawrence. The panel will be webcast live; more information about the event can be found [here](#) and more information about the E15 Initiative 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.

3 March: Preparatory Committee on Trade Facilitation

9-10 March: Committee on Agriculture

9-10 March: Committee on Technical Barriers to Trade

Other Upcoming Events

18 March, Beijing, China. E15 BEIJING LAUNCH EVENT. During this event, the E15 Initiative will hold a Beijing launch of its policy option papers and Synthesis Report, which together aim to propose, interpret, and explore suggestions for improved governance of the global trade and investment system in the 21st century. The event coincides with the China Development Forum, and will be co-hosted by Caixin Insight Group and the University of International Business and Economics (UIBE)/Research Institute for Global Value Chains (RIGVC) in cooperation with the National School of Development at Peking University (a partnering institution of the E15 Initiative). For a full list of panellists and additional information, please visit the [E15 website](#).

7 April, Basel, Switzerland. REGULATION OF INTERNATIONAL DATA TRANSFERS: FINDING A PLACE FOR INTERNATIONAL ECONOMIC LAW. This conference, held at the University of Basel's Law Faculty, will feature a series of sessions relating to international data transfers, including how to characterise data in legal terms; the instruments involved in cross-border transfers; current and possible regulations for protecting the state; and cross-border data restrictions. The meeting will also include a roundtable of trade and investment law specialists, among other events. To learn more, please contact Krista Nadakavukaren Schefer at k.nadakavukaren@unibas.ch.

2-5 May, Frankfurt, Germany. FRANKFURT 2016: 49TH ANNUAL MEETING OF THE BOARD OF GOVERNORS OF THE ADB. The Asian Development Bank (ADB) will meet to discuss goals focused on fostering sustainable development in Asia. Through a series of events, including business sessions, seminars, and knowledge-sharing excursions, participants will address issues ranging from climate change to improving production and supply chains. This meeting's theme will be "Cooperating for Sustainability." Information on how to attend the meeting can be accessed [here](#).

1-2 June, Kuala Lumpur, Malaysia. WORLD ECONOMIC FORUM ON ASEAN. This event, hosted by the World Economic Forum, will focus on past successes and future challenges that face the Association of Southeast Asian Nations (ASEAN). In late 2015, the ASEAN Economic Community (AEC) was established, making steps towards increasing the free flow of goods, services, and people in the area. This event will discuss how to continue improving economic prospects for the region in light of new challenges, and will bring together senior decision-makers to increase collaboration in the region. More information on the event is available [here](#).

11-20 July, New York, US. HIGH-LEVEL POLITICAL FORUM ON SUSTAINABLE DEVELOPMENT. This forum, hosted by the United Nations Economic and Social Council (ECOSOC), will review the goals set out in the [2030 Agenda for Sustainable Development](#) that was adopted in September of 2015. The forum will take input from a variety of groups, including intergovernmental bodies and relevant UN organisations, in order to see how sustainable development goals can be better reached. More information about the forum can be found on the [website](#).

Resources

FINANCING THE FUTURE: BUILDING AN OPEN, MODERN, AND INCLUSIVE FINANCIAL SYSTEM. Published by the World Bank Group (February 2016). This report studies the current state of the financial system in Myanmar, and looks at future prospects for growth. The authors note that due to a historical period of economic isolation, Myanmar was economically underdeveloped, but has been steadily growing since 2011, due largely to advances in trade and investment. While Myanmar has already come a long way, the authors suggest that there is still much to be done in terms of continuing to strengthen the financial services industry to keep up with economic growth. The full report can be found [here](#).

SECOND-GENERATION BIOFUEL MARKETS: STATE OF PLAY, TRADE, AND DEVELOPING COUNTRY PERSPECTIVES. Published by the United Nations Conference on Trade and Development (February 2016). This UNCTAD report analyses the ways in which countries can utilise Sustainable Development Goals (SDGs) alongside the production of advanced biofuels in order to increase economic growth. The report includes five suggestions of how the biofuel industry can continue to grow in a sustainable, responsible way. These suggestions include ideas such as establishing regulatory frameworks in the biofuel market, and promoting cooperation between domestic firms and international companies to increase future investment. The full report is available [here](#).

THE RISE OF ISLAMIC FINANCE: POST-COLONIAL MARKET-BUILDING IN CENTRAL ASIA AND RUSSIA. By Davinia Hoggarth for Chatham House (January 2016). In this paper, the author reviews how Islamic finance has grown in prominence in some Central Asian countries as a way to generate capital and boost the local economy. This paper discusses the ways in which Islamic financial structures have been implemented in Central Asia, and how it is creating chances to build geopolitical alliances with other Muslim countries. The full paper can be found [here](#).

ALTERNATIVE FUTURES FOR GLOBAL FOOD AND AGRICULTURE. Published by the Organisation for Economic Co-operation and Development (OECD) (February 2016). This new report aims to model potential alternative pathways for ensuring that future generations will have reliable, affordable access to food – even with an anticipated global population of nine billion – without destroying either the environment or having negative social ramifications. These scenarios are informed both by economic models and stakeholder input. The publication is available [here](#).

EXPLORE THE TRADE AND SUSTAINABLE DEVELOPMENT
WORLD FURTHER WITH ICTSD'S BRIDGES NETWORK

BIORES

Analysis and news on trade and environment for a global audience
<http://www.ictsd.org/bridges-news/biores>
English language

BRIDGES AFRICA

Trade and sustainable development news and analysis on Africa
<http://www.ictsd.org/bridges-news/bridges-africa>
English language

PUENTES

Latin America-focussed analysis and news on trade and sustainable development
<http://www.ictsd.org/bridges-news/puentes>
Spanish language

МОСТЫ

CIS-focussed analysis and news on trade and sustainable development
<http://www.ictsd.org/bridges-news/МОСТЫ>
Russian language

PONTES

Analysis and news on trade and sustainable development for the Portuguese-speaking world
<http://www.ictsd.org/bridges-news/pontes>
Portuguese language

桥

Analysis and news on trade and sustainable development for the Chinese-speaking world
<http://www.ictsd.org/bridges-news/桥>
Chinese language

PASSERELLES

Africa-focussed analysis and news on trade and sustainable development
<http://ictsd.org/news/passerelles>
French language

PUBLISHED BY



**International Centre for Trade
and Sustainable Development**

Chemin de Balexert 7-9
1219 Geneva, Switzerland
+41-22-917-8492
www.ictsd.org

Bridges Weekly Trade News is made possible
through generous contributions of donors and
partners including

**DFID - UK Department for
International Development**

**SIDA - Swedish International
Development Agency**

**DGIS - Ministry of Foreign Affairs
Netherlands**

Ministry of Foreign Affairs, Denmark

Ministry of Foreign Affairs, Finland

Ministry of Foreign Affairs, Norway

**Department of Foreign Affairs and Trade,
Australia**

Copyright ICTSD, 2016. Readers are encouraged
to quote and reproduce this material for
educational, non-profit purposes, provided the
source is acknowledged.



This work is licensed under the Creative
Commons Attribution-NonCommercial-No-
Derivative Works 4.0 International [License](https://creativecommons.org/licenses/by-nc-nd/4.0/).

Your support to BRIDGES and the BRIDGES series
of publications is most welcome; if interested,
please contact Andrew Crosby, Managing
Director at +41-22-917-8335.

Contributors to this issue are Sofia Alicia Baliño,
Yaxuan Chen, Jonathan Hepburn, Anan Hossain,
Megan Semeraro, Jimena Sotelo, and Mahesh
Sugathan. This edition of Bridges Weekly Trade
News Digest is edited by Sofia Alicia Baliño.

The Publisher and Director is Ricardo Meléndez-
Ortiz. The Editor in Chief is Andrew Crosby.
Comments and suggestions are welcomed and
should be directed to the [editor](#) or the [director](#).

Price: €10.00

ISSN 1563-0

