

BRIDGES WEEKLY

Global trade news from a sustainable development perspective

VOLUME 21, ISSUE 12, 6 APRIL 2017

GLOBAL ECONOMY

Trump Administration Eyes Next Steps on Trade, Prepares for Xi Meeting1

TRADE AGREEMENTS

UK, Trading Partners Begin Laying Groundwork for Post-Brexit Deals4

EUROPEAN UNION

EU Reviews Draft Negotiating Guidelines as Brexit Begins6

GLOBAL ECONOMY

IMF Chief Warns of Productivity Slowdown, Calls for Boosting Trade8

TRADE REMEDIES

As Trade Remedy Probe Continues, Questions Loom for US-Canada Softwood Lumber Talks10

TRADE AGREEMENTS

EU, Canada Prepare for CETA Provisional Application12

EVENTS & RESOURCES

Events14

Resources16

GLOBAL ECONOMY

Trump Administration Eyes Next Steps on Trade, Prepares for Xi Meeting

US President Donald Trump signed two trade-focused executive orders last week, with the former relating to trade deficit data and the latter on enforcing the collection of duties at the border. The US leader is also preparing to meet with Chinese President Xi Jinping this week, in a high-profile meeting that is expected to focus heavily on trade.

Trump, who took office in January, made trade one of his major issues on the US campaign trail, pledging to take action against countries who are treating the United States "unfairly" in either their trading practices or in the negotiation of trade deals.

Since taking office, he has ordered the US' withdrawal from the Trans-Pacific Partnership (TPP), and his administration is said to be preparing for the re-negotiation of the North American Free Trade Agreement (NAFTA) while examining the option of negotiating bilateral trade deals with other countries. (See Bridges Weekly, [2 February 2017](#) and [9 February 2017](#))

Trade executive orders

The first of Trump's trade-related [executive orders](#) signed on 31 March focused on determining the extent and causes of the American economy's trade deficit with its trading partners, including allegedly unfair trading practices, in order to provide trade policymakers with the relevant data for future work, such as in negotiating deals.

"For many years, the United States has not obtained the full scope of benefits anticipated under a number of international trade agreements or from participating in the World Trade Organization," the order says.

After outlining a series of concerns on the subject, the order then directs the heads of various US government agencies to put together an "Omnibus Report on Significant Trade Deficits" featuring a list of trading partners "with which the United States had a significant trade deficit in goods in 2016."

It then goes on to list a series of questions to consider in this review, including the factors behind the deficit, as well as the impacts on US growth and jobs. The report is due within 90 days.

Those tasked with this report are the US Trade Representative (USTR) as well as the Commerce Secretary, with those officials ordered to seek input from the heads of the State, Treasury, Defense, Agriculture, and Homeland Security departments. Those two lead trade officials can also request information from other agencies if needed, as well as from other stakeholders.

Trump's nominee for USTR, Robert Lighthizer, is still awaiting Senate confirmation. He had a confirmation hearing in the Senate Finance Committee last month. (See Bridges Weekly, [16 March 2017](#))

US Commerce Secretary Wilbur Ross, writing in the [Financial Times](#) on 4 April, pushed to make the case in favour of undertaking such analysis, suggesting that the result will allow the American leader to "take measured and rational action to correct any anomalies."

Among the areas of concern raised by Ross include the role of non-tariff barriers; intellectual property violations; non-market economies; overcapacity in sectors including steel and aluminium; ineffective trade deals and poor enforcement; currency policy; capital flows; and "asymmetrical" WTO provisions and legal "interpretations."

"These actions will implement the president's recent summary to me of his trade policy: 'Any new NAFTA will be spelt N-A-F-F-T-A – North American Free and Fair Trade Agreement'," said Ross in the op-ed regarding the executive order. The article was prepared with contributions from Peter Navarro, the director of the new National Trade Council.

Another [executive order](#) signed by Trump on 31 March targets the collection of anti-dumping and countervailing duties. While anti-dumping duties are meant to tackle instances of foreign producers selling goods at prices cheaper than their "normal value" back home, countervailing duties are meant to address instances of unfair state aid to foreign producers.

The order directs the US Department of Homeland Security, with inputs from Commerce, USTR, and Treasury, to come up with a plan over the next three months that would require those importers who "pose a risk to the revenue of the United States" to buy bonds or other alternatives as a type of guarantee against their anti-dumping and countervailing "liability." These importers would be identified by a risk assessment prepared by US customs officials.

Also within the same timeframe, the heads of Homeland Security and Customs and Border Protection have been tasked to come up with a system that would tackle "violations" of American trade and customs laws.

Xi comes to America

Trump is also preparing to hold a summit this week with Chinese President Xi Jinping, in a two-day event at the US president's Mar-a-Lago estate in Florida that is expected to tackle various trade issues, along with security topics in relation to North Korea.

Speaking to the [Financial Times](#) this past weekend, the US leader said that he has "great respect" for the Asian economic giant, adding that "I would not be at all surprised if we did something that would be very dramatic and good for both countries and I hope so."

In response to a question on how to reduce China's trade surplus, Trump said that he would convey to Beijing that "we cannot continue to trade if we are going to have an unfair deal like we have right now. This is an unfair deal." He also added that he is not looking to discuss issues regarding tariffs with the Chinese leader at this stage.

Among the various trade irritants that Trump has raised, either on the campaign trail or in office, are concerns over allegedly unfair Chinese trading practices, along with claims that the Asian economy has also been manipulating its currency to gain an export advantage.

In the Financial Times interview, Trump argued that China “are world champions” in the area of currency manipulation, and suggested that past US administrations “haven’t had a clue. I do.”

“This is really an opportunity for the two leaders to exchange views on each other’s respective priorities and to chart a way forward for the US-China bilateral relationship,” said a senior White House official in a [background briefing](#) to reporters regarding the meeting at Mar-a-Lago.

The official said they could not pre-judge which trade topics come up in the Trump-Xi meeting, including whether the issue of possibly raising tariffs on Chinese products might indeed arise. They stressed that the idea in Florida remains to set up a “framework” for future discussion, and that other subjects may come up as the leaders see fit.

They did note, however, that a key trade issue for the White House right now is China’s status as a non-market economy.

China has tabled WTO complaints against both the EU and the US regarding their treatment of the Asian giant as a “non-market economy” in their anti-dumping probes, given the expiry of certain provisions of Beijing’s WTO accession protocol. While a panel was established this week to hear the case involving the EU, China has not yet requested a panel for the US complaint. (See Bridges Weekly, [30 March 2017](#))

“For us, it’s very important that they continue to be designated as a nonmarket economy,” said the senior White House official, who noted the China-EU case at the WTO but did not mention the case also underway involving the US.

ICTSD reporting; “U.S. business seeks action, not trade war, in Xi-Trump summit,” REUTERS, 4 April 2017; “Donald Trump will make trade fair again,” FINANCIAL TIMES, 4 April 2017; “Trump to seek tariff ‘snap-back’, tax equality in NAFTA revamp: letter,” REUTERS, 30 March 2017; “Donald Trump in his own words,” FINANCIAL TIMES, 2 April 2017.

TRADE AGREEMENTS

UK, Trading Partners Begin Laying Groundwork for Post-Brexit Deals

The UK continues informally exploring the option of foreign trade deals with non-EU partners for once the Brexit talks are completed, with officials reporting continued discussions with countries such as Canada and Switzerland.

The United Kingdom formally triggered the Brexit process last week, with negotiations with the other 27 EU members soon set to begin in earnest. (See Bridges Weekly, [30 March 2017](#), and related story, this edition)

As an EU member, the United Kingdom has devolved its competencies for negotiating its own trade deals to the European Commission. However, once the UK has exited the bloc it will be able to negotiate agreements on its own behalf, prompting a series of informal discussions with potential future partners in preparation.

Australia's Ciobo: Trade deal could benefit services, investment

Officials from the UK and Australia have already made known their interest in inking a bilateral trade deal when the former is no longer an EU member.

Liam Fox, the UK's Secretary of State for International Trade, met with his Australian and New Zealand counterparts last month, and has indicated that both countries would be at the front of the line for such arrangements. (See Bridges Weekly, [16 March 2017](#))

Australian Trade Minister Steven Ciobo said last week that having such a deal would be a "win-win" for both sides, noting that negotiating with the UK outside the European Union could actually lead to additional options for Canberra.

"We've seen, for example, with the EU that Australia has had a lot of constraint, especially around agricultural exports into the EU, with low levels of quotas. I want to make sure that we can use this Brexit opportunity as an opportunity to boost those and basically to make it as straightforward as possible when it comes to goods, services, and investment," said Ciobo to ABC TV, according to a [transcript](#) provided by his office.

Australia and the EU are also planning to begin free trade negotiations in the near term, with preparations ongoing. The two sides are currently working to complete a "scoping study" on what could go into such a deal.

According to the Australian Department of Foreign Affairs and Trade, [bilateral trade](#) between Australia and the UK reached A\$27.0 billion (US\$20.4 billion) in 2015-2016, with the latter ranking as Canberra's top trading partner in Europe and fifth largest bilateral trade partner overall.

Canada meetings underway

Canadian and UK officials have also held various meetings in recent weeks in a bid to prepare a future trade deal following Brexit. The United Kingdom is Canada's largest European trading partner.

"We are working, respecting established rules, pursuant to EU law as well, but we are having informal talks with our British partners," said Canadian International Trade Minister François-Philippe Champagne last week, according to comments reported by CBC News.

The EU and Canada have already negotiated a trade and investment deal between them, known as the Comprehensive Economic Trade Agreement (CETA). The agreement has been signed by both sides and ratified by the European Parliament. It is now making its way through the Canadian legislative processes, after which it can be provisionally applied. For full application, this will require the approval of the relevant EU national and regional parliaments. (For more, see related story, this edition)

Switzerland coming up?

Meanwhile, Switzerland has also displayed an interest in a future trade "arrangement" with the UK, following a meeting on 31 March between Swiss Federal Councillor Johann Schneider-Ammann and UK Secretary of State for International Trade Liam Fox.

"As part of the [Swiss] Federal Council's 'Mind the gap' strategy the aim is to reach a follow-up arrangement for the time after Brexit as quickly as possible, particularly on trade," said a [statement](#) issued by the Swiss Federal Department of Economic Affairs, Education, and Research.

The statement also referred to interest from the UK's side for agreeing on a new set-up. The statement further cites the two-year window under EU law for the Brexit talks to conclude as providing additional impetus for moving quickly.

"The timeframe to prepare a follow-up regime for relations between Switzerland and the UK – which if possible should be more extensive than usual free trade relationships – is therefore tight. Talks are currently under way at expert level," said the Swiss official.

Switzerland, while a European nation, is not a member of the EU. Instead, the two parties have a series of [bilateral deals](#) across various different sectors, including on trade. Switzerland and the EU also have an [agreement](#) on free movement of persons, with the Swiss having an association agreement with the EU to participate in the Schengen Area, which [eliminates](#) internal border controls among other features.

Updates on India?

Another option for a trade deal could include India, some officials suggest, though no formal announcements have been made about whether the two sides will seek to begin official negotiations. UK Chancellor of the Exchequer Philip Hammond met with Indian Finance Minister Arun Jaitley this week for discussions on trade and other subjects.

"Our trade and investment relationship is already strong – the UK has been the largest G20 investor in India during the last ten years and India is a leading global investor in the UK, creating over 7000 new jobs last year alone, but there is much more we can do," [said](#) Hammond ahead of his travels to Delhi and Mumbai.

UK Prime Minister Theresa May and Indian Prime Minister Narendra Modi met in Delhi late last year, with both leaders expressing their interest in deeper trade and economic ties, but without mentioning whether this wish could lead to official trade talks. (See Bridges Weekly, [17 November 2016](#))

ICTSD reporting; "India dents UK trade hopes with lapsed deal," FINANCIAL TIMES, 5 April 2017; "Swiss aim for swift trade deal with Britain after Brexit," REUTERS, 31 March 2017; "Switzerland heads for EU immigration climbdown," FINANCIAL TIMES, 13 December 2016; "Canada in informal trade talks with U.K. ahead of Brexit," CBC NEWS, 31 March 2017; "Canada Seeks to Avoid Brexit Cliff-Edge With Trade Talks," BLOOMBERG, 22 March 2017.

EUROPEAN UNION

EU Reviews Draft Negotiating Guidelines as Brexit Begins

The European Council is considering "draft guidelines" for how they will proceed in the Brexit talks with the United Kingdom, including on a future trade deal between the two sides.

The draft guidelines were circulated to EU delegations just a few days after UK Prime Minister Theresa May submitted a letter triggering Article 50 of the Treaty of the European Union, which involves the exiting of an EU member. (See Bridges Weekly, [30 March 2017](#))

"Our duty is to minimise the uncertainty and disruption caused by the UK decision to withdraw from the EU for our citizens, businesses, and member states. As I have already said, in essence it is about damage control," [said](#) European Council President Donald Tusk last week in announcing these guidelines.

"The EU does not and will not pursue a punitive approach. Brexit in itself is already punitive enough. After more than forty years of being united, we owe it to each other to do everything we can to make this divorce as smooth as possible," said Tusk.

Talks on future relationship plans after withdrawal "progress"

The [draft guidelines](#), which have been circulated in full by various media outlets, are split into two overarching sections. These and their subsections detail the core principles that the EU-27 plans to follow, as well as the "phased approach" that the group is looking to pursue going forward.

Regarding this phased approach, the draft guidelines refer to two main parts: withdrawing the UK from the EU framework, and preparing a plan for how to then negotiate the UK's new relationship with the bloc.

"While an agreement on a future relationship between the Union and the United Kingdom as such can only be concluded once the United Kingdom has become a third country, Article 50 [of the Treaty of the European Union] requires to take account of the framework for its future relationship with the Union in the arrangements of withdrawal," the draft guidelines say, according to a copy published by The Telegraph.

Furthermore, they indicate that the EU will be ready to have such talks once they have seen "sufficient progress" on the withdrawal negotiations. The draft guidelines further refer to the option of time-bound, enforceable "transitional" arrangements where necessary, with some media reports suggesting that negotiators are informally examining options such as a tariff-free goods deal as part of this transition.

Indeed, German Chancellor Angela Merkel and French President François Hollande have both backed the concept of progressing first on the withdrawal and later on the future relationship, rather than holding those talks side by side as advocated by May.

"The negotiations must first clarify how we will disentangle our interlinked relationship," said the German leader last week.

The draft guidelines also say that the Brexit talks “will be conducted as a single package,” meaning that negotiators will not be able to extricate individual areas for early agreement, but will instead need to conclude them all collectively.

Coming up

The leaders of the other 27 EU member states are due to meet under the European Council framework on 29 April, at which point they are slated to endorse a final version of these guidelines, which could see some modifications from this edition.

Talks are expected to begin in earnest in June, officials say, with a view to reaching a deal that can then be ratified within the two-year timeframe envisioned under Article 50. This timeframe can be extended should all parties agree.

On the EU side, the European Parliament will have a vote on the final deal. Members of the EU legislative body held a debate and vote this week on what their priorities would be in the Brexit process, with their debate highlighting concerns such as ensuring the UK honours its pending obligations that it has undertaken as an EU member, along with prioritising and ensuring the fair treatment of UK citizens in the EU and vice versa.

Another topic that lawmakers brought up in the debate was ensuring that there are “no separate negotiations with individual EU countries or non-EU countries,” according to a Parliament [press release](#). While UK officials have been exploring options for post-Brexit trade deals with non-EU partners, those talks have all been at the informal level, given that formal negotiations cannot begin while the UK is still an EU member. (For more on this subject, see related story, this edition)

ICTSD reporting; “In full: The EU’s draft guidelines for Brexit negotiations,” THE TELEGRAPH, 31 March 2017; “May urged to assess impact of leaving EU without deal,” FINANCIAL TIMES, 4 April 2017; “May suggests unrestricted EU migration will continue post-Brexit,” FINANCIAL TIMES, 5 April 2017; “EU offers pre-Brexit trade talks,” REUTERS, 31 March 2017; “Brexit: EU says no to free trade talks until ‘progress’ on final terms,” THE GUARDIAN, 31 March 2017; “Interim EU trade deal could hit UK services hard,” POLITICO, 2 April 2017.

GLOBAL ECONOMY

IMF Chief Warns of Productivity Slowdown, Calls for Boosting Trade

A continued state of mediocre productivity growth could have harsh implications for social stability and living conditions around the world, said International Monetary Fund (IMF) Managing Director Christine Lagarde this week, who called for making trade part of the solution.

"Another decade of weak productivity growth would seriously undermine the rise in global living standards. Slower growth could also jeopardise the financial and social stability of some countries by making it more difficult to reduce excessive inequality and sustain private debt and public obligations," said Lagarde on 3 April during [a speech](#) at the American Enterprise Institute.

The IMF chief flagged older populations in more advanced economies, slower trade growth, and the "unresolved legacy" of the global financial crisis as being among the "headwinds" that are hindering productivity growth going forward.

On trade, the WTO issued a forecast last September predicting that global merchandise trade growth would hit 1.7 percent that year and fall in the range of 1.8-3.1 percent this year – a downward revision from prior estimates. (See Bridges Weekly, [29 September 2016](#))

Trade key for high living standards

Lagarde also referred to the ongoing debate over the potential negative effects from new technologies or trade liberalisation, while making some recommendations to help address those problems.

"We know that technological gains, trade, and structural reforms have come with job losses in shrinking sectors," she said on Monday. "But now we are seeing entrenched economic and social problems in some disadvantaged regions when economic inequality has already been rising in many countries."

Furthermore, she also argued that trade can be a boon from everything from making companies perform better to the evolution and sharing of new technologies.

"The lack of global demand and the gradual increase in trade restrictions have led to a slowdown in trade growth in recent years. This, in turn, has hurt the productivity and living standards of all citizens," she said.

Education, "clear signals" essential

Lagarde particularly highlighted job training and other educational efforts, along with arguing in favour of upgrading tax and income policies, as part of her recommendations for tackling the productivity problem.

"To encourage investment and risk-taking, governments need to give clear signals about future economic policy. High-quality public investments in education and training, [research and development], and infrastructure, including in the United States, could help provide those signals, catalysing private investment while boosting productivity and economic potential," she said.

Meanwhile, the Fund has released a "[staff discussion note](#)" on productivity, with its authors arguing that the financial crisis has caused unexpectedly long-lasting effects that will require some heavy lifting to undo.

"Addressing crisis legacies may be the most promising avenue for boosting productivity growth in the near term, particularly in continental Europe, where the scars from the global financial crisis remain greater than in most other advanced economies," the IMF economists said.

Furthermore, they note that the future for productivity growth is hard to envision at this stage. In the meantime, the "discussion note" urges policymakers to "proactively address the effect of headwinds, including by advancing structural reforms and nurturing open trade and migration policies."

Indeed, Lagarde mentioned the topic of migration in her speech, particularly in light of the potential of refugees to contribute to economic growth and productivity. These people could help be part of "a younger and more dynamic workforce," she said, in a nod to the problem of aging populations in several of the world's most developed economies.

Spring meetings coming up

The IMF is gearing up to hold its Spring Meetings with the World Bank Group later this month, which brings together finance and development ministers for high-level discussions on the global economy, as well as central bankers and representatives from the private and academic world.

The Washington-based agency is also due to release the semi-annual World Economic Outlook (WEO) this month, building on an [interim update](#) issued in January which suggested that while economic growth may improve this year and the following, forecasts remain difficult to pin down in light of policy uncertainty in key economies such as the United States.

ICTSD reporting.

TRADE REMEDIES

As Trade Remedy Probe Continues, Questions Loom for US-Canada Softwood Lumber Talks

The next phase for securing a new US-Canada deal on managing softwood lumber trade remains uncertain, as trade remedy investigations on Canadian lumber continue in the United States.

A [preliminary ruling](#) by the US International Trade Commission in January [deemed](#) Canadian softwood lumber imports have received unfair state aid and been sold at the US below their "fair value" to the point of causing "material injury" to the latter country's producers, paving the way for the US Commerce Department to continue both anti-dumping and countervailing duty probes on the issue.

The Commerce Department is expected to release a preliminary anti-dumping duty determination in early May, with a preliminary countervailing duty determination also expected in the coming weeks. Canadian industry officials warn that such duties could lead to job losses and mill closures. Industries on both sides of the border have [advocated](#) in favour of a deal in order to ensure stability in the lumber market.

Managing lumber trade

The previous Softwood Lumber Agreement (SLA) entered into force in 2006 and eventually expired in late 2015 following a two-year extension. (See Bridges Weekly, [25 January 2012](#) and [15 October 2015](#))

The deal regulated trade in softwood lumber between the US and Canada, halting US imposition of anti-dumping and countervailing duties on Canadian timber in return for export measures applied on products that fall below a designated market level. The agreement also contained dispute settlement provisions and mandated the distribution of the anti-dumping and countervailing duty deposits held by the US.

A built-in one-year standstill period in the SLA prohibited the US from bringing countervailing duty or anti-dumping investigations against Canadian producers at any point before October of last year. The US lumber industry then [filed a petition](#) in November 2016 arguing that Canadian lumber exporters are engaging in unfair trade practices, which led to the above-mentioned investigations by US authorities.

Industry leaders say that a potential replacement agreement would serve to end litigation and ensure more stable and certain market conditions for the industry on each side of the border, but efforts last year between the countries' trade negotiators to reach such a deal failed to bear fruit.

Prior to the SLA, there were [several rounds](#) of trade disputes under both the WTO ([DS311](#)) and the North American Free Trade Agreement (NAFTA) dispute settlement mechanisms.

"We would much rather find opportunities to work together with our American neighbours to find a lasting solution to this long-lived dispute. A stable, predictable lumber supply is good for workers and the economy on both sides of the border," read a [statement](#) issued by newly appointed British Columbia Special Envoy to the US David Emerson following a series of meetings with stakeholders and officials in Ottawa and Washington in early March.

British Columbia is Canada's largest producer of softwood lumber, responsible for half of overall production, and the US is the province's primary market for softwood lumber. The 2016 value of lumber exports from British Columbia to the US amounted to US\$4.6 billion.

"I believe these meetings have been a good start, but there is much more work to do to ultimately secure a softwood lumber deal which remains our goal," he said, adding that the two sides still have "differences to overcome."

Canada's share of the US softwood market is today less significant than it was a decade ago when the initial agreement was signed, and does not look poised to grow between an increasingly diversified lumber market and a damaging mountain pine beetle outbreak.

Softwood lumber is manufactured from spruce, fir, and pine trees and is used for housing construction. Canada makes up the largest share of softwood lumber imports into the US.

Standstill, new executive orders

Meanwhile, Trump issued two executive orders on trade last week which could have implications for the US-Canada trading relationship. One of these requires a 90-day review into the causes of the country's trade deficits with its trading partners, including Canada. (For more on both executive orders, see related story, this edition)

The review comes as Trump prepares to open talks for an upgrade to NAFTA, the decades-old agreement bringing Canada, the US, and Mexico together in a free trade bloc, which some stakeholders have suggested may could include the subject of a revamped lumber agreement. (See Bridges Weekly, [16 February 2017](#))

Trump also ordered the improved collection of anti-dumping and countervailing duties from importers who American officials deem to be selling their products on the US market at artificially low prices, which could potentially affect the ongoing softwood lumber probes.

ICTSD reporting; "Fate of US-Canada Softwood Lumber Agreement still in Limbo," CONSTRUCTION DIVE, 3 April 2017; "What the U.S. NAFTA demands mean for Canada," THE GLOBE AND MAIL, 30 March 2017; "Canada in for rougher NAFTA talks than Trump suggested, trade experts say," THE TORONTO STAR, 1 April 2017; "B.C.'s softwood lumber envoy says long-term deal needed with U.S.," CBC NEWS, 8 March 2017; "U.S. International Trade Commission says Canadian softwood lumber caused harm," CBC NEWS, 6 January 2017; "Justin Trudeau not worried as Donald Trump set to examine U.S. trade partners," THE CANADIAN PRESS, 31 March 2017; "Trump to seek tariff 'snap-back', tax equality in NAFTA revamp: letter," REUTERS, 30 March 2017.

TRADE AGREEMENTS

EU, Canada Prepare for CETA Provisional Application

The EU and Canada are gearing up for the provisional application of the Comprehensive Economic and Trade Agreement (CETA), with some officials suggesting that this could begin as early as July.

After eight years of negotiations, CETA was ratified by the European Parliament in mid-February. The trade accord has become increasingly high-profile over the years, given the size of the economies involved, its investment dispute provisions, and the geopolitical context regarding trade more broadly. (See Bridges Weekly, [16 February 2017](#))

Now, pending Canadian ratification, the provisional application of the sweeping trade and investment accord is said to be within grasp. The implementation bill for CETA is currently undergoing a "third reading" in the Canadian Senate and is expected to advance, officials say, with some provinces also needing to make their own legislative changes. Meetings in the senate's foreign affairs and trade committee are going on this week.

According to [Chapter 30 of CETA](#), once both sides have completed their internal procedures, the deal can provisionally apply from the beginning of the following month, unless they agree on a different start date.

EU Trade Commissioner Cecilia Malmström has suggested that this could happen "within weeks," given the advanced state of play in the Canadian approval process.

The planned trade deal is expected to cut 98 percent of tariffs on trade in goods, with longer phase-out periods for some more sensitive products. Some agricultural goods will see the introduction of quotas, or have been excluded from the deal entirely.

CETA also is slated to see significant gains in public procurement market access, given that Canada will be opening up public contracts at all federal and sub-federal level for bidding from European companies. Proponents have also lauded the improvements in services market access, among various other provisions.

"We have done our work," Malmström said. "We don't see any delays with this."

Areas excluded from the provisional application of CETA include investment protection, such as the new investment court system, among other provisions that are not under exclusive EU competence.

Once all EU member states have completed their internal ratification procedures, which is expected to take years and in some cases will require the approval of regional legislatures, CETA will fully enter into force. Latvia is the first member state to have already done so. (See Bridges Weekly, [2 March 2017](#))

Malmström: Sustainable development enforcement terms to see review

[Speaking](#) at the European Economic and Social Committee Plenary Session in Brussels on 29 March, Malmström attested to the progressive nature of the accord, stating how the legally binding and enforceable commitments on areas such as the environment and labour rights will ensure that "trade is not at the expense of sustainable development."

The EU trade chief cited the agreement's environmental and labour standards as among its strong attributes, as well as fair trade, corporate social responsibility, sustainable fisheries, and forestry and animal welfare. She also highlighted the changes to investor-state dispute settlement under the investment court system, an area which continues to draw public scrutiny. (See Bridges Weekly, [3 March 2016](#))

Furthermore, she noted that the Commission will also begin reviewing CETA's provisions for enforcing the sustainable development terms of the accord, though did not elaborate further in her prepared remarks.

In a [speech](#) to the Citizens' Dialogue at the University of Zagreb a day earlier, the EU Commissioner stated how CETA "is the most ambitious and progressive we (Europe) have ever made with any partner."

"CETA is just one trade agreement. I hope it can be a template for sustainable, responsible trade that we can take to the world," she added, while referring to various other trade deals that the EU is currently negotiating or plans to begin with partners across the globe. (See Bridges Weekly, [9 March 2017](#))

French court review

Meanwhile in France, some French parliamentarians have raised concerns that CETA will likely come into provisional effect before the country's Constitutional Court has ruled on certain legal questions. The lawmakers involved, which reportedly number over 100, have particularly raised questions over what the deal's investor protections mean for national sovereignty.

The French Constitutional Court was expected to rule on the constitutional value of CETA earlier this year, but has since pushed back the decision. The delay is reportedly the result of a heavy caseload, particularly in light of the French electoral context.

ICTSD reporting; "'We are ready': Canada-Europe trade deal set to kick in, mostly, by July 1," CBC NEWS, 27 March 2017; "French attempts to delay CETA brushed aside," EURACTIV, 31 March 2017; "Brussels faces fresh crisis over CETA as 100 French MPs take EU-Canada trade deal to court," EXPRESS, 22 February 2017.

EVENTS & RESOURCES

Events

Coming Soon

7 April, Beijing, China. ECONOMIC GROWTH THROUGH INNOVATIVE ENERGY MANAGEMENT. This event is being co-hosted by the Brookings-Tsinghua Centre for Public Policy and the Penn Wharton China Centre. This event will feature as its keynote speaker Darrel West, Vice President and Director of Governance Studies of the Brookings Institution. The speaker will discuss his latest research regarding energy management in China, particularly in relation to innovation technology. For more information and to register, please visit the Brookings Institution [website](#).

11 April, Washington, US. DEVELOPING A NEW ACCOUNTABILITY AND DISPUTE SETTLEMENT MECHANISM ON INVESTMENT – EXPERT MEETING. This event is being hosted by the International Institute for Sustainable Development (IISD) and the American University Washington College of Law's Program on International and Comparative Environmental Law. The discussions will focus on possible upgrades to past models of investment-related dispute settlement, among other related topics. The event takes place just prior to the 111th Annual Meeting of the American Society of International Law (ASIL). For more information on this event, please visit the IISD [website](#).

11 April, London, UK. ASSESSING THE REALITY OF A US-UK TRADE DEAL. This Chatham House event will feature as its guest speaker Laura Lane, President of Global Public Affairs for the United Parcel Service (UPS). Lane will discuss the possible bilateral trade deal between the US and UK, particularly in relation to the new deals that the latter country will have to ink with the EU following its withdrawal. Please note that attendance is open to corporate members only. For more information on this event, please visit the Chatham House [website](#).

12 April, Washington, US, and online. GLOBAL ECONOMIC PROSPECTS: SPRING 2017. This semi-annual webcast is being hosted and organised by the Peterson Institute for International Economics (PIIE). Topics for this webcast will include the forecast for both the American and global economy, along with expected policy changes in areas such as fiscal and monetary policy under the Trump Administration. This event is open to the public and will be streamed online. For more information and to watch online, please visit the PIIE [website](#).

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.

7 April: Trade Policy Review Body – Mexico

11 April: Informal Open-ended Negotiating Group on Rules

12 April: WTO Introduction Day

Other Upcoming Events

23 May, Stockholm, Sweden. TRADE AND CLIMATE ACTION POST-PARIS: LEVERAGING SYNERGIES. This event is being jointly organised by the International Centre for Trade and Sustainable Development (ICTSD) and the Swedish International Development Cooperation Agency (Sida). The event will consist of a dialogue exploring the interlinkages between trade, development, and climate action, with the latter involving the UN's Paris Agreement on climate change. Organisers aim to encourage the exchange of ideas for facilitating the use of trade in meeting climate action objectives, particularly given what this could mean for sustainable development. To learn more and to register, please visit the ICTSD [website](#).

9-10 June, Geneva, Switzerland. ANNUAL CONFERENCE ON WTO LAW. This conference is being jointly organised by Georgetown Law and the Graduate Institute of International and Development Studies in Geneva. Session topics for the two-day conference include Brexit's trade implications; US trade policy under President Donald Trump; developments in trade remedies legislation and jurisprudence; improving dispute settlement within and outside the WTO; and the ongoing debate over the merits and definition of free trade and investment. For more information on this conference and to register, please visit the Graduate Institute [website](#).

23 June, London, UK. FUTURE OF WORK 2017. This annual conference is being organised by Chatham House in partnership with the McKinsey Global Institute. The conference will focus on the factors that are changing the global landscape in the area of work, ranging from the transformation of the digital economy to the different challenges facing various economies in their respective labour markets. The conference will feature a number of speakers including Deputy Director-General for Policy of the International Labour Organization (ILO) Deborah Greenfield and Permanent State Secretary for Federal Ministry of Labour and Social Affairs of Germany Thorben Albrecht. To learn more and to register, please visit the Chatham House [website](#).

25-26 October, Budapest, Hungary. 17th WORLD EXPORT DEVELOPMENT FORUM (WEDF). The International Trade Centre's (ITC) flagship event will have as this year's theme "Trade - A force for good: include, innovate, integrate." The forum will explore how trade can generate positive change at a time when global challenges – economic, social, and environmental – are changing how trade works. WEDF will be co-hosted by the Hungarian Ministry of Foreign Affairs and Trade and will gather business leaders, policymakers, and representatives of international organizations and trade and investment support institutions for interactive sessions and facilitated business-to-business meetings. For more information, please visit the WEDF 2017 [website](#).

Resources

DOMESTIC SUPPORT TO AGRICULTURE AND TRADE: IMPLICATIONS FOR MULTILATERAL REFORM. By Jared Greenville for the International Centre for Trade and Sustainable Development (ICTSD) (March 2017). This paper examines the impact of domestic support policies on the international market for various farm goods, particularly in major agricultural exporters, with a view to facilitating the WTO discussions ahead of the organisation's ministerial conference in Argentina later this year. To download this paper, please visit the ICTSD [website](#).

ARTICLE 50 AND THE GREAT REPEAL BILL ARE ONLY THE BEGINNING. By Robin Niblett for Chatham House (March 2017). In this expert commentary, Niblett discusses the various different elements at play in the Brexit process, and argues that the negotiations between the UK and the other EU member states could also have domestic ramifications within the United Kingdom. Niblett is the director of Chatham House. This commentary is available to view [here](#).

BETTER NEIGHBOURS: TOWARD A RENEWAL OF ECONOMIC INTEGRATION IN LATIN AMERICA. By Chad P. Bown, Daniel Lederman, Samuel Pienknagura, and Raymond Robertson for the World Bank Group (March 2017). This book argues for a renewal of open and integrated trade in Latin America and the Caribbean to achieve the region's goal of strong, consistent economic growth. The authors discuss the challenges and opportunities inherent in pursuing an ambitious regional economic integration effort. To download this book, please visit the World Bank Group [website](#).

A NOD TO NAFTA. By Monica de Bolle for the Peterson Institute for International Economics (PIIE) (March 2017). This blog post discusses recent developments regarding the North American Free Trade Agreement (NAFTA), including the expected negotiations to upgrade the decades-old accord. Bolle examines, for example, the Trump Administration's draft letter to Congress on the subject and other indications of the US' priorities going forward. The blog post is available to view [here](#).

TRADE ISSUES AFFECTING DISASTER RESPONSE. By Michael Roberts and Nazia Mohammed for the World Trade Organization (WTO) (March 2017). The authors of this working paper examine the relationship between trade policy and efforts at responding to natural disasters. They look at how to use trade to support a stronger response to such events, and call for additional research on the interlinkages between these policy areas. The paper is available for download [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

Department of Foreign Affairs and Trade,
Australia

Copyright ICTSD, 2017. Readers are encouraged
to quote and reproduce this material for
educational, non-profit purposes, provided the
source is acknowledged.



This work is licensed under a Creative Commons
Attribution-NonCommercial-NoDerivatives 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 Sofía Alicia Baliño,
Emily Bloom, Iva Gobac, and Elizabeth Stephani.
This edition of Bridges Weekly Trade News Digest
is edited by Sofía Alicia Baliño.

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

ISSN 1563-003X

