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GLOBAL ECONOMY

As Hamburg Summit Approaches, G20 Members Prepare for Debate on Trade

Members of the G20 coalition of major advanced and emerging economies are gearing up for their leaders' summit in Hamburg, scheduled from 7-8 July. The high-level event, which is being held this year under the German presidency, is slated to see the topic of trade take centre stage.

On Tuesday 20 June, German Chancellor Angela Merkel [affirmed](#) that her country is focusing on getting a commitment from leaders on "open markets and free, fair, sustainable and inclusive trade," according to comments reported by Reuters.

She also indicated that more needs to be done in the "debate on globalisation" and in making societies more inclusive, while also warning that protectionist tendencies can have damaging effects for innovation and economic competitiveness.

"We'll do all we can to get as broad an agreement on this as possible in Hamburg. Given the new American administration that's not easy but nonetheless we need to make an effort," she continued, speaking to a domestic industry group.

Over the past several months, officials meeting in different configurations, including the G7 and the G20, have debated over how to address the topic of trade – such as whether and how to include past pledges on combatting protectionism in their communiqués.

Those pledges, while usually common features of those documents, have sparked debate and criticism over the years as to what falls under the heading of "protectionism," along with how to define terms such as free and fair trade.

The new administration of US President Donald Trump has publicly pushed back against reaffirming past language on protectionism in most contexts, opting instead in favour of language on free and fair trade, including the value of "reciprocity" in trading relationships.

However, G7 leaders in Taormina, Italy, did endorse language in their communiqué last month on the value of “free, fair, and mutually beneficial trade and investment, while creating reciprocal benefits,” along with including their previous commitments to open markets and tackling protectionism. (See Bridges Weekly, [1 June 2017](#))

During their meeting in March, G20 finance ministers and central bank governors ultimately did not include a reference to fighting protectionism in their final communiqué, and referred instead to their work to “strengthen the contribution of trade to our economies” and ensure that efforts to pursue improved economic growth are also more fair and inclusive. (See Bridges Weekly, [23 March 2017](#))

In other contexts, such as the Ministerial Council Meeting (MCM) of the Organisation for Economic Co-operation and Development (OECD) earlier this month, disagreements over how to address trade and investment, among other subjects, ultimately led to the release of multiple statements – one consensus statement, one chair’s statement noting areas of consensus or “near consensus,” and one from the United States on its own behalf. (See Bridges Weekly, [15 June 2017](#))

TTIP, CETA

In her speech this week, the German leader also referred to her continued interest in seeing EU-US trade and investment negotiations revived, referring to the Transatlantic Trade and Investment Partnership (TTIP) talks that began in 2013 and have been “in the freezer” since late last year. Merkel has previously expressed her hope of renewing the TTIP talks when meeting with Trump in Washington in March, and some US trade officials have since indicated their openness to the possibility. (See Bridges Weekly, [23 March 2017](#))

Merkel also noted the value of the EU’s trade deal with Canada in this context, according to an informal translation of her remarks. The EU and Canada have negotiated an accord known as the Comprehensive Economic and Trade Agreement (CETA), whose provisional application is expected this year. (See Bridges Weekly, [18 May 2017](#))

Whether the US may pursue a bilateral trade deal with the UK after it exits the EU also remains an open question, with trade officials from both countries [meeting](#) in Washington this week on the subject. The Brexit talks between the EU and UK formally kicked off this week.

Steel update

Merkel also indicated that global overcapacity in steel will likely play a role in the G20 leaders’ discussions, in light of the continued problems plaguing the sector and growing trade frictions due partly to the various investigations underway by national agencies over allegedly unfair practices. (See Bridges Weekly, [4 May 2017](#))

The steel subject is not new to the G20, with talks at last year’s event leading to the establishment of a Global Forum on Steel Excess Capacity. (See Bridges Weekly, [30 March 2017](#))

That forum is due to submit a report to G20 leaders in time for the Hamburg meeting.

“Shaping an interconnected world”

The July leaders’ summit is being held under the theme “shaping an interconnected world.” Germany has outlined a series of [priorities](#) for the high-level event, built around the pillars of improved economic resilience; advancing sustainable development objectives, including on climate action; and more “responsibility” in dealing with challenges such as migration and supporting economic development in the African continent.

To that end, the process leading up to the Hamburg event has included a series of ministerial meetings, some held for the first time. This included, for example, the first-ever meetings of G20 health ministers in May and G20 digital ministers in April. (See Bridges Weekly, [13 April 2017](#))

While there was not a meeting of G20 trade ministers under this year's presidency, there have been meetings of the "[Trade and Investment Working Group](#)," which was established under the Chinese G20 presidency last year.

The meeting may also renew internal tensions on how to address climate action at the international level, in light of Trump's announcement earlier this month that he plans to pull the US out of the UN's Paris Agreement on climate change. (See Bridges Weekly, [1 June 2017](#) and [8 June 2017](#))

After Germany concludes its G20 presidency, Argentina will take on the role for the 2018 cycle. (See Bridges Weekly, [15 June 2017](#))

The members of the G20 are a diverse group, with its member countries spanning across continents and together accounting for 80 percent of global GDP and the majority of global trade. Its members include the EU as a whole, along with Argentina, Australia, Brazil, Canada, China, France, Germany, India, Indonesia, Italy, Japan, Mexico, Russia, Saudi Arabia, South Africa, South Korea, Turkey, the United Kingdom, and the US.

ICTSD reporting; "Germany to focus on free, fair trade at G20 summit: Merkel," REUTERS, 20 June 2017.

FISHERIES

WTO Negotiators Debate Scope, Application of Potential Fish Subsidies Deal

Trade negotiators continued their work last week towards crafting new WTO disciplines on fisheries subsidies, examining two proposals and looking at options regarding the use of dispute settlement rules and notification obligations in a future deal.

The meetings, held at the WTO's Geneva headquarters from 14-16 June, were the latest in a series of multi-day gatherings meant to address both new or updated proposals, as well as examining specific issues in depth.

Negotiators are working to clinch a deal in time for the WTO's Eleventh Ministerial Conference (MC11) in the Argentina capital city of Buenos Aires, slated for 10-13 December. Adding political momentum to this effort is the non-binding commitment under the UN's Sustainable Development Goal (SDG) 14 to conclude an agreement by 2020. That pledge was reaffirmed earlier this month during the UN Ocean Conference in New York. (See Bridges Weekly, [15 June 2017](#))

Proposals in review

Among the proposals under scrutiny last week was a new communication from Indonesia, as well as a communication from a group that included Argentina, Colombia, Costa Rica, Panama, Peru, and Uruguay.

The Indonesian proposal tackles two main areas: prohibitions, along with special and differential treatment (S&DT), which has long been a thorny topic in these negotiations. The country makes note that the topic of fisheries subsidies has particular relevance for its national context, spurring its interest in negotiating rules in this area.

"Indonesia is an archipelagic state with more than 70 percent of its territory covered in water and heavily dependent on its extensive coastal regions and oceans for the livelihood of its people. Hence, it is important for Indonesia to convey its position regarding fisheries subsidies," the proposal says.

The document notes later the economic challenges that its country's artisanal fisheries face as a result of IUU fishing, for example, which it argues have turned people away from participating in the sector.

Furthermore, the southeast Asian nation argues that any future fisheries subsidies deal must "take into account the lives of the artisanal, traditional, and small-scale fisheries, particularly in developing countries and [least developed countries]."

The communication then includes a series of proposed articles, outlining how a fisheries subsidy should be defined in this context; which fisheries subsidies should be included in new disciplines; and special and differential treatment.

On special and differential treatment, Indonesia argues that developing countries must be able to provide subsidies to support artisanal fishing as well as subsidies for vessel construction and some operating costs for small-scale fisheries, along with providing a definition for what qualifies as a small-scale fishery. In the case of small-scale fisheries'

support, conditions would be attached to this state aid, such as the development of an enforceable fishery management plan, among others.

Trade sources told Bridges that the proposal drew requests for additional clarity on certain areas, such as on the scope of certain proposed flexibilities, as well as questions regarding the final provision on developed country members providing poorer countries with technical assistance upon request.

The proposal from the Latin American country group takes a different focus, putting forward disciplines banning the use of subsidies related to IUU fishing; overcapacity and overfishing; while clarifying that the disciplines, except for those related to IUU fishing, should not hinder smaller-scale fishers' abilities in certain areas, such as engaging in markets.

It also outlines notification requirements on a host of aspects of fisheries subsidies, ranging from the types and levels of subsidies being provided to fish catch data and conservation measures for fish stocks.

The final two sections refer to systems for providing developing and least developed country members with technical assistance and capacity building, along with a "review clause" to assess annually the implementation of the new rules and what can be done to support them.

At last week's meeting, various members reportedly raised questions regarding various different aspects of this proposal, such as whether the notification requirements would be overly difficult for some countries to meet, or whether some of the subsidy disciplines had overly broad exemptions that could be improved by clearer definitions and criteria.

Both Indonesia and the Latin American country group are reportedly planning to update their respective proposals based on members' feedback, according to sources familiar with last week's meetings. Other proposals that have been discussed in prior meetings include those tabled by the European Union, as well as by New Zealand, Iceland, and Pakistan. Concept papers were previously put forward by the Least Developed Country (LDC) and the African, Caribbean, and Pacific (ACP) Groups, respectively. (See Bridges Weekly, [24 May 2017](#))

Trade sources confirm that the EU is preparing an updated proposal. The ACP Group is also preparing to submit draft text for consideration, sources say, and circulated this week an updated concept paper. Norway is said to be preparing draft text as well, telling the WTO's Committee on Trade and Environment on Tuesday that this will be circulated shortly.

Dispute settlement, standstill, transparency

Negotiators also met on Friday 16 June to tackle a series of specific issues, such as how and whether to make a future fish subsidies deal subject to the WTO's dispute settlement rules; what sort of reporting commitments there should be and how to address concerns over the burden that transparency requirements might place on poorer members; and whether to include a "standstill" provision that would commit members not to put in place new subsidies.

Sources says that these discussions drew questions on various fronts, such as what is meant by transparency obligations and whether developing and least developed countries can meet them, along with whether putting in place a "standstill provision" could risk limiting "policy space" for poorer countries that are working to gain a foothold in the fisheries sector, and whether it would even be necessary if strong subsidy disciplines are put in place.

On whether and how to subject a new fish deal to the WTO's dispute settlement system, various members reportedly called for an enforceable and legally binding deal, while some suggested that the negotiations need to be further advanced before getting into this subject in greater depth.

However, some questions have been raised in this context over the use of environmental definitions developed elsewhere and what this means for the dispute settlement process. Least developed countries have also indicated that they would need special and differential treatment in this area.

What form a future deal could take within the WTO framework also remains unclear, one source said, while noting that this institutional question will likely become clearer once the disciplines have been further developed.

Negotiators are slated to meet on multiple occasions next month in a bid to advance the talks further before the WTO's August recess.

Sources familiar with the talks say that members are aiming to have all proposals on the table by then, and potentially have some form of "compilation" document that consolidates the materials and topics discussed so far, in order to facilitate the next stage of talks when these resume in the autumn.

ICTSD reporting.

GENDER

Officials Discuss Ways to Tackle Gender Trade Gap at Brussels Forum

Officials from governments, international agencies, the private sector, and civil society discussed policy plans and ideas for how to address the gender trade gap during the International Forum on Women and Trade in Brussels, Belgium, on Tuesday 20 June.

"Each woman who can benefit from trade is a woman who can open new markets and new opportunities, can sell and spread her ideas, and support her community and sometimes her whole village," [said](#) EU Trade Commissioner Cecilia Malmström in opening the conference.

The day-long event in the Belgian capital focused on using trade policy tools to facilitate women's economic empowerment, especially in light of commitments made by governments under the UN's Sustainable Development Goals (SDGs).

[Sustainable Development Goal 5](#) is devoted specifically to gender equality and women's empowerment, with the associated targets calling for the elimination of discrimination and violence directed at women and girls; taking steps in the areas of property rights, financial services, and a host of other resources that could support women's economic empowerment; and acting to give women everywhere access to reproductive rights and health, among others.

The Brussels [meeting programme](#) included a combination of plenary sessions and expert panels. Among the topics under discussion was how to make the most of existing data in this field and address data gaps; how to improve access to finance and participation in global value chains; how to bring more women into the digital economy; and how to incorporate gender-related issues into trade policy – including under free trade deals and in discussions under the WTO framework.

Malmström: looking at gender in trade deals

Malmström, who served as one of the co-hosts of the event, affirmed that the bloc's executive arm plans to pursue the inclusion of gender-focused chapters in future trade deals, including in the planned upgrade to the EU-Chile trade accord.

"We will be launching our trade negotiations with Chile soon, and I would like to include a gender chapter there, and see what we could learn from the Chilean experiences. And see if this could be a pilot project for us in the European Union to take forward in other trade negotiations," she said.

Chile and Canada recently confirmed that they have concluded negotiations on a new gender chapter for their 20-year-old trade agreement. Chile and Uruguay also have a [chapter](#) on gender and trade in their bilateral trade accord. (See Bridges Weekly, [8 June 2017](#))

Chilean President Michelle Bachelet also addressed the conference through video message, while Canadian Trade Minister François-Philippe Champagne participated in the panel discussions in Brussels.

Malmström also pledged that the 28-nation bloc will back efforts underway at the WTO by some members, such as Canada, to address gender in the context of trade in services.

"Trade in services is often connected to the movement of people, with rules on qualifications and licenses. These measures must not discriminate against women. We fully support the proposal of Canada to include and address this at the next World Trade Organization ministerial conference. We will co-sponsor it, and push for change, as we prepare for upcoming WTO talks," she said.

Canada, together with Argentina, Chile, Colombia, Iceland, and Uruguay have recently circulated a communication under the WTO's Working Party on Domestic Regulation calling for an article addressing "gender equality" to be negotiated in that context.

This article "covers elements of domestic regulation within the scope of GATS Article VI.4." This refers to the General Agreement on Trade in Services (GATS) provision on domestic regulation, which empowers the Council for Trade in Services to develop disciplines aimed at "ensuring that measures relating to qualification requirements and procedures, technical standards, and licensing requirements do not constitute unnecessary barriers to trade in services."

The communication then goes on to include the following provision under the heading of gender equality: "where a member adopts or maintains licensing requirements, licensing procedures, qualification requirements, or qualification procedures, the member shall ensure that such measures do not discriminate against individuals on the basis of gender."

González: Domestic, trade policies essential

Making sure that women can both access and benefit from economic opportunities will require efforts at multiple levels, including through domestic policy, Aid for Trade support, and trade policy, [according](#) to International Trade Centre (ITC) Executive Director Arancha González, who co-hosted the event with Malmström.

"Women and international trade is no longer the proverbial elephant in the room. We can't afford that. If we are going to help push global growth, eradicate extreme poverty, and create sustainable jobs we have to not only move this topic centre stage – we need to make it actionable," she said.

González similarly welcomed the efforts by the Canadian, Chilean, and Uruguayan governments to add in gender chapters to their existing trade deals, while noting that women still face barriers in a host of areas.

For example, she noted the low percentages when it comes to women's involvement in e-commerce, due to factors such as not owning a mobile phone, not having internet access, or not having the necessary digital literacy.

She also described the strikingly low numbers of US companies owned by women that participate in "high economic impact" sectors, while noting that countries in both the developed and developing world face similar problems.

"Women in trade and [small and medium-sized enterprises] are two sides of the same coin. Competitiveness and trade are two sides of the same coin. Women's economic empowerment and inclusive growth are two sides of the same coin," she said.

González also outlined her organisation's work in this area under the [SheTrades](#) initiative to facilitate greater participation by women in global markets.

Azevêdo calls for greater engagement

The heads of the World Trade Organization (WTO) and the UN Conference on Trade and Development (UNCTAD) were also on hand during the Brussels meet, with each official outlining some of the barriers women face in this field, and ways to begin moving forward.

"The gender gap is great and a lot more needs to be done to close it," [said](#) WTO Director-General Roberto Azevêdo, outlining challenges ranging from access to capital to cultural norms, and noting the link between SMEs and women's economic opportunity.

He also reiterated concerns over getting the necessary data in understanding the gender-trade nexus, which he warned are hindering action in this area, along with calling for greater work in this area.

In a separate [WTO brochure](#) released the same day, Azevêdo reiterated that case, stating that "investing in women – and empowering women to invest in themselves – is a risk free venture."

The WTO publication outlines specific benefits that can derive from making this topic a priority, citing cases where creating employment opportunities for women lead to more girls being enrolled in schools, among others.

However, it also notes that women often face high hurdles for engaging in trade, including gender-biased legal systems, limited access to finance, and poor working conditions. At the WTO institutional level, the brochure outlines areas where the organisation may help – such as through trade facilitation rules and the negotiation of "trade-related development decisions."

ICTSD reporting.

INTELLECTUAL PROPERTY

WIPO Members Round Up IGC Work Programme with Talks on Traditional Cultural Expressions

Members of the World Intellectual Property Organization's (WIPO) Intergovernmental Committee on Intellectual Property and Genetic Resources, Traditional Knowledge and Folklore (IGC) have now completed their work programme for the [2016/2017 biennium](#), approving updated draft articles in their negotiations on traditional cultural expressions (TCEs) last week.

The annual WIPO Assemblies, scheduled for October 2017, will address the renewal of the Committee's mandate, among other topics. The IGC has been tasked with developing an international legal instrument(s) to ensure the balanced protection of traditional knowledge, genetic resources, and TCEs, based on an evidence-centred approach through the sharing of national experiences and initiatives.

The WIPO IGC was established 17 years ago, with formal talks towards developing such an instrument(s) kicking off in 2009. (See Bridges Weekly, [9 March 2017](#))

The task involves balancing a complex set of concerns, such as protecting biodiversity; responding to concerns by indigenous communities over exploitation and misappropriation; and ensuring that the benefits derived from such resources are shared more equitably.

Delegations at last week's 34th [IGC session](#) sought to build consensus on the nature of a potential instrument on TCEs, including policy objectives, subject matter and scope of protection, beneficiaries, as well as exceptions and limitations to its coverage.

TCEs are [artistic expressions](#) that are inherited through generations and comprise part of the cultural and social identity of a traditional community. Examples can range from dances, rituals, and sports to artistic expressions, handicrafts, music, poetry, and other narratives.

A [Seminar on Intellectual Property and Traditional Cultural Expressions](#) preceded the meeting from 8-9 June.

Draft articles updated

The [draft articles](#) were revised to better reflect member positions and were issued by the facilitators, Margo Bagley from Mozambique and Ema Hao'uli from New Zealand, on 15 June. An updated version was finally [approved](#) by the Committee at the session's conclusion.

Article 1 on policy objectives added a fourth alternative, similar to Alternative 3 but dealing in terms of preventing "misappropriation, misuse, or offensive use of traditional cultural expressions" as opposed to the more positive phrasing, supporting "the appropriate use and protection of traditional cultural expressions."

In addition, Alternative 3 specifies that the objective deals "within the intellectual property system, in accordance with national law," whereas Alternative 4 does not include such a stipulation.

Article 4, on the subject of the beneficiaries of the instrument, also took on a fourth alternative, seeking to be more specific in terms of what constitutes “other beneficiaries,” aside from indigenous peoples and local communities.

Alternative 2 of Article 5, which deals with scope of protection, was dropped in the revised version of the text following the addition of Alternative 3 in IGC 33, which caused the Group of Like-Minded Countries to shift their favour, according to IP Watch.

Alternative 1 of Article 6 on the administration of rights/interests was extended to include the paragraph originally present in the Alternative 2, specifying that the identity of any competent authority designated to administer the rights/interests provided for by the instrument must be transmitted to the International Bureau of WIPO. The two alternatives now differ only in the role of the beneficiaries, whether they must be kept “in close consultation” or whether “explicit consent” must be granted on their behalf.

A new alternative was inserted, now Alternative 3, into Article 7, proposing that exceptions and limitations may be adopted in special cases, provided that they do not “unreasonably prejudice the legitimate interests of beneficiaries, taking account of the legitimate interest of third parties.”

Furthermore, Alternative 2 gained two new paragraphs, allowing member states to provide for exceptions and limitations beyond those illustrated in paragraph 2 – including in cases of learning, teaching, and research; preservation in cultural institutions; and the creation of creative works inspired by TCEs. Certain member states reportedly expressed concern that this clause may allow too much leeway in what can be characterised as an exception, according to IP Watch.

Alternative 2 now also includes a paragraph allowing for the provision of exceptions and limitations where protected TCEs are “incidentally” used in another work, or where the user had no reasonable grounds to know that the TCE is protected.

What was previously Article 16 on non-derogation, intended to ensure that the instrument is not “construed as diminishing or extinguishing the rights” of indigenous peoples, has now been subsumed under Article 12 on the relationship with other international agreements. Two additional paragraphs were added, aimed at upholding the rights enshrined in the UN Declaration on the Rights of Indigenous Peoples.

The revised text also incorporates an alternative proposed by the US, supported by the EU according to IP Watch, stipulating the elimination of Article 8 (terms of protection/safeguarding), Article 9 (formalities), Article 10 (sanctions, remedies and exercise of rights/interests), Article 11 (transitional measures) and Article 13 (national treatment).

What's ahead

In addition, the Committee took stock of progress to date in the draft texts and provided recommendations on its future work to the UN agency's General Assembly, scheduled for later this year. The precise details of the Committee's work programme for the 2018/2019 biennium remain to be determined by the Assembly.

“Noting the progress made, the Committee considered that more work needs to be done,” the [decisions](#) released at the close of the session state. “The Committee recommended that the WIPO General Assembly decide that the Committee should continue its work during the 2018-2019 biennium and that the Assembly decide on a mandate and a work programme.”

A draft written report, detailing the decisions and the interventions made to the Committee, will be prepared and distributed by August 2017 and will be submitted for adoption at the next IGC session.

This October, the WIPO Assemblies will decide on whether to convene a diplomatic conference, the body's highest level meeting, or continue negotiations.

A call for the conversion of the IGC into a standing WIPO Committee has been put forth by the African Group, according to IP Watch. Other members still doubt the necessity of a binding legal instrument(s), and suggest that existing intellectual property mechanisms could already be effective in protecting TCEs.

ICTSD reporting; "WIPO TK Committee Agrees To Continue Work, But Real Outcome Depends On October Assembly," IP-WATCH, 19 June 2017; "Revised Articles Protecting Folklore Head To WIPO General Assembly, For Better Or Worse," IP-WATCH, 19 June 2017; "WIPO Seminar Looks At Protection Of Folklore," IP-WATCH, 12 June 2017; "WIPO Members Consider Future Of Committee On Traditional Knowledge, Folklore," IP-WATCH, 12 June 2017.

ENVIRONMENT

Governments Prepare for Global Mercury Treaty's Entry into Force

Governments are gearing up for the entry into force of a landmark global deal on curbing mercury emissions, scheduled for August this year.

At press time, [63 ratifications](#) to the Minamata Convention on Mercury had been submitted, and there are 128 signatories. The accord was negotiated by some 140 nations that met four years ago to finalise the international binding treaty aimed at tackling the effects of mercury pollution on human health and the environment. (See Bridges Weekly, [17 October 2013](#))

The treaty was designed to go into effect 90 days after it had been ratified by at least 50 countries and passed this threshold [last month](#) when the EU and seven of its member states – Bulgaria, Denmark, Hungary, Malta, the Netherlands, Romania, and Sweden – submitted their instruments of ratification. As a result, the Minamata Convention will become legally binding for all of its parties on 16 August.

Mercury properties, risks

Mercury occurs naturally in our environment, and exists in three main forms: elemental mercury, inorganic compound, and organic compound (methylmercury). No level of exposure of any form is considered safe.

Elemental mercury is commonly used in products like thermometers, batteries, and fluorescent light bulbs and is released into the air through mining or the burning of fossil fuels, among other situations. Similarly, exposure to inorganic mercury often occurs in work environments where the compound is used.

Although exposure can occur through the handling of the substance, more damage results from inhaling fumes from emissions. Known [health effects of exposure](#) to these mercury types include significant lung damage at high vapour concentrations and organ abnormalities over a longer period of time.

As mercury levels in the environment rise due to anthropogenic emissions, methylmercury can end up in the food chain, especially in fish and shellfish, posing a serious risk to ecosystems and wildlife. Additionally, the toxic effects of mercury exposure on humans are magnified upon ingestion of contaminated organisms, which can lead to neurological damage and foetal developmental abnormalities. (See Bridges Weekly, [13 November 2014](#))

The adverse effects of mercury transcend boundaries because of the way that the substance can move through trade as a commodity, the atmosphere via emissions, and waterways as it is absorbed and converted into methylmercury, which can then enter the food chain.

In response, the Minamata convention establishes an international regulatory framework by which parties can curb the use and production of mercury, and considers ways to control and reduce air emissions and water releases while ensuring safer storage and improved waste management.

Measures include prohibiting new mercury mines and phasing out existing ones, while simultaneously reducing the use of mercury in various products and processes.

The deal also involves restrictions on the trade of mercury-added products and the substance itself, along with manufacturing prohibitions. However, some exceptions exist for medical products that lack good mercury-free alternatives.

Special attention has also been given to artisanal and small-scale gold mining in [Article 7](#), which promotes "education, outreach, and capacity building initiatives; promotion of research into sustainable, non-mercury alternative practices; and provision of technical and financial assistance" as appropriate for achieving the convention's objectives.

The convention's trade-specific articles, most notably Articles [3](#) and [4](#), outline certification schemes for the safe handling and ensuring the mercury comes from permitted sources, which both party and non-party actors engaging in relevant trade would be required to abide by. Parties seeking to export mercury may only do so under the condition that the importing party has provided written consent to the exporter and has established a purpose of use, in line with those determined appropriate by the convention.

Coming up

Governments and other interested stakeholders met last year at the seventh session of the Intergovernmental Negotiating Committee on Mercury ([INC 7](#)) to prepare for the first meeting of the Conference of Parties to the Convention ([COP1](#)), as well as the convention's entry into force.

These preparatory talks included operation of the financial mechanism and procedures for the registration of notifications and exemptions as it pertains to trade. Deliberations also involved comprehensive ways of identifying stocks of mercury and mercury compounds, as well as developing robust emission controls.

COP1 is scheduled for 24-29 September in Geneva, Switzerland. The week-long event will afford delegates the opportunity to consider the various [submissions](#) made by various governments, universities, research organisations, and intergovernmental agencies.

Prior to COP1, the interim secretariat has organised a series of regional preparatory meetings scheduled throughout the month of July 2017. The first cluster of these meetings will be held for Asia and the Pacific in Bangkok, Thailand, from 5-7 July.

ICTSD reporting.

GLOBAL ECONOMY

US, New Zealand Officials Look to Deepen Trade Ties

US and New Zealand officials are exploring options to deepen bilateral trade ties, with the possibility of formal trade talks being floated.

New Zealand Trade Minister Todd McClay met with US trade officials, including US Trade Representative (USTR) Robert Lighthizer and US Commerce Secretary Wilbur Ross, during his trip to the North American nation last week.

While details about the specifics of their discussions were limited, both parties released statements about the continued trade relationship between New Zealand and the United States.

In an interview with Politico, McClay said that there are "countries of the world that are looking to do deals with each other that a year or two ago may not have been." Furthermore, in an [official statement](#), he said that Wellington welcomes Washington's "interest in an FTA as a demonstration of the good shape our trading relationship is in."

The New Zealand government announced [earlier this year](#) an objective that would have 90 percent of goods exported by 2030 to be covered by FTAs. Currently, just over half are covered, therefore the country has been looking for partners to develop additional free trade deals. The US is New Zealand's third largest trading partner.

The office of the USTR also published a [press release](#) that emphasised the US' commitment to working with New Zealand and building an "even stronger, mutually-beneficial trade relationship and working together to ensure fair, transparent access to markets around the world."

Furthermore, Lighthizer said in the press release that the US continues to be committed to "engagement in the Pacific region for free and fair trade."

Officials say that bilateral ties between the two sides will continue to develop, though whether these efforts might lead to formal trade negotiations remains to be seen. The current US administration has said that it will prioritise the negotiation of bilateral trade deals going forward.

TPP-11 meetings ahead

The US withdrew from the Trans-Pacific Partnership (TPP) early this year, under the administration of new US President Donald Trump. The TPP also includes New Zealand, along with 10 other countries. (See Bridges Weekly, [9 February 2017](#)).

Since withdrawing from the TPP, the Trump administration has repeatedly stated that it wants to maintain a strong trade presence in Asia, and may seek bilateral trade agreements with some countries in the region instead.

Meanwhile, the remaining eleven countries in the TPP are currently undergoing discussions on how to move forward. At a meeting last month in Hanoi, trade ministers from the TPP-11 released a [joint statement](#) confirming that they are actively exploring options to bring the agreement into force, and are due to announce the results of this assessment in

November. Additional talks are planned in July on the subject. (See Bridges Weekly, [24 May 2017](#)).

New Zealand has repeatedly expressed a "strong commitment to continuing with the TPP" in recent months, despite the US' decision to withdraw. Wellington officials have met throughout the year with their TPP-11 counterparts individually and in group form to explore various options. (See Bridges Weekly, [9 February 2017](#) and [23 February 2017](#)).

New Zealand has already ratified the agreement, even as the TPP-11 debate on whether to ratify the current agreement or renegotiate it continues.

ICTSD reporting; "NZ optimistic of free trade deal with US," NEWS HUB, 18 June 2017; "New Zealand optimistic about free trade deal with US," REUTERS, 18 June 2017; "Trade Minister gets an early appointment with the new US Trade Representative," NEW ZEALAND HERALD, 13 June 2017; "Politico Morning Trade," POLITICO, 19 June 2017; "Government wants Free Trade Agreements to cover 90 percent of exports," STUFF.CO.NZ, 24 March 2017.

TRADE AGREEMENTS

PACER Plus Countries Prepare for Trade Deal Ratification

Australia, New Zealand, and eight Pacific island countries signed [the Pacific Agreement on Closer Economic Relations Plus](#) (PACER Plus) last week in Nuku'alofa, Tonga, eight years after negotiations for the trade and development deal began.

According to a [joint statement](#) released by Australian trade minister Steve Ciobo and assistant trade minister Keith Pitt, the regional accord has the "potential to reshape the economic fundamentals of the Pacific region." The negotiations themselves concluded last April.

Echoing these sentiments, New Zealand trade minister Todd McClay [described](#) the deal on 20 June as a "high quality trade and development agreement" that supports sustainable economic development in Pacific countries.

"PACER Plus strikes a fair balance between lowering tariffs and offering greater certainty for New Zealand businesses and investors, while ensuring Pacific Island countries benefit from trade. Those benefits include increased capacity and the modernisation of their economies at a sustainable and realistic pace," said McClay.

In order to reach the deal's development goals and boost trade and employment, PACER Plus focuses on various aspects of goods and services trade, as well as investment. For example, on [goods trade](#) it covers [rules of origin](#) and customs procedures, as well as provisions for improving market access and island countries' ability to address issues relating to food safety and plant and animal health – known in trade jargon as sanitary and phytosanitary measures.

On market access, Australia and New Zealand have agreed to eliminate tariffs on goods originating from the Pacific island nations involved. For the latter group, their tariff reductions operate on timeframes that depend on various factors, such as whether they are least developed countries and are part of the World Trade Organization.

Other topics covered in PACER Plus include temporary movement of natural persons, technical assistance, and transparency, among others. The deal also reaffirms the WTO's Agreement on Technical Barriers to Trade and aims to support non-WTO members in bringing their systems closer in line with that accord.

Furthermore, PACER Plus aims to boost foreign direct investment between the countries involved, which [officials say](#) could help Pacific island nations develop various other aspects of their economies – such as farming and mining.

Signatories pending, ratification process

Three of the Pacific island region's main economies, Fiji, Papua New Guinea, and Vanuatu opted out of signing the accord, with detractors questioning the balance of the final deal and its potential implications for sectors such as manufacturing.

Concerning these issues, Fiji's Minister for Industry, Trade and Tourism Faiyaz Koya told the Fiji Times that "we cannot allow PACER Plus or any trade agreement for that matter, to limit

our development aspirations by taking away the flexibility to support our new and emerging industries and constraining our ability to strengthen South-South trade relations."

New Zealand Prime Minister Bill English, however, told Radio New Zealand earlier this month that the deal has built-in timeframes to allow the countries involved to adapt to its terms, along with outlining commitments from Canberra and Wellington to provide support for doing so.

Should Fiji, Papua New Guinea, and Vanuatu decide to join PACER Plus in the future, they can undertake accession talks with current parties to do so.

With the signing process now concluded, PACER Plus will take effect 60 days after eight negotiating parties complete their domestic processes and have notified the depositary accordingly.

ICTSD reporting; "PACER-Plus trade deal signed in Tonga," RADIO NEW ZEALAND, 14 June 2017; "Joey Tau: Can the NSG bloc walk out on the PACER-Plus trade deal?" ASIA PACIFIC REPORT, 13 June 2017; "Koya: Fiji stands by decision," THE FIJI TIMES ONLINE, 16 June 2017.

EVENTS & RESOURCES

Events

Coming Soon

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. To learn more and to register, visit the Chatham House [website](#).

26-27 June, Budapest, Hungary. 2017 CONFERENCE OF THE GLOBAL FORUM ON PRODUCTIVITY. This annual conference is being organised by the Global Forum on Productivity under the Organisation for Economic Co-operation and Development (OECD) and will invite senior policymakers, experts, and academics to discuss global value chains (GVCs), trade, productivity, and the global economy. For more information on this conference, visit the OECD [website](#).

27-29 June, Dalian, China. ANNUAL MEETING OF THE NEW CHAMPIONS. This annual meeting is being organised by the World Economic Forum and will bring together leaders across sectors to discuss the current global landscape in areas ranging from the economy to the environment. Specifically, the topics of enabling emerging technologies, preparing for systems leadership, and rethinking inclusive growth will be explored. For more information on this meeting, visit the World Economic Forum [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.

23 June: Informal Committee on Market Access

27-28 June: Symposium on the 20th Anniversary of the Information Technology Agreement

28 June: Committee of Participants on the Expansion of Trade in Information Technology Products

29 June: Trade Dialogues Lecture Series – Trade in Ideas as New Development Policy

29-30 June: Committee on Regional Trade Agreements

Other Upcoming Events

11-13 July, Geneva, Switzerland. SIXTH GLOBAL REVIEW OF AID FOR TRADE: "PROMOTING TRADE, INCLUSIVENESS AND CONNECTIVITY FOR SUSTAINABLE DEVELOPMENT." This biennial WTO event will feature over 50 sessions focusing on the Aid for Trade Initiative, as well as how to support the UN's Agenda 2030 for Sustainable

Development and the related Sustainable Development Goals (SDGs). Please note that registration closes on 26 June. To learn more, visit the WTO [website](#).

19-20 September, Kuala Lumpur, Malaysia. GLOBAL SYMPOSIUM ON DEVELOPMENT FINANCE INSTITUTIONS: "CHALLENGES AND OPPORTUNITIES FOR DFIs IN A CHANGING WORLD." This symposium is being organised by The World Bank and Bank Negara Malaysia and will invite government officials, regulators, development finance institutions (DFIs), academics, and researchers to discuss the development finance ecosystem. The symposium will aim to support a better understanding of how these institutions work, examine DFI success stories, discuss best practices, and connect stakeholders in this field. For more information, please visit The World Bank [website](#).

25-27 September, Geneva, Switzerland. TRADE FOR SUSTAINABLE DEVELOPMENT FORUM 2017. This annual event by the International Trade Centre (ITC) will examine the topics of voluntary sustainability standards and sustainable value chains, looking specifically at partnerships and collaboration in this field. To learn more and to register, visit the ITC [website](#).

26-28 September, Geneva, Switzerland. WTO PUBLIC FORUM 2017: "TRADE: BEHIND THE HEADLINES." This year's edition of the WTO's outreach event will have as its theme "Trade: Behind the Headlines." The meeting will aim to look at the real-life implications of trade, as opposed to rhetoric, and will also look at how trade can support the 2030 Agenda for Sustainable Development and related issues. To learn more, visit the WTO [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 organisations 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

INVESTMENT TRENDS MONITOR – SPECIAL ISSUE. Published by the UN Conference on Trade and Development (UNCTAD) (June 2017). This special issue of UNCTAD's Investment Trends Monitor examines the relationship between services and investment, including through the lens of the WTO's General Agreement on Trade in Services (GATS). The publication is available for download [here](#).

CURRENCY CONFLICT AND TRADE POLICY: A NEW STRATEGY FOR THE UNITED STATES. By C. Fred Bergsten and Joseph E. Gagnon for the Peterson Institute for International Economics (PIIE) (June 2017). This book focuses on conflicts over currency valuations as a recurrent feature of the modern global economy and investigates the implications for trade, investment, and other areas. The authors also assess policy options that Washington could consider going forward. To access this book, please visit the PIIE [website](#).

STEEL, ALUMINUM, LUMBER, SOLAR: TRUMP'S STEALTH TRADE PROTECTION. By Chad P. Bown for the Peterson Institute for International Economics (PIIE) (June 2017). This policy brief examines the Trump administration's approach to trade policy and the rules-based trading system. The author argues that the Trump administration has been taking a trade-restrictive approach to policy and examines possible implications for bilateral, regional, and global trade policy. To view the full document, please visit the PIIE [website](#).

AFRICAN ECONOMIC OUTLOOK 2017. Published by the Organisation for Economic Co-operation and Development (OECD) (May 2017). This annual report examines Africa's performance in various economic and financial areas, including on trade, along with development and governance. The report focuses especially on the relationship between entrepreneurs and industrialisation and proposes national-level policy options. To learn more and to download this report, please visit the [OECD's iLibrary](#).

FIVE WAYS TO ADDRESS FOSSIL FUEL SUBSIDIES THROUGH THE WTO AND INTERNATIONAL TRADE AGREEMENTS. By Peter Wooders and Cleo Verkuijl for the Stockholm Environment Institute (SEI) (June 2017). This blog post builds on recent workshops regarding the role of the WTO in advancing fossil fuel subsidy reform. The authors also look at this subject through the lens of the 2030 Agenda for Sustainable Development and the related Sustainable Development Goals (SDGs). The article is available [here](#).

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