

# BRIDGES WEEKLY

Global trade news from a sustainable development perspective

VOLUME 21, ISSUE 33, 12 OCTOBER 2017

## WORLD TRADE ORGANIZATION

Ministers in Marrakech Grapple with Buenos Aires Deliverables, Future WTO Agenda.....1

## AGRICULTURE

Brexit: UK, EU Propose Cooperative Approach to WTO Commitments.....5

## GENDER

Group of WTO Members Prepares Declaration on Trade and Gender.....8

## TRADE AGREEMENTS

EU, India Leaders Call for "Timely Relaunch" of Trade Talks.....10

## TRADE REMEDIES

EU Institutions Sign Off on Draft Changes to Anti-Dumping Legislation .....12

## ENVIRONMENT

Global Mercury Treaty Enters Implementation Phase .....14

## TRADE AGREEMENTS

US, South Korea to Consider Possible Revisions to Trade Deal.....16

## EVENTS & RESOURCES

Events .....18  
Resources .....20

## WORLD TRADE ORGANIZATION

### Ministers in Marrakech Grapple with Buenos Aires Deliverables, Future WTO Agenda

Trade ministers from nearly 40 WTO members concluded a two-day series of meetings in Marrakech, Morocco, this week, with Director-General Roberto Azevêdo stating afterwards that much work remains to ensure that the upcoming ministerial conference in Buenos Aires, Argentina, leads to tangible results.

The "mini-ministerial" was pegged as a potentially key checkpoint ahead of the Buenos Aires meeting, which is slated for 10-13 December and serves as the highest level of meeting for the global trade club. The meeting in Marrakech from 9-10 October was co-hosted by the governments of Morocco and Argentina.

"There are some promising issues on the table, but in all areas there is still a lot of work to do. If ministers want to see a successful outcome in Buenos Aires, something more is going to have to happen in the coming days and weeks," [said](#) the WTO chief on Tuesday in remarks to ministers.

Separately on social media site [Twitter](#), Azevêdo said that he was "encouraged by the political support and focused discussions as we approach MC11," making the remarks following the meeting's close. MC11 is trade shorthand for the Buenos Aires meeting, known formally as the WTO's Eleventh Ministerial Conference.

According to a [press summary](#) released by meeting co-host Argentina, the meeting was held in a "constructive environment," with the officials present pledging "to undertake their greatest effort to ensure advances materialise in Buenos Aires in December which strengthen the multilateral trading system in the face of 21<sup>st</sup> century challenges."

The same summary said that ministers discussed possible outcomes on fish subsidies, agriculture, services, and developing country issues. Furthermore, the statement reads, "ministers recognised... the importance of having the Eleventh Ministerial Conference give special attention to the new modalities of international trade and the integration of small and medium-sized enterprises into the international marketplace; promoting and facilitating foreign investments; and digital trade."

### Picking up the pace

Over the past several months, negotiators in Geneva have been working to advance a set of possible deliverables either for the Buenos Aires meeting itself, or for inclusion in a future-oriented agenda that WTO members could follow going forward.

Among the key items on the table have been a possible agreement disciplining harmful fisheries subsidies; agriculture-related deliverables in areas such as domestic support and public food stockholding; and efforts to advance outcomes on domestic regulation in services; investment facilitation; and e-commerce.

One recurring theme in public comments from several ministers, however, was that the coming weeks will be intense ones for negotiators, given the amount of work remaining and the current state of play.

"If we want to have a positive outcome in Buenos Aires in December, then we need to focus and pick up the pace," [said](#) EU Trade Commissioner Cecilia Malmström on Monday 9 October following the first day of talks.

Others also noted that these efforts should focus not just on what can be achieved in Argentina, but where the WTO goes next.

An MC11 package of outcomes must include "concrete results in agriculture, services, and fisheries," [said](#) Juan Carlos Baker, Mexican Undersecretary of Foreign Trade, on Twitter after the meeting. He also [said](#) that after the ministerial, there would need to be "a clear road map to address other subjects in a post-Buenos Aires agenda."

Meanwhile, sources familiar with the talks confirm that much technical and political work remains in these areas, and that members still hold diverging views both on how to execute some of these objectives, as well as harbouring long-standing divides on how and whether to address so-called "new issues" such as e-commerce and investment facilitation in a multilateral framework. Sources say that some of these newer areas could ultimately advance in the form of plurilateral initiatives.

"Trying hard to ensure multilateral WTO remain[s] intact, despite huge pressures," said Suresh Prabhu, Indian Minister of Commerce and Industry, on social media site [Twitter](#). The statement did not elaborate on such pressures, while noting that the Indian official was meeting with several of his counterparts individually.

There were also continued public calls from some countries, such as South Africa, to address the outstanding topics from the WTO's Doha Round of trade talks. Ministers in Nairobi two years ago agreed to disagree on whether to reaffirm the Doha Development Agenda and subsequent declarations on the subject, noting that "members have different views on how to address the negotiations." (See Bridges Daily Update, [19 December 2015](#))

Another persistent question between now and Buenos Aires will be how WTO members address the recent stalemate over starting a selection process to fill two empty seats on the Appellate Body, which serves as the highest global trade court. By the time of the ministerial, that number will rise to three once another Appellate Body member's term expires.

Members have disagreed on whether to start the selection processes jointly or sequentially – while the US has disagreed with starting any selection process at all until other "systemic" questions are addressed. (See Bridges Weekly, [14 September 2017](#)).

Furthermore, US trade officials have repeatedly said in recent months that they do not foresee major negotiated outcomes in Buenos Aires, while expressing interest in crafting a future agenda for the WTO's work.

However, the US has lately made its position clearer on some ministerial-related issues – such as its views on having a stringent ban on subsidies involving overfished stocks – and has recently co-sponsored a [draft ministerial decision](#) with Kenya and Uganda on pesticide-related issues under the Committee on Sanitary and Phytosanitary (SPS) Measures.

### **Agriculture negotiations**

Among the public outcomes from the Marrakech meeting was the issuing of a [joint statement](#) from the European Union and members of the Cairns Group of agricultural exporters, giving a political push towards reforming domestic farm support.

The Cairns Group members involved were Argentina, Australia, Brazil, Canada, Chile, Colombia, Costa Rica, Guatemala, New Zealand, Malaysia, Pakistan, Peru, Thailand, Uruguay, and Vietnam.

"Despite major reform in some members, there are significant – and in some cases growing – distortions in agricultural trade and existing rules are not fully sufficient to adequately discipline trade distorting subsidies. The 11th WTO Ministerial Conference in Buenos Aires is an opportunity to make progress on addressing this challenge," the statement reads.

Furthermore, it advocates for "focusing on a new discipline on the overall level of the most trade-distorting domestic support, with due consideration to the development needs of developing members."

Earlier this year, the EU, Brazil, Colombia, Peru, and Uruguay had put forward a proposal on capping trade-distorting support, which has already been discussed in WTO negotiating meetings on the subject. (See Bridges Weekly, [20 July 2017](#))

All of these proponents were among the group endorsing the joint statement released on 6 October.

Media reports suggest that the issue of crafting a "permanent solution" on public food stockholding was also on the agenda in Marrakech, being raised by India and other members of the G-33 coalition of developing countries. While interim solutions were agreed in past ministerials, different approaches have lately been backed by the EU, Brazil, Colombia, Peru, and Uruguay relative to India and other G-33 members. (See Bridges Weekly, [20 July 2017](#))

### **Fish and agriculture meetings coming up, draft decisions circulated on digital**

Back at WTO headquarters, talks on fisheries are due to pick up again in the coming days under the "rules negotiating group," with a Geneva trade official confirming that negotiators plan to convene from 12-13 October.

Negotiators met twice last month and again last week to review a matrix of the various proposals tabled to date. Proponents of the various proposals on the table are working to put forward a single text for members to consider as they take the negotiations into the next stage. (See Bridges Weekly, [5 October 2017](#))

Next week, a meeting of the Committee on Agriculture in Special Session is slated for 19-20 October in order to continue the farm trade negotiations. Among the items on the docket is a new proposal from the African, Caribbean, and Pacific (ACP) Group on agricultural domestic support.

Meanwhile, a flurry of draft ministerial decisions and proposals on e-commerce have also emerged in recent weeks for continued negotiation among members.

These include a [draft ministerial decision](#) on a “WTO E-commerce for Development Agenda” put forward by Costa Rica and featuring six areas of proposed work; a [draft ministerial decision](#) from Russia calling for a “Working Group on Electronic Commerce;” and a separate [draft ministerial decision](#) from Hong Kong, Japan, and Taiwan on setting up a working group.

A [separate proposal](#) from a wide cross-section of countries and circulated by Singapore calls for discussions between now and MC11 to focus “on how the e-commerce work programme could better facilitate more focused work and holistic discussions on e-commerce.”

Meanwhile, high-level discussions on investment facilitation are reportedly set for 3-4 November in Abuja, Nigeria, bringing together interested WTO members who are looking at a possible draft declaration for the ministerial, according to local press reports.

ICTSD reporting; “WTO meet in Morocco: India to bat for permanent solution on food security,” THE HINDU BUSINESSLINE, 8 October 2017; “WTO Coalition Backs Nigeria on High Level Investment Forum,” THISDAY, 11 October 2017.

---

## AGRICULTURE

---

### **Brexit: UK, EU Propose Cooperative Approach to WTO Commitments**

The UK and EU [wrote](#) on Wednesday 10 October to other WTO members to set out proposals for a “cooperative and transparent” approach to adjusting their existing commitments at the global trade body, as Britain prepares to leave the 28-member bloc in March 2019.

The letter, which is dated 11 October and signed by the EU and UK ambassadors to the WTO, states that the UK “intends to replicate as far as possible its obligations under the current commitments of the EU,” and also seeks to reassure other WTO members that the UK and EU will seek to minimise any disruption to trade.

The EU's existing obligations on goods, services, and public procurement will continue to apply to the remaining 27 countries, the letter says, although it notes that adjustments will be needed in some areas. It also states that both the EU and UK would cooperate as London seeks to establish separate commitments on services, and to maintain its rights and obligations under the Government Procurement Agreement.

Commitments made at the WTO on the maximum permitted level of trade-distorting agricultural subsidies would be divided between the UK and EU, the two ambassadors say, proposing that support “be apportioned between the future EU and the UK on the basis of an objective methodology.”

Similarly, the signatories propose consulting with other WTO members to agree a common approach on the data and methodology to be used to establish new commitments on “tariff rate quotas” or TRQs – minimum volumes of sensitive farm goods that the EU has agreed can be exported to the bloc without facing normal duty rates.

#### **Agricultural exporting countries raise concerns**

However, seven agricultural exporting countries have recently expressed concern that their access to markets could be diminished by the approach that London and Brussels are believed to favour on the question of tariff rate quotas.

A letter to the UK and EU ambassadors to the WTO, dated 26 September and signed by Argentina, Brazil, Canada, New Zealand, Thailand, the United States, and Uruguay, cautions against “splitting” TRQs on the basis of historical averages.

“We cannot accept such an agreement,” states the [letter from the exporting countries](#), which was initially published by the Financial Times, and which called for a “full and proper dialogue” with other WTO members.

Trade officials told Bridges that exporters were concerned in particular about meat products such as beef, pig meat, sheep meat, and poultry, although quota commitments have also been made in other goods such as citrus fruit.

One trade source who is familiar with the talks over the quotas told Bridges that the exporters' letter had surprised those involved with the issue, with the source citing several meetings that have already been held with the countries that were expressing concerns.

The source noted that the approach under consideration by the UK and EU is not being considered as final.

### **"Frictionless" onward trade**

The exporting countries nonetheless said that they were not seeking to use the situation to expand market access dramatically beyond existing levels.

"We are not looking to double our access," senior New Zealand trade official Vangelis Vitalis [wrote](#) on Twitter. Vitalis is Deputy Secretary, Trade and Economic Affairs at the New Zealand Department of Foreign Affairs and Trade, and previously served as the chair of the WTO's farm trade negotiations when posted as New Zealand's ambassador to the global trade body.

Stephanie Honey, Associate Director of the New Zealand International Business Forum, said exporters from the Pacific nation have two important concerns about the impact of splitting existing quotas on the basis of historical averages.

In a recent [article](#), Honey noted that although the full volume of a given TRQ can currently be imported into any EU member state, "under the proposed approach those volumes would be reduced."

She also argued that products exported to the UK currently benefit from "frictionless" onward trade into the rest of the 28-member bloc, as a result of the UK's membership of the single market.

One trade official from an exporting country highlighted the importance of maintaining that flexibility in comments to Bridges.

Currently, the UK government is seeking to leave both the single market and customs union in the wake of the June 2016 referendum on membership of the European Union. (See Bridges Weekly, [30 June 2016](#))

Another trade source told Bridges that exporting countries also should share the data they have on trade flows and discuss possible approaches to resolving the issue.

### **Balancing concessions**

The agricultural exporters who signed the 26 September letter cautioned that existing commitments on tariff rate quotas represent "a delicate balance of concessions and entitlements that is fundamental to the global trade architecture today."

They also argue that existing market access arrangements cannot credibly be modified through a technical "rectification" of the schedules.

The UK's Secretary of State for International Trade, Liam Fox, [told](#) his country's parliament last December that the British government would seek to "replicate as far as possible" the UK's current obligations, in order to minimise disruption of global trade.

However, one trade official from an agricultural exporting country told Bridges that this would still require discussion with other WTO members.

Another trade source told Bridges that the UK government did not see the process as substantively altering the concessions that have previously been made, and noted that if exporting countries did seek to expand existing quotas significantly, that could also be seen as affecting the balance of concessions that negotiators had previously achieved.

**EU notifies revised schedules**

In a separate but related development, the EU [announced](#) on 6 October that it had formally submitted its revised goods schedule to the WTO to cover the bloc's expansion in 2013 to include 28 member states.

The bloc's enlargement from 12 to 25 members was only reflected in revised commitments after the bloc submitted new schedules in December 2016, more than a decade after the original expansion took place.

The new schedules also include a revision to reflect the decision of WTO members to eliminate agricultural export subsidies, following an agreement reached at the organisation's ministerial conference in Nairobi, Kenya, in 2015.

Australia has also taken steps to modify their schedules of commitments accordingly. (See Bridges Weekly, [15 June 2017](#))

ICTSD reporting; "UK and EU strike initial deal on WTO quotas," Financial Times, 3 October 2017; "Trump rejects May's post-Brexit agriculture deal with EU," Financial Times, 5 October 2017.

---

## GENDER

---

### **Group of WTO Members Prepares Declaration on Trade and Gender**

A group of WTO members has been working on a declaration to be proposed in the margins of the next WTO Ministerial Conference this December in Buenos Aires, Argentina. While the declaration would not be part of the formal ministerial deliberations, sources say, it would aim to provide a framework and platform for members to foster a more inclusive trade agenda.

Several developed and developing country members, including among them Argentina, Canada, Iceland, Kenya, Sierra Leone, and the European Union support the adoption of the declaration, according to sources familiar with the discussions. The document is partly the result of the coordinated efforts of the Trade Impact Group (TIG).

The TIG was established as one of four “impact groups” under the auspices of the International Gender Champions Geneva – a network that brings key decision makers together to address gender barriers to trade.

Although there is a broad understanding that international trade has been beneficial to women, especially in terms of jobs, some experts highlight that trade policies can be detrimental or positive to women depending on their position and role in the economy.

A [report](#) released by the McKinsey Global Institute in 2015 finds that US\$12 trillion could be added to global GDP by 2025 by advancing women's equality.

“The mutual reinforcement between gender equality and economic competitiveness need to be further explicated,” stressed a trade official familiar with the discussions. In fact, trade and development experts often explain that achieving gender equality and empowering women and girls – as outlined under UN Sustainable Development Goal (SDG) 5 – is key for achieving all the other SDGs.

#### **Gender-responsive trade policy**

“Trade is good for gender and gender is good for trade,” said Arancha González, Executive Director of the International Trade Centre (ITC), while speaking at the WTO Public Forum last month. The ITC is a joint UN-WTO agency and serves as one of the co-chairs of the TIG, along with Iceland and Sierra Leone.

She further explained that the joint declaration does not consist in a negotiating item but rather serve to reaffirm the link between gender and trade and to emphasise the role that the WTO can play in this field.

The development of this declaration coincides with several public statements from WTO Director-General Roberto Azevêdo on the importance of gender equality in trade over the past several months and the nomination of a gender focal point at the WTO which, according to observers, is an indication of the agency's interest in featuring gender high on its agenda. (See Bridges Weekly, [22 June 2017](#))

The joint declaration aims to raise the visibility of trade and gender and identifies several key areas to make trade policies more “gender-responsive.” Those measures include, for example, sharing experiences on gender-responsive policies and programmes; sharing best



practices and methods for analysing trade policies and their effects on women; and collecting gender disaggregated data.

A fundamental issue to achieve trade and gender outcomes is the lack of disaggregated data and research at the global level, experts say. Empirical evidence is still lacking and institutions are struggling with several knowledge gaps, which in turn hampers their abilities to craft policy recommendations.

The planned declaration, a copy of which has been seen by Bridges, also includes a reference to a progress report on implementing these and other pledges by 2019.

Trade and gender issues also featured in ministerial-level discussions on the sidelines of an informal WTO meeting this week in Marrakech, Morocco, EU Trade Commissioner Cecilia Malmström [confirmed](#) on social media site Twitter. The "mini-ministerial" was meant to lay the groundwork for the December ministerial conference in Buenos Aires.

### **Gender in regional, bilateral trade deals**

Earlier this year, Chile and Canada finalised an update to their existing trade agreement, agreeing to incorporate a chapter on gender and trade. The chapter is essentially about collaborative activities and sets up institutional mechanism to work on trade and gender.

Last year, Chile and Uruguay concluded a bilateral trade agreement which was welcomed as the first to contain a separate chapter devoted specifically to gender.

Some critics have noted that the gender-related provisions in these trade agreements are non-binding, as the trade and gender chapters are usually excluded from the accord's dispute settlement provisions. One developed country delegate, however, suggested that the nature of these chapters does not lend themselves to binding rules, as they are meant to set institutional mechanisms for enabling effective cooperation on the issue.

Sources indicate also that the EU is also aiming to including a chapter on gender equality in the planned modernisation of its trade accord with Chile, a process which is due to begin soon.

Canada is also trying to advance a new gender chapter in the context of the negotiations to modernise the North American Free Trade Agreement (NAFTA). (See Bridges Weekly, [5 October 2017](#))

Additionally, observers point that past trade agreements deal with gender issues in various forms, such as through labour provisions in some cases, or in the context of human rights assessments in others. They have sometimes been addressed specifically through dedicated provisions, such as Article 31 of the Partnership Agreement between the African, Caribbean, and Pacific (ACP) countries with the European Union – known also as the [Cotonou Agreement](#).

One trade delegate familiar with the discussions noted that the recent chapters on gender and trade that have emerged introduce a new focus and framing. There are initial steps to assess the gender impact in some trade agreements and there are gender-specific chapters in certain accords, which the source said could facilitate continued monitoring.

ICTSD reporting.

---

## TRADE AGREEMENTS

---

### EU, India Leaders Call for "Timely Relaunch" of Trade Talks

Leaders from the EU and India are pushing to see the "timely relaunch" of their long-running trade talks, reaffirming their continued interest in advancing the negotiations following a [summit](#) held in New Delhi last week.

The 6 October summit also touched upon a host of policy issues, including cooperation on climate change, energy, innovation, and security, culminating in a list of [53 priorities](#) going forward, along with a series of joint statements on specific policy areas.

"The leaders committed to work in a result-oriented and mutually beneficial manner to further strengthen the India-EU Strategic Partnership by deepening their trade cooperation, enhancing investment flows in both directions, and broadening dialogue and engagement on global and regional issues, including climate change, as well as migration and the refugee crisis, and resolved to further strengthen their bilateral and multilateral cooperation in these areas," they [said](#) afterward.

#### **Juncker: chief negotiators meeting on FTA**

One of the major questions heading into the high-level meeting was what announcements, if any, would be made about the future of the two sides' negotiations for a free trade agreement.

Those talks kicked off a decade ago, but have since advanced in fits and starts, with disagreements emerging on issues such as intellectual property protections, the movement of workers for services trade, and the protection of personal data. Another issue has been the expiry for several bilateral investment treaties between some EU member states and India.

Negotiators last met formally in November 2013, despite repeated political calls in the years since to renew the talks.

Indeed, last week's summit comes just months after India Prime Minister Narendra Modi met with German Chancellor Angela Merkel, with both leaders backing the resumption of the trade negotiations. The EU is India's largest trading partner, while the Asian economic giant ranks as the 28-nation bloc's ninth largest trading partner. (See Bridges Weekly, [1 June 2017](#))

[Speaking to reporters](#) on Friday, European Commission President Jean-Claude Juncker outlined the large scale of the existing EU-India trade relationship – along with noting the importance of those ties going forward into the upcoming "post-Brexit" landscape.

"With this in mind I believe it is time for a free trade agreement between India and the European Union. Once the circumstances are right – and only once the circumstances are right – we will resume," the EU official said. He specifically highlighted data protection as a key issue for the European Union, given India's role as an IT services hub.

"If India's standards of data protection are converging with those of the European Union, the European Union will be in a position to recognise the adequacy of India's rules. This is a precondition for exchanging personal data freely and securely," said Juncker.

Furthermore, he noted that Brussels and New Delhi will be directing their chief negotiators to meet shortly to advance those efforts. He did not, however, mention a concrete date for officially rebooting the talks, or for their potential conclusion. Juncker did confirm in a separate [speech](#) to business leaders that the top trade officials from the EU and India would be meeting bilaterally this week in Marrakech, Morocco to discuss the matter.

The sentiment was [reaffirmed](#) by Donald Tusk, the EU Council President, who gave a "political observation" that trade deals serve both to boost economic prospects and also to "strengthen and defend the rules-based international order and our way of life."

The summit's host, Indian Prime Minister Narendra Modi, also [referred](#) to the value of deepening trade and investment ties between the two sides, particularly given the significant exchanges already underway between the European and Indian economies.

The leaders' meeting came just days ahead of a WTO "mini-ministerial" in Marrakech, Morocco, which was meant to clarify the road ahead to the global trade club's official ministerial conference in Buenos Aires, Argentina, at the end of the year.

The upcoming WTO ministerial was also a topic of discussion at the EU-India meet, with leaders confirming afterward "the crucial role of the rules-based multilateral trading system, and the importance of enhancing free, fair, and open trade for achieving sustainable growth and development."

While both sides stressed the value of "concrete results" reached through collaboration with their fellow trading partners, they did not specify how the EU and India might overcome differences in approach to the various aspects of the WTO negotiations, such as domestic support for agricultural goods or whether to negotiate multilateral rules on e-commerce and investment facilitation.

### **Climate cooperation**

Leaders also released a climate-specific [joint statement](#), pledging to step up their work both in supporting the UN's Paris Agreement on climate change, along with backing the implementation of other climate-related efforts, such as the deal reached last year to phase down climate-warming coolants known as hydrofluorocarbons under the Montreal Protocol. (See Bridges Weekly, [20 October 2016](#))

The statement comes just weeks ahead of this year's UN Framework Convention on Climate Change (UNFCCC) Conference of the Parties (COP), where climate negotiators are aiming to advance on developing the so-called "rulebook" for implementing the Paris climate accord, among a host of other agenda items.

The EU and India also highlighted their work on transitioning towards more sustainable energy sources, along with investment efforts being made towards boosting the deployment of renewables.

ICTSD reporting; "India-EU free trade agreement: State of play and way forward," LEXOLOGY, 20 June 2017; "India, EU fail to fix date to relaunch trade pact talks," THE HINDU, 9 October 2017.

---

## TRADE REMEDIES

---

### EU Institutions Sign Off on Draft Changes to Anti-Dumping Legislation

EU negotiators have [clinched](#) a draft deal on a set of proposed changes to the bloc's trade remedy laws, officials announced last week, with the revisions expected to take effect later this year.

The accord between officials from the EU institutions was confirmed on 3 October, following meetings in Strasbourg. The European Commission put forward the proposed changes last November, and these have been under discussion by the other EU bodies in the year since.

The new methodology [involves](#) calculating dumping margins for imports from countries outside the bloc based on "significant market distortions," among other provisions. Also among the changes is a requirement to consider global standards on environment and labour when conducting these probes. (See Bridges Weekly, [10 November 2016](#))

"We believe that the changes agreed today to the legislation strengthen EU's trade defence instruments and will ensure that our European industry will be well equipped to deal with the unfair competition they face from dumped and subsidised imports now and in the future," [said](#) EU Trade Commissioner Cecilia Malmström.

"With today's successful outcome, the EU will have an anti-dumping methodology in place which will deal head-on with the market distortions which may exist in exporting economies," she added.

The push to finalise this new methodology came under the spotlight given the ongoing debate over how to address China's status as a "non-market economy" in anti-dumping investigations. (See Bridges Weekly, [24 March 2016](#))

When the Asian giant joined the WTO in 2001, Article 15 of its accession protocol addressed the issue of price comparability when calculating dumping margins and determining subsidies. The wording of the section sparked a debate as to whether the methodology used on cases involving China should automatically change once Beijing hit its fifteenth anniversary as a WTO member in late 2016.

"This is not about any country in particular, simply about making sure that we have the means to take action against unfair competition and the dumping of products in the EU market that leads to the destruction of jobs," [said](#) European Commission President Jean-Claude Juncker after the meeting in Strasbourg last week.

How this change will be received by Beijing is not yet clear. Earlier this year, a spokesperson of the Chinese Ministry of Commerce Sun Jiwen [said](#) that the proposed amendments still use an approach which is "discriminatory, unfair, and against the WTO regulations." China has filed two WTO disputes against the EU ([DS516](#)) and the US ([DS515](#)) on their price comparison methodologies, the former of which is at the panel stage. (See Bridges Weekly, [11 May 2017](#))

## Mechanics of the new proposal

Under the current anti-dumping regulation, the EU separates countries into lists depending on whether they meet certain market economy criteria, which in turn determines how dumping margins are calculated.

Dumping margins are usually derived from the difference between “normal value” and export prices in the country under scrutiny, with domestic prices and costs used to calculate the normal value. For non-market economies, however, investigative authorities instead use data from a market economy country when calculating this normal value.

The new legislation drops the list system in favour of calculating dumping margins in response to “market distortions” or an outsized role of the state in the national economy.

China is not the only country facing a “surrogate” approach in anti-dumping investigations. Other WTO members also featured on the previous non-market economy list include Albania, Armenia, Azerbaijan, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Mongolia, Tajikistan, and Vietnam. Some non-WTO members are also on the list, namely Belarus, North Korea, Turkmenistan, and Uzbekistan.

According to a European Parliament [briefing note](#), “unfair” trade practices affect only 0.21 percent of the EU’s imports. However, “protection against dumped and subsidised imports from China has been vital for a range of EU industries,” the report says.

The European Commission [stresses](#) that the new legislation will help to deal with the “current realities – notably overcapacities – in the international trading environment.” The overcapacity debate has grown in prominence in recent years, particularly given the ongoing crisis in the steel sector.

As the largest global producer of the metal, China’s role in the sector has drawn interest from its trading partners, and the two sides have repeatedly discussed how to address the crisis without exacerbating trade tensions further. (See Bridges Weekly, [15 September 2016](#))

## Votes coming up

The deal still needs to finish going through the bloc’s legislative approval process before going into force.

The package will be voted on this Thursday, 12 October, at the European Parliament’s International Trade (INTA) Committee. Assuming it goes through, the entire legislature will vote on it next month.

ICTSD reporting; “Spotlight: EU heightens its protectionism wall by passing new anti-dumping draft law,” XINHUA NEWS, 4 October 2017.

---

## ENVIRONMENT

---

# Global Mercury Treaty Enters Implementation Phase

Negotiators wrapped up the first Conference of the Parties to the Minamata Convention on Mercury (COP1) late last month, signing off on various initial actions aimed at advancing the deal's implementation.

The 24-29 September meeting was held in Geneva, Switzerland, and came just over one month after the convention entered into force in August. The binding, multilateral accord aims to tackle mercury pollution, including through trade, use, and production-related provisions.

"From now on, the name Minamata will no longer only be associated with a problem, but with a solution. The Minamata Convention is the first multilateral environmental agreement negotiated in the 21st century and mirrors that spirit," [said](#) Swiss President Doris Leuthard in opening the COP.

However, the Swiss leader also stressed the importance of securing the necessary resources to implement the treaty – as well as using the lessons of Minamata for crafting international instruments that can tackle chemicals problems of similar significance.

The Convention sets out to reduce the environmental presence of mercury by prohibiting new mercury mines and phasing out those already in place; increasing regulation on artisanal and small-scale gold-mining; and implementing steps towards controlling emissions. The treaty includes deadlines and targets for meeting such goals.

Notably, countries are to end the manufacture and trade of many mercury-added products and submit national action plans on artisanal and small-scale gold mining (ASGM) by the end of the decade, along with eradicating the use of mercury in chlor-alkali production within the next eight years.

Demand for mercury is largely driven by artisanal and small-scale gold mining in Africa, Asia, and Latin America, where mercury is used in extracting gold from ore. Given the historically high price of gold, experts say that activity in the ASGM sector is unlikely to decline in the near future. Other major sources of mercury demand are the production of vinyl chloride monomer, as well as chlor-alkali, which helps produce several common industrial chemicals.

The parties met at COP1 to consider several issues related to the technical aspects of these goals, including the development of a framework for reporting progress across various areas, such as Minamata's trade provisions, according to Earth Negotiations Bulletin (ENB) reporting. Negotiators also agreed to set the Minamata secretariat in Geneva for the time being, though that is not confirmed as a permanent arrangement. They also signed off on setting up a voluntary fund for providing developing countries with support to implement the accord's provisions.

### Public health, environmental impact

The [Convention](#) required years of negotiations, which began partly in response to a UN Environment Programme (UNEP) global assessment on the adverse effects of mercury emissions for the environment and public health. The treaty was adopted in October 2013

with 128 signatories. To date, [83 parties](#) have ratified the accord. (See Bridges Weekly, [17 October 2013](#))

The UNEP [assessment](#) found that mercury levels in the global environment have increased significantly since the start of the industrial age. It also highlights the damaging implications for public health, as shown by the devastating cases of methylmercury poisoning in Minamata, Japan, in the 1950s, after which the Convention was named.

Mercury is highly toxic and primarily affects the nervous system. While no level of exposure is considered safe for humans, in the worst cases, exposure can result lead to deafness, blindness, motor and mental impairments, and death.

On the environmental front, the assessment outlines the ability of mercury to build up along the marine food chain and result in similar neurological damage to top predators, most significantly in birds of prey and marine mammals, posing threats to biodiversity and conservation efforts.

### **Challenges, opportunities ahead**

While the Convention entered into force this past August, UNEP's "[Global mercury supply, trade and demand](#)" report, released in September, notes that challenges remain, such as by the new mercury mining activity that has lately been seen in Mexico and Indonesia. This has been tentatively credited to the reduced supply of mercury and subsequent rise in world prices, partly as a result of several export bans on mercury, including by the European Union and the United States.

While analysts say that the reduction in mercury supply following the export bans is a positive development, they also warn that rise in mining activity will certainly present a challenge for the Convention going forward. Given that much of this activity is thought to be in the informal sector, a critical task will be for countries to improve their information on undocumented trade within their borders and with neighbours.

"Informal trade is difficult to track, and therefore does not appear in the official trade statistics. With timely reporting, parties can better understand mercury flows in order to better enforce trade restrictions in the convention," [said](#) Elena Lymberidi-Settimo, Project Manager for the European Environmental Bureau (EEB) Zero Mercury Campaign.

The next Minamata COP is scheduled for 19-23 November 2018.

ICTSD reporting; "Summary of the First Conference of the Parties to the Minamata Convention on Mercury: 24-28 September 2017," EARTH NEGOTIATIONS BULLETIN, 2 October 2017; "Mercury trade on the up despite new UN treaty," EURACTIV, 2 October 2017.

---

## TRADE AGREEMENTS

---

### US, South Korea to Consider Possible Revisions to Trade Deal

Officials from the US and South Korea concluded their second “special session” of their joint committee under their bilateral trade deal, agreeing to consider possible changes to the accord.

The “special sessions” began a few months ago, following a request in July issued by US Trade Representative Robert Lighthizer which cited qualms with the “significant trade imbalance with Korea.” (See Bridges Weekly, [20 July 2017](#))

The request came following speculation that US President Donald Trump was considering pulling out of the accord, which he had repeatedly criticised as not yielding the benefits promised by earlier administrations.

Since early August, South Korean Trade Minister Hyun-chong Kim and Lighthizer have met twice under this special session framework on how to proceed. The KORUS FTA [includes terms](#) on how the joint committee in both regular and special session should operate, with the panel able to “consider amendments to this Agreement or make modifications to the commitments therein.”

Following the 4 October meeting of the joint committee’s special session in Washington, Lighthizer welcomed the prospect of continued talks with Seoul, while referring again to US concerns over ensuring “reciprocity” in trade accords – a recurring topic under the new administration’s trade policy approach.

“I now look forward to intensified engagement with Korea in an expeditious manner to resolve outstanding implementation issues as well as to engage soon on amendments that will lead to fair, reciprocal trade,” [said](#) the US trade chief.

Meanwhile, his South Korean counterpart told CNBC that both trading giants “recognised the need to amend the FTA to enhance mutual benefits of the KORUS FTA.”

Going forward, this process will involve an economic impact assessment and public hearing on Seoul’s side. An audit in the country’s legislature is slated to begin this week, and has reportedly sparked heated debate among South Korean parliamentarians, some of whom have questioned the decision to move ahead with revising the FTA before testing the waters domestically.

#### Trade deficits in focus

The US-Korea Free Trade Agreement, known otherwise as KORUS, entered into force in 2012. The deal was ratified by both countries’ respective legislatures the year prior. (See Bridges Weekly, [29 February 2017](#))

The accord took several years to negotiate, and ultimately brought together two of the world’s largest economies, with officials touting at the time the possibility to boost trade in key manufacturing sectors such as automobiles and machinery, among various others. Automobiles has long been a sensitive area in the accord, prompting an early renegotiation of the deal before it had been ratified.



Along with pushing for updates both to the KORUS FTA and to the North American Free Trade Agreement (NAFTA), Trump has already ordered reviews of all trade deals to which Washington is a party, on the grounds that many of these accords fail to “enhance our economic growth, contribute favourably to our balance of trade, and strengthen the American manufacturing base.” (See Bridges Weekly, [4 May 2017](#))

The current administration has repeatedly highlighted concerns over trade deficits in its agreements with major partners, including with South Korea, where the goods trade deficit hit US\$27.7 billion last year. However, the US services sector had a trade surplus of US\$10.7 billion that same year, and many analysts note that the breakdown of the deficit or surplus varies by sector.

The two sides have not yet announced the dates of their next meeting.

ICTSD reporting: “S. Korea, US Agree In Effect to Launch Negotiations to Amend FTA,” KBS RADIO, 5 October, 2017; “In shift, South Korea and US to push forward on trade talks,” REUTERS, 5 October, 2017; “Trump Scores First Win On ‘Horrible’ South Korea Trade Agreement,” NEWSWEEK, 5 October, 2017; “US, South Korea Agree to Renegotiate Free Trade Agreement,” THE DETROIT BUREAU, 6 October 2017; “US-Korea trade pact lives to see another day, thankfully,” THE HILL, 5 October, 2017; “KORUS FTA amendment battle heading to National Assembly,” KOREA HERALD, 10 October 2017.

---

## EVENTS & RESOURCES

---

# Events

### Coming Soon

12-13 October, Geneva, Switzerland. UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT, MULTI-YEAR EXPERT MEETING ON COMMODITIES AND DEVELOPMENT, NINTH SESSION. This event will be hosted by the United Nations Conference on Trade and Development (UNCTAD), with a focus on commodity markets in relation to the Sustainable Development Goals (SDGs), particularly those regarding food security, energy, and natural resources. For more information and to register for the meeting, visit the UNCTAD [website](#).

13 October, Washington, US, and online. WHAT IS THE ROLE OF MULTILATERAL DEVELOPMENT BANKS IN THE 21ST CENTURY? This World Bank event will examine the relationships between different multilateral development banks (MDBs), as well as on their work to address developing country needs. For more information and to live stream the event, visit the World Bank [website](#).

16 October, London, UK. THE BELT AND ROAD: CHINA'S FLAGSHIP INITIATIVE AND ITS IMPLICATIONS FOR THE GLOBAL ECONOMY. This Chatham House event will review the current state of play in the "Belt and Road Initiative," touching upon a range of topics regarding the future of this infrastructure initiative. This includes, for example, regulatory and sustainability questions, among others. For more information and to register for the event, visit the Chatham House [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.

13 October: Informal Open-ended Negotiating Group on Rules (Fisheries Subsidies)

13 October: Informal Open-ended Trade Facilitation

16 October: Informal Open-ended Council for Trade-Related Aspects of Intellectual Property Rights

16 October: Working Group on Trade and Transfer of Technology

17 October: Informal Committee on Agriculture

17-18 October: Committee on Agriculture

18 October: Committee on Government Procurement

18 October: Council for Trade-Related Aspects of Intellectual Property Rights – Special Session

18 October: Informal Committee on Government Procurement

19-20 October: Council for Trade-Related Aspects of Intellectual Property Rights

19-20 October: Informal Open-ended Committee on Agriculture – Special Session

### Other Upcoming Events

Present-15 October, online. TSDS BRIDGES WRITING COMPETITION. The International Centre for Trade and Sustainable Development (ICTSD) is holding its second Bridges Writing Competition, as part of its Trade and Sustainable Development Symposium (TSDS) this December in Buenos Aires, Argentina. The competition is open to all current university students, with the essay topic focusing on the trade and sustainable development agenda. Please note that the submission deadline is 15 October 2017. To learn more about specific topic requirements, submission procedures, prizes, and eligibility, visit the TSDS [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 on the event, please visit the WEDF 2017 [website](#).

27 October, London, UK. HOW GLOBAL CURRENCIES WORK: PAST, PRESENT, AND FUTURE. This Chatham House research event will feature Barry Eichengreen, Professor of Economics and Political Science at the University of California, Berkeley, for a discussion on global finance and currencies, including in relation to technological developments and recent evolutions in international trade. Please note that attendance to this event is by invitation only. More information is available [here](#).

13 November, London, UK, and online. ODI IN CONVERSATION WITH MUHAMMAD YUNUS. This event is being organised by the Overseas Development Institute (ODI) and will be streamed live on the ODI website. The event will feature as its guest speaker Nobel Peace Prize winner Muhammad Yunus, who will address topics such as inequality and environmental degradation, along with examining possible policy solutions. To learn more and to register, please visit the ODI [website](#).

11-13 December, Buenos Aires, Argentina. TRADE AND SUSTAINABLE DEVELOPMENT SYMPOSIUM (TSDS). This biennial event is being organised by the International Centre for Trade and Sustainable Development (ICTSD) in collaboration with select strategic and knowledge partners, in parallel with the WTO's Eleventh Ministerial Conference. A dedicated website to the TSDS is now live, with information on how to register; the event's format; and other relevant details. More information will be made available at the TSDS [website](#) closer to the date.

14 December, Buenos Aires, Argentina. FORUM ON MIGRATION, TRADE, AND THE GLOBAL ECONOMY. The International Centre for Trade and Sustainable Development (ICTSD) and the Fundación Foro del Sur will be holding the Forum on Migration, Trade, and the Global Economy in Buenos Aires, Argentina. As part of the event, they have a "call for papers" underway, with the deadline for paper submissions being 23 October 2017. Papers will be distributed and discussed at the forum itself in December. To learn more about submission requirements, key dates in the process, and the forum itself, please visit the ICTSD [website](#).

---

## Resources

THE ROLE OF AID FOR TRADE IN BUILDING THE CAPACITY OF DEVELOPING COUNTRY FIRMS TO MEET SUSTAINABILITY STANDARDS. By Jim Redden for the International Centre for Trade and Sustainable Development (ICTSD) (October 2017). This new research paper examines how Aid for Trade can help small and medium-sized enterprises (SMEs) in developing economies to meet sustainability standards that are key for integrating themselves into global value chains. The paper is available for download at the [ICTSD website](#).

TRADE PROFILES 2017. Published by the World Trade Organization (WTO) (2017). This report features data across nearly 200 economies regarding goods and services trade, breaking them down into different products and sectors. It covers countries both within the WTO and outside of it, along with analysing the role of trade within individual economies. This report is available to download [here](#).

THE PURSUIT OF GENDER EQUALITY: AN UPHILL BATTLE. Published by the Organisation for Economic Co-operation and Development (OECD) (October, 2017). This book discusses recent developments and continued challenges in achieving gender equality across a range of areas, along with featuring related recommendations. It builds on previous OECD work in this area, including gender recommendations issued over the past four years. This book is available to download at the OECD's [iLibrary](#).

WHY WILBUR ROSS'S APPROACH ON TRADE WILL HURT US COMPETITIVENESS. By Caroline Freund for the Peterson Institute for International Economics (PIIE) (September 2017). This article provides a commentary on US Commerce Secretary Wilbur Ross's recent statements involving the rules of origin provisions in the North American Free Trade Agreement (NAFTA), providing data and analysis to evaluate the official's recommendations. The article is available [online](#).

2017 STATE OF FOOD AND AGRICULTURE: LEVERAGING FOOD SYSTEMS FOR INCLUSIVE RURAL TRANSFORMATION. Published by the Food and Agriculture Organization of the United Nations (FAO) (October 2017). This annual flagship report examines the risks that smallholder farmers face, and examines the implications of inclusive rural and urban transformation for tackling hunger and poverty, among other related topics. The report is available at the FAO [website](#).

GRAZED AND CONFUSED. Published by the Food Climate Research Network (FCRN) (October 2017). This new report examines the relationship between cattle, grazing systems, and greenhouse gas emissions, within the wider context of tackling climate change. The report and related materials are available at the FCRN [website](#).

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](http://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,  
Grace Bradshaw, Kiranne Guddoy, Jonathan  
Hepburn, Heather Lincecum, Maria Ptashkina,  
and Ada Siqueira. 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

