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DIGITAL ECONOMY

Europe's Data Privacy Rules Set New Global Approach to Consumer Rights

Arguably the biggest change to the regulatory landscape to influence the digital economy – the General Data Protection Regulation (GDPR) – took effect in the European Union last Friday. Its impacts will be felt globally as businesses doing business with the EU seek to comply. Aimed at protecting and regulating the use of personal information, this comprehensive set of rules seeks to harmonise data privacy laws across Europe, enhance EU citizens' rights to manage their personal data, and reshape the way organisations across the region operate in the digital domain.

"I think there is no doubt that data protection is crucial for our citizens as personal data protection is a fundamental right in the EU. But it is also crucial for our business as data protection is a gateway issue for trust in the digital economy," [said](#) Věra Jourová, the European Commissioner for Justice, Consumers and Gender Equality.

The regulation will give Europeans more control over their personal data and ensure its protection – no matter where it is sent, processed, or stored – even outside the EU.

"Data protection is directly linked to trust. When individuals are afraid that others will not respect their privacy or fail to guarantee the security of their data, they lose confidence and become reluctant to share those data. Trust is thus a key resource of the digital economy," said Jourová.

"More than 9 in 10 Europeans told us they want the same data protection rights across the EU – and as of today this will be the reality," she added.

The European Commission [considers](#) that the new rules will stimulate economic growth through cutting costs and red tape for European businesses, including small and medium-sized enterprises. Companies will now have to comply with continent-wide rules, instead of 28 different sets of regulations.

Personal data collected, analysed, and moved across the globe has acquired substantial economic significance. According to Commission [estimates](#), the total value of EU citizens' data has the potential to grow to €1 trillion annually by 2020.

The unprecedented scope of GDPR puts Europe at the forefront of global privacy regulation. "The new rules are beginning to set a global standard for privacy. They will help to bring back the trust we need to be successful in a global digital economy," [said](#) Jourová.

GDPR is a product of years of intense negotiations, including thousands of proposed amendments, with the building blocks having been present in European law for over two decades. The new rules supersede the 1995 Data Protection Directive, which regulated the processing of personal data, guided by the principles of transparency, legitimate purpose, and proportionality.

GDPR differs fundamentally from the previous regulation in its application and enforcement. The former imposes a common set of rules for the entire Union, and also applies extraterritorially to all companies regardless of location. Enforcement relates to the capacity of regulators to fine any company for non-compliance with GDPR.

What is GDPR about?

The new data protection regulation consists of 11 chapters broken down into 99 articles covering the rights of "data subjects" (people residing on the territory of the EU); the responsibilities of the controllers and processors of data; transfers of personal data to third countries or international organisations; the actions of independent supervisory authorities; and the applications of remedies, liabilities, and penalties.

The regulation also clarifies what constitutes personal data. This includes name, address, localisation, online identifier, health, and income information, cultural profile, and other personal characteristics.

The major part concerns the rights of data subjects. Under GDPR, all citizens residing in an EU country have a right to access their personal information, which essentially means that they can seek and obtain confirmation as to whether their personal data is being processed, where, and for what purpose. The controller, in turn, must provide the copy of this data in electronic format free of charge.

The right to erasure, commonly known as "the right to be forgotten," allows people to request that the data controller erases personal data and ceases its further dissemination, potentially halting third parties from using this information. This can happen when the data is no longer relevant to the original processing purpose, or when a data subject decides to withdraw consent on data usage.

Data portability – a highly debated aspect of GDPR – ensures that data subjects can receive from a controller personal data which they have previously provided, and transmit it to another controller.

"Data protection by design" is another key concept, which has existed for years and has now become a part of legal requirements under GDPR. This requirement stipulates that data protection safeguards are built into products and services from an earlier stage of development, and that privacy-friendly settings are the default norm.

When it comes to the responsibility of businesses, GDPR imposes restrictions on the processing of personal information and can enforce compliance through stiff penalties.

Companies can no longer employ long and opaque conditions for user consent regarding the processing of personal data. All such requests for consent must be made in simple and accessible forms, notifying data subjects on how exactly their data is going to be used and processed. Consent must be distinguishable from all other matters, including any additional information provided at the moment of signing the consent form, written in clear and plain language.

Non-compliance with GDPR can lead to serious financial consequences. The approach to penalties is tiered, depending on the nature of the violation. Fines can reach up to 4 percent of a company's annual turnover or €20 million, whichever is greater. This maximum fine can be imposed for the most serious infringements, such as using and processing personal data without sufficient consent or violating the principle of data protection by design. Failure to maintain data records in order or to notify the supervising authority on a data breach can result in a fine of 2 percent of a company's annual turnover.

Importantly, penalties apply to both controllers and processors of data, meaning that "cloud services" will not be exempt from enforcement.

Data breach notification under GDPR has become mandatory in all cases when it is likely to "result in a risk for the rights and freedoms of individuals." Companies must report a data breach within 72 hours of first becoming aware of having been exposed, while data processors have to notify customers and controllers "without undue delay."

At the same time, GDPR provides businesses with a simplified operational framework. Single pan-European law applies to all operators instead of the inconsistent patchwork of national laws that previously existed. The estimated benefits of harmonisation could [reach](#) €2.3 billion per year, according to the Commission.

In addition, a "one-stop-shop" for businesses ensures that companies will only have to deal with a single EU-wide supervisory authority.

The most significant change is arguably the extended jurisdiction of GDPR, as the rules apply to all companies doing business on the territory of the EU single market, even when based outside of the Union. "This creates a level playing field," [according](#) to the Commission.

Rough start

On Friday 25 May, when GDPR became fully applicable in the EU, dozens of websites reportedly had to [shut down](#) their activities. Others urged users to agree to updated privacy rules, flooding e-mail accounts with requests to opt in or out of mailing lists.

US-based news services The Chicago Tribune, the Los Angeles Times, and The New York Daily News websites displayed a warning message that their services were currently "unavailable in most European countries."

Facebook, Google, and Facebook-owned Instagram and WhatsApp immediately [came under scrutiny](#) in four separate cases in Austria, Belgium, France, and Germany as the regulation took effect.

An activist privacy non-profit organisation, noyb.eu, filed complaints against these social media platforms regarding an alleged breach of GDPR rules requiring companies to obtain explicit consent from their users prior to processing personal data.

Max Schrems, the Austrian lawyer and founder of noyb.eu who launched these complaints was also behind the landmark lawsuit which effectively ended the Safe Harbour data sharing agreement between the EU and US.

The controversial deal consisted of a set of principles developed between 1998 and 2000 to prevent private organisations across the Atlantic to accidentally disclose or lose personal information. The agreement was overturned in 2015 by the European Court of Justice on the basis of a complaint filed in 2013 against Facebook regarding insufficient protection of data.

EU Digital Single Market

GDPR falls within the broader agenda of the Digital Single Market (DSM) – a comprehensive strategy designed to create a common set of EU-wide rules intended to ease cross-border e-commerce and better integrate the bloc and prepare it for the digital age. (See Bridges Weekly, [26 October 2017](#))

Adopted in May 2015, the DSM strategy includes measures to boost e-commerce development and make cross-border parcel delivery more efficient, modernise EU copyright rules, update audiovisual rules, and enhance cybersecurity, among others. (See Bridges Weekly, [22 March 2018](#))

Earlier this month, the Commission [published](#) the results of the 2018 Digital Economy and Society Index, a tool which monitors the performance of EU members in digital connectivity, digital skills, online activity, the digitisation of businesses, and digital public services.

"This is a shift, albeit small, in the right digital direction. As a whole, the EU is making progress but not yet enough. In the meantime, other countries and regions around the world are improving faster. This is why we should invest more in digital and also complete the Digital Single Market as soon as possible: to boost Europe's digital performance, provide first-class connectivity, online public services and a thriving e-commerce sector," [said](#) Andrus Ansip, Vice-President for the Digital Single Market.

The EU's executive arm has [identified](#) three main areas where "further action is needed," including developing the potential of the data economy, tackling cybersecurity challenges, and promoting online platforms.

According to the European Commission, DSM could [contribute](#) €415 billion per year to the bloc's economy and generate "hundreds of thousands" of new jobs.

Data regulation, trade cooperation, and sustainable development

Data regulations and broader concepts surrounding the digital economy have become an important element in trade and sustainability objectives. [According to](#) the United Nations Conference on Trade and Development (UNCTAD), a wide range of socio-economic activities is moving online, transforming businesses and people-to-people interactions.

Against this background, world leaders have underscored the importance of adopting relevant policy responses for achieving the Sustainable Development Goals (SDGs).

"We at UNCTAD are excited by the transformational power of digitalization, but we must recognize that the Internet is not a panacea," UNCTAD Secretary-General Mukhisa Kituyi [said](#). "Effective national and international policies are needed to make sure the gains are spread evenly across as well as within countries," he added.

International regulation of data privacy and digital trade in general is fragmented and largely regional in nature. Besides the EU, data privacy is on the agenda of Asia Pacific Economic Cooperation (APEC), comprising 21 economies on both sides of the Pacific ocean. Many recently negotiated trade agreements, such as EU-Canada Comprehensive Economic and Trade Agreement (CETA) and Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), view data privacy as an integral part of e-commerce development and economic cooperation.

Issues around the digital economy have also been increasingly featured in the G20 agenda for the past several years, where global leaders are seeking to improve coordination around management of the digital economy and e-commerce.

This has included meetings of ministers responsible for digital issues as well as a focus in the Trade and Investment Working Group (TIWG). Under the current rotating Argentine presidency, the Think 20, a network of research institutes and independent think tanks providing analysis to G20 leaders, will soon [release](#) a series of policy briefs and recommendations on how the group of major advanced and emerging economies should manage these issues.

ICTSD Reporting; "GDPR: US news sites unavailable to EU users under new rules," BBC NEWS, 25 May 2018; "Sites block users, shut down activities and flood inboxes as GDPR rules loom," THE GUARDIAN, 24 May 2018; "Blocking 500 million users is easier than complying with Europe's new rules," BLOOMBERG, 25 May 2018; "Silicon Valley giants hit with first complaints on day one of GDPR," EURACTIV, 25 May 2018.

AGRICULTURE

WTO Agriculture Talks Resume Amid Disagreement on Way Forward

The World Trade Organization's negotiating body on agriculture met informally on 24 May for the first time since the organisation's eleventh ministerial conference in Buenos Aires last December, against a backdrop of ongoing trade tensions and continuing disagreement over the focus of the talks.

Guyanese Ambassador Deep Ford, the new chair of the WTO agriculture negotiations, [told](#) trade officials that he was confident they would be able to make progress "despite the recognition of some clouds that hang over the negotiating environment in general." Ford was [appointed](#) as chair on 9 April.

Reporting on his consultations since then with over 30 WTO members and group coordinators, he stated that negotiators now need to address a set of related challenges in order to make progress in the talks. These include "the challenge to engage differently, the challenge to use time differently, the challenge to achieve outcomes differently," he said.

Ford warned that countries needed to learn lessons from the talks in the run-up to the Buenos Aires ministerial conference, which ended without any consensus outcomes on agriculture or roadmap for further work.

A negotiating [paper](#) tabled by 16 members of the Cairns Group of farm exporting countries called for negotiations to restart.

"It is now five months since MC11, and there is no need to stall our work further," the co-sponsors argued, using negotiators' shorthand for the eleventh ministerial conference.

However, a separate submission from the US instead called for a "reset" of the agriculture negotiations.

The paper, a copy of which has been seen by Bridges, argues that WTO members ought first to reflect on the challenges that farmers face in the world today.

Incremental steps forward

The paper tabled by Cairns Group members calls for countries to establish a work programme to guide the negotiations going forward. This "should include realistic milestones to avoid back-loading the agenda in the lead-up to MC12," the co-sponsors said. The group's paper said that the twelfth ministerial conference, which is due to be held in 2019, should take "a concrete step forward in the reform process which sets the scene for comprehensive action" at the thirteenth ministerial conference in 2021.

Trade sources told Bridges that other countries at the meeting spoke in favour of taking incremental steps forward, building on the outcomes of the two ministerial conferences that took place before Buenos Aires.

However, the US submission argued that the inability of negotiators to reach agreement in Argentina showed that the "low hanging fruit" in the negotiations has already been picked.

At the meeting, Ford also told members his consultations had highlighted the need to accelerate farm trade talks in order to ensure countries achieve progress on the UN Sustainable Development Goals (SDGs), singling out in particular targets agreed under SDG 2 (on food security and sustainable agriculture) and SDG 17 (on means of implementation, including trade).

Negotiating priorities

The chair told the meeting that countries' priorities remained largely unchanged. He highlighted seven specific negotiating areas which had been identified in his consultations to date.

Talks on agricultural domestic support were the top priority for most members, he said, although there remain different views on how talks in this area should advance. Agricultural exporting countries, the EU, and most developing countries have been particularly vocal in favour of fast-tracking outcomes in this area.

A number of developing countries continue to seek negotiating outcomes on how current WTO farm subsidy rules affect their ability to procure food for public stocks, alongside a special safeguard mechanism to help them temporarily shield domestic producers from sudden import surges and price depressions. The G33 coalition, which includes China, India, Indonesia, and numerous smaller countries, has argued for these issues to be prioritised.

Ford said that talks on "export competition," including various issues seen as being analogous to export subsidies, were seen as unfinished business by some members. Several exporting countries in the Cairns Group have emphasised the importance of work in this area.

Export restrictions were a priority for several net food importing countries, Ford said, although others had reservations about this issue.

Market access was also important for some countries, although countries disagreed over whether it was necessary to link progress in this area to other negotiating topics. While Cairns Group countries have traditionally emphasised this topic, the new US submission also identifies this as an area for further discussion.

Finally, Ford reported that progress on cotton continues to be a high priority for the C4 group of West African countries – Benin, Burkina Faso, Chad, and Mali.

He also told the group that views on how developing countries should be treated in the talks continued to diverge, with negotiators holding different opinions on how to reflect new conditions in international trade.

Sharing information

Ford told the meeting that negotiators could make better use of "sound analytical work" in order to facilitate fact-based discussions, and emphasised the need for countries to submit timely notifications to the WTO so that negotiations could move forward.

The US in particular has called for major emerging countries to improve their farm subsidy reporting to the global trade body, and in recent weeks submitted a ["counter-notification"](#) challenging data submitted by India to the WTO.

"Members seemed to be generally open to using documents and information prepared by international organizations, multilateral organizations, including the FAO, IFPRI and others," the chair said, although he also noted that some countries felt that WTO members ought to first clear the use of different sources of information or provide data directly themselves.

Ford also noted many countries had told him that “increased information and increased negotiations should go hand in hand.”

A clear and effective roadmap

The chair told members that he was now focused on defining a clear path forward to guide how the talks should now proceed.

“My objective is for us to be in a position to collectively define very soon a clear and effective roadmap to guide the agriculture negotiations,” he told the meeting.

One trade official told Bridges they welcomed the chair’s efforts to establish a roadmap for the talks. “That could create a dynamic which leads to progress,” the source said.

Other sources told Bridges that they expected the chair to convene another meeting of the negotiating body before the WTO’s August break.

The WTO committee on agriculture is also due to meet in regular session on 11 and 12 June.

ICTSD reporting.

GLOBAL ECONOMY

US Launches New Trade Probes Into Auto Imports, Macron Calls for WTO Reform

On 23 May, US Secretary of Commerce Wilbur Ross announced the initiation of an investigation into the national security implications of auto imports under Section 232 of the Trade Expansion Act of 1962.

This investigation follows in the footsteps of the US Commerce Department's probes into whether steel and aluminium imports threaten national security, whose findings were sent to President Donald Trump earlier this year. (See Bridges Weekly, [8 March 2018](#))

This new enquiry will analyse the impact of imported SUVs, vans, light trucks, and automotive parts into the US market. Under Section 232, the Secretary of Commerce can conduct comprehensive investigations to determine the effects of imported products on US national security.

In a letter to US Secretary of Defense James Mattis, Ross [affirmed](#), "there is evidence suggesting that, for decades, imports from abroad have eroded our domestic auto industry."

The Department of Commerce [announced](#) that the investigation would "consider whether the decline of domestic automobile and automotive parts production threatens to weaken the internal economy of the United States."

Currently, Mexico is the [top exporter](#) of passenger vehicles and light trucks to the US followed by Japan, Canada, Germany, and South Korea. According to the Commerce Department, imports of motor vehicles into the US have grown 16 percent over the past 20 years.

To determine the effects of imports on national security, the Section 232 investigation will consider [criteria](#) such as whether there has been a "loss of skills or investment, substantial unemployment, and decrease in government revenue" as well as the "impact of foreign competition on specific domestic industries and the impact of displacement of any domestic products by excessive imports."

The Official Notice of Request – [published](#) on Wednesday 30 May on the Federal Register and which officially set in motion the auto import probe – establishes that public hearings will be held on 19-20 July 2018. Secretary Ross then has a period of 270 days to conduct the enquiry and present the department's findings to President Trump.

The administration will subsequently decide whether to apply tariffs, quotas, or other measures on the range of imported automobiles and auto parts that enter the US market. Any such action will be imposed within 15 days of the administration's decision.

Trading partners warn of implications for global markets, multilateral system

Shortly after Ross' 23 May announcement – and with the White House [reportedly](#) seeking new tariffs on automobile imports of up to 25 percent – Japan's Nikkei index fell by over one percent in day trading following drops in Mazda, Nissan, and Toyota share values. In Europe, BMW, Daimler, and Volkswagen shares slumped between 1.7 and 2.8 percent.

Hiroshige Seko, Japan's Minister of Economy, Trade and Industry, [said](#) that any potential measure taken by the US would have to conform to the rules of the World Trade Organization (WTO). Seko also declared that Trump's proposed tariffs "would be an extremely far-reaching trade sanction that would put the global market into turmoil." Japan currently accounts for about 40 percent of US vehicle imports.

European Commission Vice President Jyrki Katainen [told](#) a news conference that tariffs on auto imports similar to those imposed on steel and aluminium under Section 232 "obviously would be against the WTO [rules] and it's very difficult to imagine [car imports] to create any sort of threat to the national security."

In the first semester of 2018, the department concluded two Section 232 investigations into steel and aluminium imports, breaking with a 17-year hiatus of government use of this type of probe. The Trump administration subsequently announced that it would impose a global 25 and 10 percent tariff on steel and aluminium imports as of 23 March.

Washington has since granted exemptions to some trading partners, normally in the form of quotas, and has given Canada, Mexico, and the EU until 1 June to reach an alternative arrangement to avert the duties. (See Bridges Weekly, [29 March 2018](#))

Those steel and aluminium tariff hikes continue to cause tension across the globe, both in terms of their commercial implications as well as their potential risks to some of the key tenets of the multilateral trading system – namely, whether the use of unilateral measures on national security grounds by one of the world's top traders could lead to a domino effect among other countries.

The existing steel and aluminium duties have prompted formal WTO dispute settlement complaints, most recently from India, along with formal announcements from Japan, Russia, and Turkey that they intend to suspend trade concessions to the US unless a solution is found.

EU Trade Commissioner Cecilia Malmström has since informed the European Parliament that she believes that the bloc will likely face some form quota on steel and aluminium exports.

"Our future course of action will depend on the nature and the severity of measures imposed on our exports by the United States and the injury it does to our industry," she [said](#). Malmström further warned that restrictive quotas would prompt "immediate retaliation."

The Section 232 investigation into auto parts corresponds with a renewal of US-China tensions on planned actions following the United States Trade Representative's (USTR) [Section 301 findings](#) regarding China's intellectual property and transfer of technology practices. (See Bridges Weekly, [9 May 2018](#))

On Tuesday 29 May, President Trump [announced](#) that the US would impose a "25 percent tariff on \$50 billion of goods imported from China containing industrially significant technology, including those related to the 'Made in China 2025' program." The final list of covered imports is expected to be announced by 15 June.

All eyes on Paris, Macron calls for comprehensive reforms

It is against this tense backdrop that ministers and business leaders from around the world gathered in Paris on Tuesday and Wednesday for the annual Organisation for Economic Co-operation (OECD) Ministerial Council Meeting, chaired by France, on the heels of which was held an informal meeting of global trade ministers – or "mini-ministerial" – that will conclude on Thursday 31 May.

Speaking at the forum, Secretary Ross gave the strongest [indication](#) yet that EU demands for a full exemption from Section 232 steel and aluminium tariffs would not be met.

Discussions at the “mini-ministerial” were expected to echo the 8 May WTO General Council during which virulent exchanges were for the most part devoted to Section 232 and Section 301 concerns, as well as frustrations over the current Appellate Body impasse, rather than the post-Buenos Aires negotiating agenda. (See Bridges Weekly, [9 May 2018](#))

In addition, a ministerial dialogue between the EU, US, and Japan is slated for Friday 1 June. This builds on a similar meeting held on the sidelines of the WTO ministerial in Argentina where trade ministers from these economies pledged to undertake “trilateral cooperation” aimed at getting rid of “unfair market distorting and protectionist practices by third countries,” with a firm eye on Beijing.

In a much anticipated keynote speech [delivered](#) by Emmanuel Macron at the OECD council meeting on Wednesday evening, the French President [called](#) for comprehensive reform of the WTO and a “complete update of global competition rules.”

Full reporting on the Paris meetings will be available in the next edition of Bridges.

ICTSD Reporting; “Trump administration looks into new tariffs on imported vehicles,” WALL STREET JOURNAL, 23 May 2018; “Protests worldwide against US idea of auto import tariffs,” NEW YORK TIMES, 24 May 2018; “Europe fears trade dispute escalation as the US weighs auto tariffs,” AGENCE FRANCE PRESS, 24 May 2018; “Trump car tariff threat prompts global condemnation,” FINANCIAL TIMES, 24 May 2018; “EU braces for U.S. metal curbs as hopes fade for Trump relief,” BLOOMBERG, 29 May 2018; “US trade secretary rebuffs EU demands for tariff exemptions,” FINANCIAL TIMES, 30 May 2018, “Macron calls for complete overhaul of world trade rules, WTO reform,” REUTERS, 31 May 2018.

INTELLECTUAL PROPERTY

World Health Assembly Approves New Strategic Plan With Focus on "Triple Billion" Targets

The World Health Organization (WHO) convened its 71st World Health Assembly (WHA) from 21 to 26 May at its headquarters in Geneva. During the week-long event, ministers of health and other delegates from the WHO's 194 member states met to discuss a variety of pressing global health issues and to finalise the organisation's 13th General Programme of Work (GPW 13).

The WHA is the global health organisation's top decision-making body. Approved by the assembly last week, GPW 13 will serve as the WHO's five-year strategic guide for planning, monitoring, and evaluation of its work from 2019-2023.

The [programme](#) is strongly informed by the UN's 2030 Agenda for Sustainable Development, and in particular Sustainable Development Goal (SDG) 3 on good health and well-being. In order to accelerate progress towards SDG targets, GPW 13 focuses on three interconnected areas: achieving universal health coverage, addressing health emergencies, and promoting healthier populations.

Achieving the "triple billion" targets

Dr Tedros Adhanom Ghebreyesus, Director-General of the WHO, [said](#) that "everything WHO did going forward would be evaluated in light of the 'triple billion' targets," wherein WHO aims to ensure that by 2023: one billion more people benefit from universal health coverage (UHC); one billion more people have better protection from health emergencies; and one billion more people enjoy better health and well-being.

Universal health coverage, the first of the three targets, depends in large part on access to medicine. Referencing SDG 3.8, GPW 13 defines UHC to include protection from financial risk, as well as "access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all."

The programme also notes the need for access to other health products, including diagnostics, medical devices, and blood and blood products.

In order to mitigate the financial hardship caused by out-of-pocket payments for medicine, the WHO will help to ensure policies are in place that allow fair pricing and access. The WHO [reported](#) that in 2010, nearly 100 million people were pushed into extreme poverty due to out-of-pocket payment for health services.

GPW 13 also emphasises the need for access to generic medicines as well as quality-assurance through regulation. Recent years have seen an [increase](#) in substandard and falsified medical products that undermine the safety and efficacy of medicines and vaccines.

Decisions adopted on access to medicine, IP, and innovation

In addition to the WHO's plans delineated in GPW 13, the assembly adopted two decisions, one related to access to medicine and vaccines, the other related to innovation and intellectual property (IP).

First, having considered a March [report](#) by the Director-General, the assembly [requested](#) the WHO head draft a roadmap report, in consultation with member states, outlining the organisation's programming work on access to medicines and vaccines. The roadmap is to include activities, actions, and deliverables for the 2019-2023 work period.

The March report recommends a number of key actions where the WHO could have the greatest potential impact on access to safe, effective, and quality medicines.

These include enhanced collaboration on IP and trade policies with the World Intellectual Property Organization (WIPO) and the World Trade Organization (WTO); and the expansion of the Medicines Patent Pool to include all medicines from the WHO Model List of Essential Medicines.

The report further proposes the implementation of IP laws that are in line with the WTO Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS Agreement), and that make adequate use of its flexibilities, including [non-voluntary licenses](#).

However, member states continue to differ as to the appropriate balance between protection of IP rights and access to medicine and vaccines, in particular through the use of non-voluntary licenses, considered by some as an instrument of last resort to be used under extremely limited circumstances.

The assembly's second decision relates to the WHO's 2008 Global Strategy and Plan of Action on Public Health, Innovation and Intellectual Property (GSPA).

After considering the Director-General's [report](#) on the overall programme review of GSPA for the period 2018–2022, the assembly [urged](#) member states and the WHO head to implement the report's recommendations consistent with the GSPA. (See Bridges Weekly, [5 February 2015](#))

These recommendations include prioritising research and development (R&D) and building research capacity; promoting transparency and collaboration with R&D; and promoting health technology transfers in line with the SDGs and TRIPS Agreement.

The report also emphasised the importance of developing sustainable financing mechanisms for research and the need to manage IP to contribute to innovation and public health. As mentioned by some member states during the assembly, existing WHO financial resources do not cover the budget that is required to implement the GSPA-related recommendations.

ICTSD Reporting; "WHA agrees on drafting of roadmap for access to medicines and vaccines; US blasts compulsory licences," INTELLECTUAL PROPERTY WATCH, 24 May 2018.

GLOBAL ECONOMY

APEC Trade Ministers Shun Protectionism

The trade ministers of the Asia-Pacific Economic Cooperation (APEC) member states gathered from 25 to 26 May in Port Moresby, Papua New Guinea for their 24th annual meet. Papua New Guinea and World Trade Organization (WTO) Director-General Roberto Azevêdo called on members to support the multilateral trading system, which did not translate into the ministerial statement.

The region has drawn attention for its integration dynamics, as the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) continues its ratification process, and negotiations towards the Regional Comprehensive Economic Partnership (RCEP) remain ongoing. In addition, ministers in Port Moresby recommitted to pursuing work towards reaching a Free Trade Area of the Asia-Pacific (FTAAP).

APEC was formed in 1989 as a forum for economic cooperation which has looked to boost intra-regional trade, investment, and economic growth. In 2015, the 21-country regional grouping [made up](#) 59 percent of world GDP and 49 percent of world trade.

Under Papua New Guinea's rotating chairmanship of the group, this year's meeting was given the theme of "Harnessing Inclusive Opportunities, Embracing the Digital Future."

Focus on digital technology, sustainable growth

In light of the chosen theme, ministers focused in their statement on digital technology's impacts on trade. With e-commerce sales in 2016 reaching US\$1 trillion in the Asia-Pacific region, ministers committed to facilitating cross-border digital trade among APEC members as outlined in their [facilitation framework](#).

The framework aims to achieve this by creating a favourable regulatory ecosystem, improving communications infrastructure, enhancing public-private partnerships, and supporting the Bogor Goals. The [Bogor Goals](#) are a set of targets for realising free and open trade in the Asia-Pacific as agreed by members in 1994.

"We note the importance of capacity building, sharing best practices, facilitating mutual understanding by conducting case studies and promoting E-commerce and digital trade in the region, recognizing the need to address opportunities and challenges of developing member economies," the ministers [stated](#).

Ministers lauded the progress achieved in the implementation of the [Environmental Services Action Plan](#), while noting the importance of boosting the competitiveness of services trade in general. The action plan works to increase trade in services, such as water management, that support environmental protection and sustainable economic growth. The trade officials also called on members to reduce the applied tariffs to 5 percent on the 54 products in APEC's [List of Environmental Goods](#).

The meeting also saw the launch of the latest [APEC Regional Trends Analysis](#). The report, which focuses on trade and the pursuit of inclusion, shows that growth in the region jumped from 3.4 percent to 4.1 percent in 2017, with merchandise exports and trade in commercial services growing at a rate of 4.9 percent and 5 percent, respectively.

"Business and employment prospects in the region are more favourable now thanks to higher trade growth, driven by a solid global economy, but could backslide without proper

care," [cautioned](#) Dr Denis Hew, Director of the APEC Policy Support Unit, which produced the report.

Tensions over the multilateral trading system

The chair of the 2018 APEC Ministers Responsible for Trade Meeting, Papua New Guinea's Foreign Affairs and Trade Minister Rimbink Pato, and the Director-General of the WTO expressed hope that the gathering would calm fears over the state of the multilateral trading system.

"Let us resolve to send a strong message to the global community that APEC believes in a free, non-discriminatory and inclusive multilateral trading system," [said](#) Pato in his opening address. "Let us recommit ourselves to advance the realization of a comprehensive and high quality free trade agreement for the region that will enhance inclusive and sustainable growth."

In his speech to the trade heads on 25 May, Azevêdo called on APEC members to address rising tensions and advance the WTO's work.

"APEC members have long been champions of the global trading system. I urge ministers to stay active and engaged, and to play their part – both in resolving the critical issues before us today and in finding ways to continue strengthening and improving the multilateral trading system," [said](#) the WTO head.

"An escalation in trade tensions would affect everyone across the Asia-Pacific region, and beyond. Working together through the WTO, we have resolved previous tensions and helped to preserve the stability of the global economy. We must do the same again today."

In the ministerial statement, there was no mention of recent trends towards protectionism or challenges to the multilateral system, which some experts have perceived as signalling differences between current approaches to trade, in particular the US administration's "America First" trade policies.

Instead, leaders noted the importance of the WTO Trade Facilitation Agreement (TFA), which entered into force in February 2017 and aims to expedite the movement, release, and clearance of goods. "We also encourage economies to constructively engage and support discussions in international fora, including the WTO," the ministerial statement [said](#).

The chair of the meeting released a separate statement supporting the multilateral trading system, reflecting Minister Pato's assessment of the prevailing views of APEC members.

"We underscore that trade liberalisation and facilitation are essential for achieving sustainable global growth and remain committed to continuing APEC's leadership to promote free and open markets," [said](#) the chair's statement.

"We therefore reaffirm our commitment to keep our markets open, and to fight against and to rollback protectionist and trade distorting measures, and we reaffirm our Leaders' pledge to extend the standstill commitment until the end of 2020."

ICTSD reporting.

ENVIRONMENT

Rise of Prohibited Ozone-Destroying Chemical Prompts UN Investigation

Emissions of trichlorofluoromethane (CFC-11), a potent greenhouse gas banned by the Montreal Protocol for its ozone-depleting properties, have seen an unexpected increase by 25 percent since 2012, according to a recent [study](#) published in the scientific journal Nature.

While the researchers were unable at this point to locate the exact country of origin, they have traced the source of emissions to the East Asia region.

According to the study, the increase in CFC-11 is most likely due to an unreported production of the chemical. Scientists argue that the high level of CFC-11 suggests that an unintentional release, for example as a by-product of industrial processes or a leak from transit or waste, is unlikely.

CFC-11, once widely used in the production of aerosols, refrigerants, solvents, and blowing agents for foams and packing materials, was banned in 1996 and allegedly phased out by 2010.

The emergence of a successful market for alternatives raises questions about the motivation for producing the banned chemical.

"It is not clear why any country would want to start to produce, and inadvertently release, CFC-11, when cost-effective substitutes have been available for a long while," [said](#) Robert Watson, a former NASA scientist.

Restoring the ozone layer

The Montreal Protocol, adopted in 1987, is often looked at as the pinnacle of international environmental policy and cooperation. By reducing the production and consumption of global ozone-depleting substances, including chlorofluorocarbons (CFCs), the treaty has been instrumental in helping repair the hole in the ozone layer, preventing dangerous radiation from leaking in.

The inclusion of trade measures has been largely credited with the protocol's success to date. The ban of trade in controlled substances between parties and non-parties, as well as provisions for technical and financial support to help countries gain access to lucrative new markets for alternative chemicals, has incentivised universal ratification of the treaty and, until now, compliance with its provisions.

"The [Montreal Protocol] regime is our hero. It has solved the first great threat to the global atmosphere, and put the stratospheric ozone layer on the path to recovery by 2065. It also has done more to protect the climate than any other agreement," [said](#) Durwood Zaelke, president of the Institute for Governance and Sustainable Development, adding that the world cannot afford a failure of the protocol.

Stephen Montzaka, lead author of the study, stresses that the findings of the increase in CFC-11 emissions underline the strength of the Montreal Protocol, rather than its failing, arguing that it proves that the measurement and safeguard systems to monitor implementation are doing their job.

Despite the recent spike in CFC-11, its concentration in the atmosphere continues to decrease. However, the rate of decline is significantly slower than projected.

Keith Weller, a spokesman for UN Environment, the host of the Montreal Protocol, stresses the need to quickly identify and shut down the source of emissions to minimise the delay in the repair of the ozone layer. "If these emissions continue unabated, they have the potential to slow down the recovery of the ozone layer," Weller said in a [statement](#).

A slower repair of the hole in the ozone layer bears risks of overexposure to ultraviolet radiation which can cause chronic health impacts.

Ensuring compliance with the Montreal Protocol

Localising the source of CFC-11 emissions will be a significant endeavour, involving complex scientific methods. Nevertheless, Paul Newman, co-chair of the Montreal Protocol's Assessment Panel, says that scientists are likely to identify the emitter within one or two years.

The offending country will be responsible for finding the source of emissions and shutting down production.

Scientific advisors to the Montreal Protocol have been tasked with examining the evidence of the increased CFC-11 emissions and report their findings to national representatives by year-end. Parties will then decide on the actions to be taken.

This will mostly likely involve financial and technical support as well as capacity-building to help the country return to compliance. If unsuccessful, the Meeting of the Parties to the Montreal Protocol can issue cautions and ultimately suspend rights and privileges under the protocol, including in the areas of trade, technology transfer, and financial support.

ICTSD Reporting; "Scientists race to find who is pumping an incredibly dangerous gas into the atmosphere," THE OUTLINE, 28 May 2018; "UN to investigate mysterious emissions of banned ozone-damaging CFCs," CLIMATE HOME NEWS, 17 May 2018; "Rising emissions of ozone-destroying chemical banned by Montreal Protocol," SCIENCE DAILY, 16 May 2018; "Someone, somewhere, is making a banned chemical that destroys the ozone layer, scientists suspect," THE WASHINGTON POST, 16 May 2018.

EVENTS & RESOURCES

Vacancies

The International Centre for Trade and Sustainable Development (ICTSD) is looking to fill the following vacancies.

ICTSD is hiring a Managing Editor for Bridges Africa and Passerelles, its English and French-language periodicals focusing on trade and sustainable development in the African continent. The managing editor will be part of the Bridges editorial team and ICTSD's development programme. The deadline for applications is 4 June 2018. To learn more about the candidate profile and job responsibilities, please visit the ICTSD [website](#).

ICTSD is hiring for its Bridges Africa and Passerelles Fellows programme, which provides exceptional graduate students an opportunity to put their talents into action while pursuing their studies. Fellows join the Bridges Africa and Passerelles editorial team to source and publish news articles. The fellowship lasts between six months to one year. The position is part-time and home-based. The deadline for applications is 18 June 2018. To learn more about the candidate profile and fellowship responsibilities, please visit the [Bridges Africa](#) and [Passerelles](#) announcements on the ICTSD website.

A few select junior associate and trainee positions are also listed on the dedicated ICTSD [jobs page](#).

Events

Coming Soon

4-8 June, Rome, Italy. FAO COUNCIL. In this annual council meeting of the Food and Agriculture Organization (FAO) of the UN, reports from a variety of fields such as regional conferences and the programme committee will be discussed and ruled upon. For more information and to view event documents, visit the meeting [website](#).

4-8 June, Manila, Philippines. ASIA CLEAN ENERGY FORUM 2018. Organised by the Asian Development Bank, USAID, and the Korea Energy Agency, this event aims to share best practices in policy, technology, and finance to meet the regional's climate and energy security challenges. Participants are expected from governments, banks, investment funds, civil society, and academia, among others. For more information, visit the event [website](#).

4-8 June, Washington DC, USA. THE EFFECTS OF CLIMATE CHANGE ON THE WORLD'S OCEANS. The International Council for the Exploration of the Sea, the North Pacific Marine Science Organization, the Intergovernmental Oceanographic Commission of UNESCO, and the Food and Agriculture Organization (FAO) of the UN join forces to organise this international symposium to present current research and promote collaboration around climate change and the oceans. For more information and to register, visit the event [website](#).

4-12 June, Geneva, Switzerland. TRADE AND DEVELOPMENT BOARD, SIXTY-FIFTH SESSION. Along with procedural matters, the Trade and Development Board of the UN Conference on Trade and Development (UNCTAD) will address contemporary issues in the global trade system, including multilateralism and trade for achieving the Sustainable Development Goals (SDGs). For more information and to register, visit the event [website](#).

7 June, Rome, Italy. 2018 STATE OF THE EU ETS - ROME MEETING. This event is part of ICTSD's European Roundtable on Climate and Sustainable Transition (ERCST) outreach meeting series on the 2018 State of the EU Emissions Trading System (ETS) report. During the event, the authors will present their independent research on the issue to add to the policy debate. Stakeholders will then be given an opportunity to discuss report findings in a roundtable setting. To learn more and to register, visit the event [website](#).

11-12 June, Geneva, Switzerland. FACILITATION 2.0 IN REGIONAL TRADE AGREEMENTS: ENABLING TRADE IN THE DIGITAL AGE. This event is being convened under the RTA Exchange dialogue series, a joint initiative by the International Centre for Trade and Sustainable Development (ICTSD) and the Inter-American Development Bank (IDB). It will examine the increasing sophistication and scope of trade facilitation provisions that have emerged in regional trade agreements (RTAs), looking at potential best practices and how these could feed into wider discussions, including multilaterally. Event attendance is by invitation only. To learn more, visit the ICTSD [website](#).

13 June, Geneva, Switzerland. EVOLUTION OF INVESTMENT POLICYMAKING IN RTAs AND IIAs. This event is being convened under the RTA Exchange dialogue series, a joint initiative by the International Centre for Trade and Sustainable Development (ICTSD) and the Inter-American Development Bank (IDB). It will examine recent trends in investment policymaking under regional trade agreements (RTAs) and international investment agreements (IIAs), aiming to support other rulemaking processes. Participants will be from governments, civil society, international organisations, the private sector, and academia. Event attendance is by invitation only. To learn more, visit the ICTSD [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 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.

1 June: Committee on Trade-Related Investment Measures

5 June: Council for Trade-Related Aspects of Intellectual Property Rights

6 June: Council for Trade-Related Aspects of Intellectual Property Rights

7 June: Committee on Trade and Development – Dedicated Sessions on Small Economies

Other Upcoming Events

13 June, Paris, France. 2018 STATE OF THE EU ETS - PARIS MEETING. This event is part of the International Centre for Trade and Sustainable Development's (ICTSD) outreach meeting series on the 2018 State of the EU Emissions Trading System (ETS) report. During the event, the authors will present their independent research on the issue to add to the policy debate. Stakeholders will then be given an opportunity to discuss report findings in a roundtable setting. To learn more and to register, visit the event [website](#).

13-14 June, Geneva, Switzerland. GLOBAL FORUM ON INCLUSIVE TRADE FOR LDCs. This event is being organised by the Enhanced Integrated Framework (EIF) at the World Trade Organization (WTO). The event will examine how trade has evolved in least developed countries (LDCs) over the last 10 years and where it could go next, along with focusing on how to use trade in support of the Sustainable Development Goals (SDGs). Expected participants will include government and international organisation representatives, private sector actors, and academics, among others. To learn more and to register, visit the event [website](#).

15 June, Berlin, Germany. 2018 STATE OF THE EU ETS – BERLIN MEETING. This event is part of ICTSD's European Roundtable on Climate and Sustainable Transition (ERCST) outreach meeting series on the 2018 State of the EU Emissions Trading System (ETS) report. During the event, the authors will present their independent research on the issue to add to the policy debate. Stakeholders will then be given an opportunity to discuss report findings in a roundtable setting. To learn more and to register, visit the event [website](#).

15 June-27 July, online. COURSE: THE PARIS AGREEMENT ON CLIMATE CHANGE AS A DEVELOPMENT AGENDA. This course from the UN System Staff College aims to help participants develop a deeper understanding of the relationship between the UN's Paris Agreement on climate change and the UN's 2030 Agenda for Sustainable Development and related Sustainable Development Goals (SDGs). It is being offered jointly with UN Climate Change. For more information and to enrol, visit the course [website](#).

19-25 August, Oxford, UK. OXFORD SUMMER SCHOOL IN ECOLOGICAL ECONOMICS 2018. This Oxford course, designed for PhD students, government experts, and international organisation and business representatives, will focus primarily on methods and policy applications for ecological economics, given the current trends in this field. During theoretical and applied modules, participants will learn about decision-making tools, industrial ecology, and best practices in the field. For more information and to apply, visit the event [website](#).

2-4 October, Geneva, Switzerland. WTO PUBLIC FORUM. This annual WTO outreach event will have as its theme "Trade 2030." More specifically, the three-day meeting will consider "sustainable trade" between now and 2030, addressing topics such as technology-enabled trade and making the trading system more inclusive. Please note that the deadline for submitting proposed sessions is 4 June 2018. More information is available at the WTO's dedicated site for the Public Forum [here](#).

22-26 October, Geneva, Switzerland. WORLD INVESTMENT FORUM 2018. Over the course of 50 events including roundtables, summits, and private sector-led sessions, this annual forum, hosted by the UN Conference on Trade and Development (UNCTAD) will address global challenges for international investment in the era of globalisation and industrialisation. Stakeholders from governments, investment treaty negotiation teams, global companies, and other significant areas will come together to discuss investment-related policymaking, particularly in relation to sustainable development. For more information and to register, visit the event [website](#).

8 November, Geneva, Switzerland. BLENDED DEVELOPMENT FINANCE AND THE NEW INDUSTRIAL POLICY. The Centre for Finance and Development and the Center for Global Development are hosting this conference to bring together academia and the private sector to address issues surrounding how public-private partnerships can work to propose concrete solutions to accelerate effective development financing. For more information, visit the event [website](#). Registration will be available on the site as of June 2018.

Resources

THE ROLE OF INVESTORS IN PROMOTING SUSTAINABLE INFRASTRUCTURE UNDER THE BELT AND ROAD INITIATIVE. By Alison Hoare, Lan Hong, and Jens Hein for the Chatham House (May 2018). In light of the profound impacts of infrastructure on societies and the environment, the authors of this new paper investigate the ways that socially and environmentally sustainable procurement can be used in completing China's Belt and Road Initiative. To download or read this research paper online, visit the Chatham House [website](#).

THE IMPACT OF COMPENSATORY MEASURES ON PUBLIC SUPPORT FOR CARBON TAXATION: AN EXPERIMENTAL STUDY IN SWEDEN. By Sverker C. Jagers, Johan Marinsson, and Simon Matti for the Climate Policy Journal (May 2018). In this new study, the authors investigate perceptions of Sweden's carbon tax policy through a randomised survey experiment. Based on their results, the authors offer policy insights to aid in creating carbon tax policy that will be supported by citizens. To download the full text in PDF form, visit the publisher's [website](#).

STRENGTHENING CLIMATE CHANGE ADAPTATION CAPACTIY IN AFRICA – CASE STUDIES FROM SIX MAJOR AFRICAN CITIES AND POLICY IMPLICATIONS. By Walter Leal Filho et al. for the Environmental Science and Policy Journal (August 2018). This new paper uses concrete case studies to illustrate the vulnerability and adaptive capacity status of cities on the African continent. The authors then use the case studies to shed light on best practices for adaptation strategies in the area. To download the full report, visit the [website](#).

WORLD EMPLOYMENT AND SOCIAL OUTLOOK 2018: GREENING WITH JOBS. By the International Labour Organisation (ILO) (May 2018). In this new publication, the ILO investigates the impacts of meeting the Paris Agreement's global warming target of two degrees Celsius on employment worldwide. They find that with proper supporting policy, jobs produced in new green sectors will offset those lost elsewhere. For more information and to download the complete report, visit the ILO [website](#)

CHANNELLING PRIVATE INVESTMENT TO INFRASTRUCTURE: WHAT CAN MULTILATERAL DEVELOPMENT BANKS REALISTICALLY DO? By Chris Humphrey for the Overseas Development Institute (ODI) (May 2018). This new paper focuses on the positive role that multilateral development banks can play through project bonds, securitisation of infrastructure loans, and syndication arrangements to fill the gap between funds available for infrastructure and those necessary to keep up with economic growth. To read and download the full report, visit the ODI [website](#).

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International Centre for Trade
and Sustainable Development
Chemin de Balexert 7-9
1219 Geneva, Switzerland
+41-22-917-8492
www.ictsd.org

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of publications is most welcome; if interested,
please contact Andrew Crosby, Managing
Director at +41-22-917-8335.

Contributors to this issue are Nathalie Bolduc,
Matthew Flaherty, Sonja Hawkins, Jonathan
Hepburn, Galen Hiltbrand, Maria Ptashkina, and
Ada Siqueira. Fabrice Lehmann was guest editor
for this issue. The Senior Editor of Bridges Weekly
Trade News Digest is Sofia 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](#).

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