

# BRIDGES WEEKLY

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## CLIMATE AND ENERGY

### EU Negotiators Strike Deals on Three Clean Energy Files, Eyeing 2030 Climate Goals

Over the past few days, negotiators from the European Commission, Parliament, and Council have reached political agreements on three major legislative proposals under the European Commission's [Clean Energy Package](#), namely those on renewable energy, energy efficiency, and energy union governance.

Together with the deal on the energy performance of buildings reached last month, this wraps up half of the Commission's proposals under the overall package.

The Clean Energy Package was proposed by the European Commission in November 2016 to create a stable legislative environment for the bloc's clean energy transition. The eight proposals are intended to make the EU energy sector more stable, competitive, and sustainable, and help achieve the EU's international climate goals through at least the year 2030.

Under the UN's Paris Agreement on Climate Change, the EU has committed to reducing its greenhouse gas emissions by at least 40 percent below 1990 levels by 2030. The Paris Agreement was reached in 2015 and entered into force at the end of 2016.

#### Renewable energy

On Thursday 14 June, negotiators agreed on a new, binding renewable energy target of 32 percent by 2030. A review on increasing the new target further will be conducted by 2023 at the latest. These would be part of a revised "Renewable Energy Directive," given that the existing version sets targets only through 2020.

Welcoming the deal, EU climate commissioner Miguel Arias Cañete said that "this new ambition will help us meet our Paris agreement goals and will translate into more jobs, lower energy bills for consumers, and less energy imports."

The EU had previously endorsed a renewable energy goal of 27 percent for 2030. This target was reached in 2014 and was criticised by many environmental groups for

being insufficiently ambitious as the EU was already on track to exceed it. In 2016, renewable energy consumption in the bloc stood at 17 percent.

The EU's updated Renewable Energy Directive, along with revising that target upwards, will now include a 14 percent target for transport fuels from renewable energy to support the move towards cleaner transportation. More specifically, that goal aims to support the use of more sustainable biofuels, moving away from those which could have unintended, adverse effects on emissions.

Under the transport goal, the EU also agreed to phase out palm oil by 2030. Palm oil is an important driver of emissions from indirect land-use change (ILUC) as palm oil plantations displace vast areas of tropical forests which store large amounts of carbon. The phase-out will start by freezing existing quantities of imported palm oil, a move that will affect existing trade patterns. Malaysia and Indonesia, the world's biggest producers of palm oil, have previously threatened to impose trade measures in response, should any ban come to pass.

Other first generation biofuels, like ethanol, must be capped at the EU's 2020 production level and their share in final consumption in road and rail transport cannot exceed seven percent. This is meant to address concerns over the sustainability of food-based biofuels due to their impacts on food prices, deforestation, and biodiversity. In order to move increasingly towards second generation biofuels from non-food crops or plant residues, their share in transport fuels has been set at a minimum of 3.5 percent by 2030.

The deal also encourages renewable energy self-consumption by exempting installations of 25 kilowatts from certain grid obligations, such as taxes on energy for self-consumption. Environmental groups have welcomed this move to support citizens and small businesses in producing, consuming, storing, and selling their own renewable energy as an important step for the bloc's clean energy revolution.

### **Energy efficiency**

After energy efficiency talks broke down one week ago, negotiators were able to conclude that file in resumed talks on Tuesday evening, reaching a political deal on an EU-wide target of 32.5 percent by 2030. Those talks have been looking at how to save energy at multiple levels, such as power generation, building construction, and energy consumption.

The new energy efficiency goal, which raises the previous 27 percent target, is a compromise deal between the Council and Parliament positions, who had advocated for 30 and 35 percent, respectively.

The Energy Efficiency Directive also contains an upwards revision clause for 2023. However, unlike the renewable energy target, the energy efficiency target is a non-binding indicative goal, or a "headline" target.

Arias Cañete [described](#) the target as a "major push for Europe's energy independence" that will boost the EU's "industrial competitiveness, create jobs, reduce energy bills, help tackle energy poverty, and improve air quality." He flagged in particular what this would mean for trade in fossil fuels.

"Europe is by far the largest importer of fossil fuels in the world. Today we put an end to this," he said.

### **Energy union governance**

Following the agreement on the updated Renewable Energy and Energy Efficiency Directives, negotiators were able to clinch a deal on energy governance in the early hours of Wednesday 20 June. Energy governance is a particularly challenging issue, in light of the

need to balance EU-wide targets with national needs, along with ensuring a stable business climate that will enable investors to make long-term, low-carbon commitments.

Under the agreement announced this week, the EU as a whole will aim for a net-zero economy as early as possible, referring to a situation where carbon emissions and removals balance each other out.

Under the Paris Agreement, countries have committed to bringing global emissions down to net-zero in the "second half of this century."

The European Parliament had pushed for including the 2050 deadline in the agreement, but due to pushback from some member states, negotiators ultimately chose not to set a specific date.

By the end of next year, member states will have to prepare long-term decarbonisation strategies for 2050 in addition to their 2030 plans.

As part of the deal, the Commission has been tasked to elaborate a proposal by 1 April 2019 for a 2050 EU strategy for greenhouse gas emissions that is in line with the Paris Agreement. The analysis should consider the remaining "carbon budget," both globally and at the EU level, to keep global warming below the two degree Celsius goal and close to 1.5 degrees, as well as scenarios for how the EU can contribute to net-zero emissions by 2050 and negative emissions thereafter.

The governance directive also sets pathways for the contribution of member states to the 2030 renewable energy and energy efficiency goals, with intermediary goals set for 2022, 2025, and 2027. This "gap-filler" mechanism is meant to ensure that all countries are on track to contribute to the overall goals and do not free ride by expecting others to "fill the gap."

### **Next steps**

The three agreements will need official approval by the European Parliament and Council in the coming months, which is expected to be a formality. Afterward, these new rules will enter into force and member states will be required to transpose their elements into domestic law.

ICTSD reporting; "EU strikes early morning deal on energy governance bill," EURACTIV, 20 June 2018; "Energy savings law limps across the finish line," EURACTIV, 19 June 2018; "Energy: new target of 32% from renewables by 2030 agreed by MEPs and ministers," EUROPEAN PARLIAMENT PRESS RELEASE, 14 June 2018; "EU raises renewable energy targets to 32% by 2030," THE GUARDIAN, 14 June 2018; "EU strikes deal on 32% renewable energy target and palm oil ban after all-night session," EURACTIV, 14 June 2018.

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## GLOBAL ECONOMY

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# US, China Officials Set Plans in Motion for Tariffs to Take Effect in July

The past fortnight has seen a series of developments in the US-China trading relationship, amid announcements from the US on the planned imposition of tariffs covering thousands of Chinese products, while hinting at the potential for more, and responses from Beijing that their government is prepared to issue tariffs of their own.

Some of the tariffs are due to take effect from 6 July. Whether negotiators can find a solution to avert the planned duties in that timeframe – the prospect of which, analysts say, is already affecting global markets – remains to be seen.

### Previous bilateral talks

Over the past year, trade tensions between the US and China have emerged or escalated across negotiating forums, from domestic imposition of trade measures to intense debates at the World Trade Organization.

The two sides had appeared to have scaled back these tensions last month, after officials released a statement indicating that China would import more US natural gas and farm products, while Washington would hold off on the planned tariffs and some of the other Section 301 actions.

The subsequent news that the US would still be moving ahead on the initial Section 301 tariffs, targeting US\$50 billion in Chinese products, suggested a renewal of tensions, with Chinese officials warning that moving forward would make the pledges under the previous joint statement void.

### Product lists

On Friday 15 June, the Office of the United States Trade Representative released the long-awaited [list](#) of over 1000 Chinese products that it plans to target with an additional ad valorem duty of 25 percent.

The tariffs are part of the US' previously announced Section 301 actions, following an investigation into allegedly unfair trade practices by China, namely in the field of intellectual property protections and forced technology transfers. They are known as Section 301 due to the provision of the US Trade Act of 1974.

At the multilateral level, the Office of the USTR will [continue](#) to push its WTO dispute settlement [case](#) against China initiated in late March to address China's allegedly discriminatory licensing requirements. The case was one aspect of the initial Section 301 actions.

The White House [announced](#) its intention to move forward on these tariffs on Chinese goods soon after the official release of the USTR's publication of its Section 301 investigations results on 22 May.

On that occasion, the USTR report [argued](#) that the Chinese practices in question were unfair to American companies, arguing that Beijing pursued an "aggressive technology

policy that put 44 million American technology jobs at risk." One of the main Chinese policies under focus was the "Made in China 2025" industrial plan.

Among other findings, the USTR [investigation](#) outlined practices of forced technology transfers, allegedly discriminatory licensing requirements, and cyber theft, among other concerns. Separately, the White House has also publicly criticised a US\$375 billion trade in goods deficit with China, calling for any deal to help lower this gap.

### **Next steps for tariff imposition**

The White House plans to implement its tariff retaliation in two phases, collecting tariffs on a first set of goods worth US\$34 billion from 6 July. The tariffs will be set at 25 percent.

The latter set of goods, worth approximately US\$16 billion, will face tariffs later on, pending further public consultations and other domestic procedures, according to a 15 June announcement from Washington. Investment restrictions may also be forthcoming, with an announcement due by the end of the month.

In response, China's Ministry of Commerce [said](#) on 16 June that the "US' measure violates the relevant rules of the World Trade Organization and is contrary to the consensus reached in the economic and trade negotiations between China and the United States. It seriously violates the legitimate rights and interests of our country."

Following the US announcement on 15 June, Beijing's State Council [declared](#) that it was ready to impose "corresponding retaliatory measures" on 659 items of US products worth US\$50 billion, according to a report published by state-run news agency Xinhua. This includes several agricultural goods, along with select industrial products.

It will similarly stagger the implementation so that the first tranche of goods, worth US\$34 billion, will face tariffs of 25 percent on 6 July, with the remainder of the goods to be addressed later on, following additional domestic procedures. (See Bridges Weekly, [9 May 2018](#))

### **Additional US tariffs forthcoming?**

During the next few weeks, US producers are expected to submit comments, responses, and pre-hearing submissions regarding the list of products issued by the USTR on Friday, 15 June. They have until 29 June to appear and provide testimony at the Section 301 Committee public hearing, scheduled for 24 July. Written comments for the hearing should be submitted by 23 July, and post-hearing rebuttal comments should be submitted by 31 July.

On Monday 18 June, US officials also indicated that tariffs on an additional set of products could follow suit. US President Donald Trump has asked that the Office of the USTR come up with a list of goods that could face tariffs of 10 percent, with the value of the affected goods due to hit US\$200 billion.

Trump justified this request as being due to China's plans to impose tariffs on US-made products, though Beijing's tariff announcement was in response to the US' own initial Section 301 duties.

"The initial tariffs that the President asked us to put in place were proportionate and responsive to forced technology transfer and intellectual property theft by the Chinese. It is very unfortunate that instead of eliminating these unfair trading practices China said that it intends to impose unjustified tariffs targeting US workers, farmers, ranchers, and businesses," [said](#) US Trade Representative Robert Lighthizer.

### US farm, industry groups air concerns

Meanwhile, the tariffs have drawn pushback from US lawmakers from both major political parties, along with industry representatives from multiple sectors.

For example, Farmers for Free Trade Executive Director Brian Kuehl issued a [statement](#) on Friday 15 June regarding the White House's tariff announcement, saying that "American farmers demand that elected officials support them by ending this trade war."

Farmers for Free Trade is a coalition that names among its supporters a variety of farmer associations, including corn and wheat growers, pork producers, the American Farm Bureau, and other organisations. The coalition has reacted specifically to the prospect of Chinese tariffs on imported farm goods, in response to the US' Section 301 actions.

The US Semiconductor Industry Association (SIA) has argued that the planned US tariffs will be "counterproductive," causing hefty damage to US producers who are part of the same value chain, while failing to address the underlying concerns. Others have also cautioned that tariffs will translate into higher consumer costs at home.

"While the US semiconductor industry shares the Trump Administration's concerns about China's forced technology transfer and intellectual property (IP) practices, the proposed imposition of tariffs on semiconductors from China, most of which are actually researched, designed, and manufactured in the US, is counterproductive and fails to address the serious IP and industrial policy issues in China," the group [said](#).

ICTSD reporting; "Chip Makers: We'll End Up Paying Tariffs on Our Own Goods," WALL STREET JOURNAL, 15 June 2018; "Trump Hits China With Tariffs on \$50 Billion of Goods; China Says It Will Retaliate," NPR, 15 June 2018; "China promises fast response as Trump readies tariffs," CNBC, 15 June 2018; "China decides to impose additional tariffs on 50 bln USD of U.S. imports," XINHUA, 16 June 2018.

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## TRADE AGREEMENTS

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# EU, Australia Launch Negotiations for Free Trade Pact

On Monday 18 June, the EU and Australia formally launched negotiations on a free trade agreement (FTA). European Trade Commissioner Cecilia Malmström travelled to meet with Australian Prime Minister Malcolm Turnbull and Australian Minister for Trade Steven Ciobo in Canberra, Australia to begin the talks.

Malmström also met with New Zealand officials on Thursday to launch a parallel set of negotiations. The European Council gave the Commission the green light for bilateral trade talks with both Australia and New Zealand last month. (See Bridges Weekly, [24 May 2018](#))

The first round of negotiations on an FTA is set to take place in Brussels, 2-6 July. Bilateral trade between the EU and Australia has [climbed steadily](#) in recent years, with nearly €48 billion of trade in goods and €28 billion of trade in services. A European Commission [press release](#) suggests that an FTA between the trading partners could boost trade in goods by over a third.

"The result of our negotiations will be an agreement that offers clear benefits for both the EU and Australia. It will boost economic opportunity for businesses, both big and small, and create jobs," said Malmström in response to the launch.

A Commission [statement](#) also noted that FTAs with Australia and New Zealand would be a "valuable entry point into the wider Asia-Pacific region." Agreements would put European exporters on a more competitive footing with those from countries in the new Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), which is currently at the ratification stage and is not yet in force. The CPTPP has 11 signatories, with countries from North and South America, as well as Asia and Oceania, among them.

Similarly, Ciobo [said](#) in a statement that his country is "seeking an ambitious and comprehensive trade agreement to drive Australian exports, economic growth, and create new Australian jobs." He also noted that Australian exporters are currently at a disadvantage to many of their competitors, as they lack preferential access to the EU market.

"Making Australian exports more competitive means our farmers can sell more produce, our professionals can provide more services and our manufacturers can make and sell more goods. The more Australia sells to the world, the more Australian jobs are created," he added.

### Broader trade context and defence of multilateralism

The trade negotiations will take place in the broader context of the European Union's push to secure new trade deals, which Commission officials say is part of their effort both to deepen commercial ties with more partners, along with achieving sustainable development objectives and supporting the rules-based global trading system.

Over the past two years, the EU has concluded trade negotiations with Japan, Mexico, Canada, and others, forming new FTAs or updating existing relationships. The EU is also in a

renewed set of negotiations with the South American trading bloc Mercosur, though the timeframe for concluding those talks is not fully clear. (See Bridges Weekly, [9 May 2018](#))

Australia is also pursuing an extensive free trade agenda, including the recently negotiated CPTPP; associate member status with the Pacific Alliance; and a planned Regional Comprehensive Economic Partnership (RCEP) deal between the 10-member Association of Southeast Asian Nations (ASEAN) and its six FTA partners. (See Bridges Weekly, [24 May 2018](#))

A European Commission press release notes that the new FTA negotiations with Australia are part of a greater opportunity to “shape global trade.” In a [speech](#) delivered Monday at Australian National University, Malmström characterised 21st-century politics as moving beyond a “left versus right” divide to an “open versus closed” axis. She said the EU’s role is to “build mutually beneficial relationships, establish global rules, and enforce them to the benefit of global order.”

Malmström cited Brexit, along with the landmark elections seen in the US in 2016 and France in 2017, as significant “political shifts” that saw the debate on “open versus closed” take centre stage. She also praised the Nordic and Australian models of openness, along with the value that deeper partnerships can bring going forward.

“The EU and its partners are coming together to: shape globalisation, stand up for open trade, and to agree on a rule book that works for everyone. And we will need many allies to help us in pursuing these goals,” she added.

In her speech, Malmström pointed out that the reasons for partnering extend beyond trade and investment. She said that the EU’s recent FTAs all include chapters on sustainable development, noting that “they uphold and promote our values in the world, protecting the environment, labour rights and human rights.”

A European Court of Justice opinion issued in May 2017 on the EU-Singapore trade agreement said that the EU has “exclusive competence” over sustainable development provisions in FTAs. While that ruling was specific to the provisions of the EU-Singapore deal, it is being used as guidance for how to approach the negotiation of future trade and investment pacts. (See Bridges Weekly, [18 May 2017](#))

### **Agricultural market access, geographical indications**

When negotiations formally begin next month, the parties acknowledge that agriculture and geographical indications (GIs) will be among the more contentious issues. Among Australia’s stated objectives for negotiations is to “address the protection of geographical indications in a mutually acceptable way.”

Both the EU and Australia are major agricultural exporters, and farm groups on both sides have expressed interest and concern over what a free trade pact could mean for their competitiveness. Geographical indications are also a frequent sticking point in trade deals and are a key priority for the European Union. GIs are a type of intellectual property rights protection used for food and drink products, and involves the use of place names that denote certain reputational, production, or quality characteristics. Common examples include feta cheese or champagne.

According to comments reported by The Weekly Times, John Clarke, the lead EU negotiator on agriculture for the FTA, said in late March that GIs could “make or break” the negotiations. Clarke said that other sensitive issues may include key Australian agricultural exports.

In a press conference, Malmström [acknowledged](#) that “agriculture and ... geographical indications are very important to us. I think that this is probably the chapter that will be the



most difficult one. But we are well prepared, we know the different interests, we will start early discussing all this, and I'm sure we will find a good outcome."

### **Malmström presses for multilateral investment court system**

In her talk at Australian National University, Malmström voiced support for a multilateral investment court, an idea the EU has consistently pursued in the past several years. (See Bridges Weekly, [17 September 2015](#) and , [2 March 2017](#))

EU officials have promoted a multilateral investment court as a necessary overhaul to the arbitration system that currently prevails in investor-state dispute settlement (ISDS) provisions. Some advocacy groups have questioned the ISDS mechanism and its use, arguing that it needs to be strengthened to better ensure nations' continued right to regulate in the public interests of health, safety, and the environment.

The EU is currently pushing for its new trade pacts to feature instead an investment court system (ICS), with the hopes that this could eventually lay the groundwork for negotiations on a multilateral investment court.

The investment court system backed by the EU, officials say, aims to clarify parties' explicit right to regulate in the public interest, as well as to add transparency and accountability to the dispute settlement process, incorporate an appellate mechanism, and provide other additional safeguards.

Until recently, the European Commission had pursued building the investment court system through bilateral trade agreements such as the Comprehensive Economic and Trade Agreement (CETA) with Canada, along with a separate trade accord with Vietnam. (See Bridges Weekly, [21 September 2017](#))

However, in light of the ECJ's decision in the Singapore case that investor protections fall within the EU's shared competence with member states, and thus requires the latter group's ratification as well, the Commission is now looking to negotiate these investment courts under separate investment agreements. This would help avoid legal stumbling blocks at the ratification stage, officials say.

The European Council, during a meeting last month where it approved mandates for trade talks with Australia and New Zealand, noted that the Commission had not submitted draft mandates for parallel investment agreements. The Council urged the Commission to do so in the future for other accords.

Even so, EU Commission officials have made clear that they are still interested in pursuing the multilateral investment court objective, along with the negotiation of investment court systems in bilateral and regional agreements.

In a recent interview with the New Zealand-based organisation Newsroom, Malmström expressed a mutual concern between the EU Commission and the New Zealand government over ISDS mechanisms for foreign investors, given that the existing system "clearly has a lot of loopholes." While an investment court system will not be included in the planned trade agreement, Malmström expressed a desire to discuss with New Zealand whether it may wish to be involved in the multilateral court project at some stage.

ICTSD reporting; "Geographical indications: EU digs in on FTA until label issue resolved," THE WEEKLY TIMES, 13 March 2018; "EU Trade Commissioner makes case for NZ deal," NEWSROOM, 18 June 2018.

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## FISHERIES

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# WTO Members Press on With Fisheries Talks, Weigh New Approaches to Overfished Stocks

WTO members reconvened last week to deliberate over new options to curb subsidies that encourage fishing of overfished stocks. The members also updated a set of ["working documents"](#) that aim to lay the groundwork for the next stage of negotiations, adding a section on definitions that builds off language submitted in earlier proposals.

The discussions which took place on 11-14 June were the second in a series of sessions scheduled under a work programme designed by the "rules negotiating group," the WTO body responsible for establishing rules for fisheries subsidies. The current work programme is focused on information exchange, as well as crafting a full set of working documents that can later serve as a negotiating text, thus facilitating future efforts at developing and adopting new fisheries subsidy disciplines.

The first session under this work programme, held from 14-17 May, focused on information exchange about subsidies, overcapacity, and overfishing, as well as streamlining proposals on the scope of the agreement on fisheries subsidies and how it relates to the larger agreement on Subsidies and Countervailing Measures (SCM Agreement). (See Bridges Weekly, [24 May 2018](#))

WTO members are working towards an agreement that would achieve [Sustainable Development Goal \(SDG\) target 14.6](#) by eliminating subsidies that lead to illegal, unreported, and unregulated (IUU) fishing, and disciplining those that contribute to overfishing and overcapacity. That SDG target has the year 2020 set as its deadline.

WTO members had previously hoped to clinch a deal in time for the Eleventh WTO Ministerial Conference held in Buenos Aires, Argentina, in December 2017, but ultimately agreed instead to allow two more years for negotiations. WTO members are now looking to agree and adopt a deal by the Twelfth Ministerial Conference, which will be held in late 2019.

### Subsidies to overexploited stocks

Last week's meetings focused on subsidies that contribute to fishing of overexploited fish stocks, an issue that is viewed as especially pernicious given that it affects stocks that are already facing potentially serious levels of depletion, and some subsidies could hamper efforts to help these stocks regenerate.

The negotiators discussed options for disciplining subsidies in these situations, including using illustrative lists of positive and negative subsidies, developing a blanket elimination of all subsidies to assessed overfished stocks, or only prohibiting those subsidies that have "negative effects" on overexploited stocks.

The term positive subsidies, in this context, refers to state aid aimed at promoting activities that would have a helpful effect on the condition of those fish stocks, or aimed at other resource management or sustainability objectives.

Geneva trade officials say there was interest in a "negative effects" approach but members differed in how they defined the term. For example, they considered whether this would

involve subsidies that definitively have the effect of reducing the stock or also those that prevent recovery of the stock. Some members worried that such an approach could undermine established rules against harmful subsidies, if not designed correctly or clearly. Others questioned whether having the WTO conduct impact assessments that have traditionally been the responsibility of fishery management bodies could lead to unexpected challenges.

Members also discussed which authority would be responsible for assessing stock condition, how would unassessed stocks be treated, whether the disciplines would apply to waters in a member's national jurisdiction, and how positive subsidies would be protected without weakening the provisions tackling negative ones. Sources indicate that discussions on these topics reflected ongoing concerns, but also that some new ideas were put forward.

### **Definitions chapter**

Additionally, the group built on the latest "working documents" issued after the meetings in May with a chapter on definitions, "Article 1," with the aim of facilitating future negotiations on fisheries subsidies.

That section, which is heavily bracketed, puts forward possible draft definitions for terms such as vessels used for fishing or fishing-related activities; activities that would fall under the categories of fishing or fishing-related; operators; IUU fishing; overfished stocks; subsistence fishing; artisanal fisheries; small-scale fisheries; industrial fisheries; large-scale industrial fishing; inland fisheries; aquaculture; and exclusive economic zones (EEZs).

Negotiators will still need to agree on which language they should use from this text for the final set of definitions, which will be key in interpreting the final disciplines.

Trade officials say that the chair of the group, Mexican Ambassador to the WTO Roberto Zapata Barradas, as well as several members, expressed appreciation for the "high level" of positive engagement and the advances seen on streamlining the text.

### **Moving forward**

The negotiating group will meet for their last summer session on 23-25 July, with a focus on addressing subsidies that contribute to IUU fishing, along with streamlining the working documents further.

Members plan to resume text-based negotiations in September after the WTO's August hiatus. The goal would be to move eventually from streamlining these working documents, which still lay all options on the table, towards negotiations on a draft text for a final agreement.

Zapata is due to hold consultations with the membership on crafting a work programme for those subsequent months.

ICTSD reporting.

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## TRADE AGREEMENTS

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### **NAFTA Officials Indicate Plans for Resuming Talks, One Month After Missing Informal Deadline**

One month after negotiators from Canada, Mexico, and the United States were unable to meet an informal deadline for modernising the North American Free Trade Agreement (NAFTA), talks are reportedly due to resume for the trilateral trade pact within weeks, though exact dates are not yet clear.

Trade officials from the US and Canada indicated last week their intention to continue negotiating over the coming months, without confirming whether they would try to clinch an agreement in principle this year. The three parties had missed an informal 17 May deadline for reaching such an accord, following statements from US Speaker of the House Paul Ryan which suggested that this was when a deal would need to be ready and notified in order to be considered by the current Congress. (See Bridges Weekly, [17 May 2018](#))

Separately, Mexican Economy Secretary Ildefonso Guajardo Villareal said during a meeting of Pacific Alliance trade ministers late last week that he also expects the NAFTA negotiations to resume next month, and that technical work is continuing in the interim.

How officials will overcome the hurdles that have dogged the talks over the past several months remains unclear however, despite repeated statements from officials that an updated NAFTA could be an opportunity to test out new, improved trade rules that are in line with 21<sup>st</sup> century realities.

#### **Freeland highlights NAFTA potential, notes Section 232 tensions**

Freeland, during a speech in Washington last week, stressed that the talks could be a valuable opportunity to address some of the "growing pains" caused by rapidly evolving job markets, the non-stop introduction of new technologies, and increasing costs in areas such as education and housing that have disproportionately affected the middle class in many countries.

"These are the wrenching human consequences – the growing pains, if you will – of the great transformative forces of the past 40 years: the technology revolution and globalisation. Of the two, technology is having the greatest impact. But even free-traders like me need to recognise that globalisation has contributed as well," [said](#) Freeland.

On trade, she referred to the potential benefits from comprehensive new or updated accords, both at the regional level and at the World Trade Organization, as well as the need to boost trade enforcement efforts.

"When it comes to trade, we need to introduce labour standards with real teeth, as Canada and the EU have done in our free trade agreement and as we [Canada, the United States and Mexico] are discussing as part of our ongoing modernisation negotiations for NAFTA. It is long past time to bring the WTO up to date with the realities of 2018 and beyond. We need to seriously address non-tariff barriers to trade and forced technology transfers," she added.

The Canadian official also noted, however, that the current political trading climate with the US, its top commercial partner, are causing hefty strain, and questioned the legality of Section 232 tariffs on imported steel and aluminium that the US has justified on national security grounds.

"The 232 tariffs introduced by the United States are illegal under WTO and NAFTA rules. They are protectionism, pure and simple. They are not a response to unfair actions by other countries that put American industry at a disadvantage," she added.

Canada and Mexico have both announced responsive measures to the Section 232 steel and aluminium tariffs, planning to impose duties on a host of US-made products. Various other countries or country groups have indicated plans to do the same: for example, the EU's planned "[re-balancing measures](#)" on nearly €3 billion worth of US goods are due to take effect this Friday.

### **Pompeo: NAFTA deals possible within weeks**

Meanwhile, the US' top diplomat said this week that a resolution to the NAFTA discussions could be imminent, without explaining how the three parties might overcome entrenched disagreements on topics such as automobile rules of origin, a proposed "sunset clause" that would require parties to approve NAFTA's continuation every five years or see it expire, or differences on how to treat public procurement market access.

"On NAFTA and Mexico, the President's working hard. I am confident that we will get deals, deals that will be good for Mexico, a deal that will be good for Canada, and deals that will be wonderful for American workers," said US Secretary of State Mike Pompeo during a [speech](#) in Detroit, Michigan, on Monday 18 June.

"A lot changed in the 24 years since NAFTA was first put in place, and our goal is to achieve an outcome that rebalances that situation. We're going to level the playing field for the American automotive industry and other sectors, incentivising manufacturing here and not there," he added, suggesting that deals could be announced "in the coming weeks."

Pompeo's remarks were otherwise scant on details, besides highlighting further the importance of automobile trade within the context of NAFTA. While he referred to deals in plural, he did not specify whether the US is seriously considering separate agreements with its two NAFTA partners.

### **Political, electoral climates**

The continued uncertainty over the fate and structure of NAFTA has drawn intense scrutiny, given what it could mean for the business and investment climate as producers across sectors attempt to make long-term plans.

Meanwhile, a proposed [Section 232 investigation](#) on imported automobiles has also drawn criticism for its potential to strain trade ties further, both among the NAFTA parties and with the US' other commercial partners. While the US Commerce Department has only just launched the investigation, kicking it off in late May, the prospect of further global tariffs has raised the heckles of both other national governments as well as several US industry players.

"If this proposal is carried out, it would deal a staggering blow to the very industry it purports to protect and would threaten to ignite a global trade war," said Thomas J. Donohue, US Chamber of Commerce President and CEO, in a [statement](#) last month.

"The administration has already signalled its true objective is to leverage this tariff threat in trade negotiations with Mexico, Canada, Japan, the European Union, and South Korea. These allies provide nearly all US auto imports and are among America's closest partners," Donohue added.

The Chamber of Commerce is a massive business coalition headquartered in Washington and with regional offices across the US, with its members numbering over three million companies.

Other outstanding trade questions that may affect the political climate, even if outside the formal ambit of the NAFTA negotiations, include a long-running row between the US and Canada over the former's duties on imported softwood lumber and the lack of a new agreement to govern softwood lumber trade. Canada has filed legal cases both under existing NAFTA dispute settlement rules as well as under the World Trade Organization. (See Bridges Weekly, [9 November 2017](#) and [7 December 2017](#))

Questions over the electoral climate also loom over the talks. While Mexico's presidential election is set for 1 July, the inauguration of Enrique Peña Nieto's successor will take place several months later, on 1 December. What approach Peña Nieto's government may take towards the NAFTA talks during this months-long "lame duck" period remains unclear, and the top contender for the Mexican presidency, Andrés Manuel López Obrador, has indicated that he has his own priorities that he would like to see addressed in a NAFTA reboot. (See Bridges Weekly, [12 April 2018](#))

In addition, any completed NAFTA deal will likely be ratified by the next US Congress, rather than the one currently in session, given the statutory timeframes for publication, comment, signature, and ratification set out under current US trade law. The makeup of that next Congress, which takes office in late January 2019, will not be known until early November after the congressional midterm elections.

ICTSD reporting; "Renegociaciones sobre el TLCAN se podrían reanudar en julio: Guajardo," 24 HORAS, 18 June 2018; "NAFTA talks to continue in tense atmosphere, as US also prepares new tariffs for China," CNBC, 14 June 2018.

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## AGRICULTURE

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# US, India Spar Over Agricultural Subsidy Data at WTO Meeting

Officials from India and the US engaged in intense debate at the WTO last week over whether New Delhi's farm subsidies for wheat and rice are "vastly in excess" of the figures that the South Asian economy has reported to the organisation. The debate came following a formal submission from Washington that questioned New Delhi's support practices and related data.

The discussion took place during a meeting last week of the global trade body's Committee on Agriculture, which also featured discussions on a host of new or evolving agricultural support policies among major players.

Representatives from the South Asian nation argued that its official notification of agricultural domestic support was consistent with WTO rules in the area, along with past practice, and described a [counter-notification](#) submitted by Washington as an "exercise of futility," according to a Geneva trade official.

The counter-notification, which was submitted by the US last month and covered marketing years from 2010-11 through to 2013-14, was the first such document ever provided to the WTO, though there is a provision in the trade body's Agreement on Agriculture allowing for such claims. New Delhi had submitted an official [notification](#) for its domestic support in 2014-15 and 2015-16 a few days prior.

The US-India debate comes within days of a ministerial-level meeting between the top trade officials of both sides. While it is not immediately clear how much of a role agriculture will play in those talks, the two countries have lately been dealing with a series of bilateral trade irritants or concerns. For example, aside from the debate on agricultural support, the US recently announced that it would be reviewing India's eligibility in the Generalised System of Preferences," citing among its concerns the introduction of alleged trade barriers for imported medical and dairy products. (See Bridges Weekly, [19 April 2018](#))

### Calculating farm support

India's most recent [notification](#) showed a recent decline in trade-distorting "de minimis" support, which fell to US\$1.5 billion in marketing year 2015-16, according to figures submitted by the government. Meanwhile, the country's green box programmes amounted to US\$18.3 billion, while US\$23.6 billion was allocated to input and investment subsidies for low-income, resource-poor producers under a clause of the Agreement on Agriculture which allows developing countries to exempt payments in this area from WTO ceilings.

During last week's meeting, the US identified four major ways in which India's calculations differed from their own. Firstly, the US calculated India's support commitments in Indian rupees, rather than US dollars. India has consistently used US dollars to report its agricultural domestic support to the WTO, which New Delhi mentioned during last week's discussions. Washington argued that New Delhi should use rupees instead, given that this was the currency used to establish India's original WTO commitments.

Secondly, the US said that India ought to calculate its domestic support using the total volume of production, rather than just the quantities procured under support programmes. Annex 3 of the Agreement on Agriculture specifies that countries should calculate support

by establishing the gap between the government-set administered price and a pre-established reference price, and then multiplying this by the quantity of production “eligible to receive the applied administered price.”

Thirdly, the US said that India should also include in its notification certain state-level bonuses provided at a sub-national level. Finally, the counter-notification submitted by Washington uses data from India's National Accounts Statistics to establish the value of agricultural production – a figure needed to calculate the “de minimis” threshold, which for most developing countries is set at 10 percent of the value of production for both product-specific and non-product-specific support.

India issued responses to all of these specific concerns. For example, along with noting its past history of how it reports data, India argued that its sub-national bonuses are not significant and only occur in some select cases, and said that the missing data on value of production is readily available online on government websites.

Australia, Canada, the EU, New Zealand, Paraguay, and Ukraine intervened to express appreciation for the analysis conducted by the US, according to the same Geneva trade official, along with raising some of their own concerns.

### **US, EU farm subsidy schemes also draw scrutiny**

While the India-US debate was one of the most high-profile topics during last week's meeting, Washington's own agricultural value of production data also came under scrutiny from Canada, which [questioned](#) an apparent discrepancy in recent data on Washington's 2015 support levels.

The new figures [show](#) the US provided US\$17.2 billion in the most trade-distorting forms of support in that year, of which less than US\$4 billion counted towards the US ceiling on trade-distorting “amber box” support, and another US\$13 billion was classified as falling within “de minimis” thresholds. For developed countries such as the US, de minimis support is allowed up to five percent of the value of production for both product-specific and non-product-specific support.

The new data suggests that trade-distorting support levels reached a higher level in 2015 than at any point in the previous decade. (See Bridges Weekly, [26 January 2017](#))

The US reported another US\$121 billion as “green box” payments, which are meant to cause no more than minimal trade distortion under WTO rules, and included over US\$104 billion in domestic food aid payments under schemes such as the Supplemental Nutrition Assistance Program (SNAP). SNAP is more commonly known as food stamps, and is a federal entitlement scheme that provides support to millions of low-income people annually. SNAP is not tied to any requirements for buying domestic goods.

The US Congress is currently working on drafting a new Farm Bill with provisions on agricultural subsidies and food aid for the next five years, although support programmes for cotton and dairy have already been included under separate budget legislation that was passed in February. (See Bridges Weekly, [26 April 2018](#))

Other WTO members whose farm support policies also drew scrutiny included Canada, the EU, and Russia, among others. One of these, the EU, is also set to see some potentially significant overhauls to its farm support schemes. The European Commission recently unveiled legislative proposals for its Common Agricultural Policy (CAP) during the 2021-27 budget period, which will be the first without the UK as a member state. The proposals, which called for some spending cuts among other changes, are now due to be considered by the European Parliament and Council ministers. (See Bridges Weekly, [7 June 2018](#))

ICTSD reporting.



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## TRADE AGREEMENTS

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### Italian Official Suggests CETA Ratification Could Face Domestic Hurdles

Italy's agriculture minister has hinted that his country's legislature might not ratify a major free trade agreement between the EU and Canada, citing concerns over whether the existing accord provides sufficient protections for signature Italian foodstuffs.

"We will not ratify the free trade treaty with Canada because it protects only a small part of our PDO (Protected Designation of Origin) and PGI (Protected Geographical Indication) products," [said](#) minister of agriculture Gian Marco Centinaio in an interview with La Stampa, an Italian newspaper.

"We will ask the Parliament not to ratify the treaty and the others similar to CETA," Centinaio warned, after a comment on the accord's export promotion for industrial products. He claimed that this statement was not only the position of his own political party, which recently took office as part of a coalition government, but that "doubts about this agreement are common to many of my European colleagues." He did not specify, however, which countries or country officials might share some of these views.

Whether Centinaio's position is that of the whole Italian government has also not been made immediately clear.

Responding to Centinaio's comments, Canadian Foreign Affairs Minister Chrystia Freeland said in a radio interview that she is confident that Italian lawmakers will grant their endorsement of CETA when they are ready to do so. Freeland was Canada's political lead for CETA during the final stages of the accord, including by helping navigate the difficulties that emerged during the signing process.

"I'm confident that we'll have full ratification in the end and the important thing is this agreement has entered into force as an economic matter," Freeland [said](#). The Canadian official reportedly discussed the accord with Italian Prime Minister Giuseppe Conte during the G7 leaders' summit in Charlevoix, Quebec, earlier this month, though the outcome of those discussions was not yet clear.

The Comprehensive Economic and Trade Agreement (CETA) is one of the largest and commercially significant accords seen in recent years, and was the biggest trade deal negotiated by the EU since it began implementing its South Korea agreement in 2011. The treaty, which is provisionally in force, slashes over 98 percent of goods tariffs and imposes a comprehensive set of rules governing a wide range of trade policy areas, from intellectual property rights to environmental and labour issues.

The CETA negotiations were concluded in August 2014, and all EU member states approved the text for signature in 2016, though that process required additional negotiations to ease concerns over investor protections and safeguarding the right to regulate further.

In July 2016, the European Commission proposed that the deal be signed and concluded as a "mixed" agreement, which involves a trade accord where some aspects fall under the EU's exclusive competence, while other subjects fall under the EU's shared competence with member states.

Submitting the accord as a “mixed” agreement means that on the EU side, it must have the approval both of the EU institutions, including ratification by the European Parliament, along with ratification by all relevant national and regional parliaments. Ratification by the EU institutions allows for provisional application of those parts of the deal within the Union’s exclusive competence.

### **Potential implications**

The majority of CETA has already entered into force since the end of September 2017, under what is known in trade jargon as “provisional application.” The deal currently [applies](#) to trade in goods, services, and public procurement between Canada and the EU, as well areas such as sustainable development and intellectual property rights. (See Bridges Weekly, [21 September 2017](#))

If Italian lawmakers decide not to ratify the deal domestically, it would likely spark an intense debate over both the legal ramifications of such a move, along with the implications for other EU trade deals currently under negotiation or at the signature or ratification stages. While most of CETA’s content is considered as falling under the EU’s exclusive competence, it is not clear whether an Italian veto would affect the provisional application of those parts of the agreement as well.

“The provisional entry into force means that nearly 100 percent of real economic impact and benefit of CETA is already being felt by Canadians, by Europeans,” [said](#) Freeland last week, in comments reported by Radio Canada International.

The provisions that cannot enter into force until each of the EU member states has ratified the accord include investment protection; investment market access for portfolio investment, although market access for foreign direct investment is an exclusive EU competence; and the establishment of an investment court system (ICS).

The latter sparked significant controversy during the deal signing process in 2016, when the Belgian regional parliament of Wallonia sought additional assurances on protecting the right to regulate and how the investment protection terms would be implemented before removing its opposition to the deal. Approval from Belgium’s regional parliaments was key before the federal government could give its endorsement. (See Bridges Weekly, [3 November 2016](#))

So far, 10 European member states have already ratified the agreement. Those include Austria, Croatia, the Czech Republic, Denmark, Estonia, Latvia, Lithuania, Malta, Portugal, and Spain. In addition, France has approved an “action plan” for CETA, following a domestic review of the trade accord’s expected impacts on different public policy areas. (See Bridges Weekly, [2 November 2017](#))

“I would also like to point out that this week brought some good news on CETA front because Austria has now ratified CETA,” Freeland said. “And I’d like to remind people that during the initial CETA process, Austria was one of the European countries that we had to have some good conversations to get them there.”

### **Food-related arguments**

Italy’s concerns voiced by the agricultural minister relate to food label protection and regulation in the Canadian market under the trade accord. CETA devotes Chapter 20 to intellectual property, with sub-section C focusing specifically on geographical indications. A separate annex lists the protected EU GIs by name, type, and country.

Of the EU GIs listed in this [annex](#), over 40 involve Italian foodstuffs, including different types of balsamic vinegar, prosciutto, cheeses such as Grana Padano and Gorgonzola, and a variety of fruits, meats, and oils.

While CETA refers broadly to GIs, within the EU there are different types of "[quality logos](#)" for foodstuffs and drinks, including the PDO and PGI mentioned by Centinaio. The third involves recognising a "traditional production process," according to the EU Commission, and is known as "Traditional Speciality Guaranteed."

Within the 28-member state European Union, Italy has the highest number of food products that enjoy these statuses, with 221 products protected. Within CETA, its 41 protected GIs make up over one-quarter of those protected overall on the EU side, a fact noted by EU Trade Commissioner Cecilia Malmström in the past when explaining the deal's merits to the [European Parliament](#).

The products that Italy already [exports](#) to Canada in large amounts are ceramic tiles and textiles, flour, tomato sauce, vegetables, furniture and bakery products. The value of Italian exports to Canada is €5.1 billion euros annually, whereas the value of Italian imports from Canada is €1.9 billion, according to EU statistics.

ICTSD reporting; "Italy won't ratify EU free-trade deal with Canada: farm minister," REUTERS, 14 June 2018; "Italy could try to block the EU-Canada trade deal to protect its famous foods," NCBC, 14 June 2018; "Canada confident Italy will eventually ratify CETA, Freeland," RCI, 14 June 2018; "'Non ratificheremo il trattato Ceta. Altri ci seguiranno'," LA STAMPA, 14 June 2018.

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## EVENTS & RESOURCES

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# Events

### Coming Soon

25 June, Gothenburg, Sweden. FRONTIERS OF RESEARCH ON CARBON MARKETS: THEORY AND EVIDENCE FOR POLICY. This event, organised by the Grantham Research Institute at the London School of Economics, brings together academics and policymakers to discuss the latest research on carbon markets and implications for policymaking, covering topics such as permit market responsiveness, firm performance, ambition levels, anti-leakage provisions, and inter-connectedness. To learn more and to register, visit the event [website](#).

25 June, Washington, US. THE NEW DYNAMICS OF GLOBAL ENERGY: A CONVERSATION WITH INTERNATIONAL ENERGY AGENCY (IEA) EXECUTIVE DIRECTOR FATIH BIROL. The Cross-Brookings Initiative on Energy & Climate will host Fatih Birol in a discussion facilitated by Initiative Co-Chair David G. Victor. The discussion will focus the latest updates in global energy policy, including market trends, along with what this means for climate change and climate action. For more information and to register, visit the event [website](#).

25 June, Brussels, Belgium. FIVE YEARS AFTER THE LAUNCH OF THE BANGLADESH SUSTAINABILITY COMPACT: TAKING STOCK AND STAYING ENGAGED. This event is being organised by the European Commission and will serve as the fourth high-level follow-up meeting of the Sustainability Compact, which aims to bring lasting improvements on labour rights and factory safety to the garment industry of Bangladesh. The event will address progress made under the compact, which was signed in response to the Rana Plaza tragedy in April 2013, as well as future action. Discussions will address implementation issues, with the event due to bring together the Compact's partners and other stakeholders, including civil society organisations. To learn more and to register, visit the event [website](#).

27-29 June, Edinburgh, UK. WORLD SYMPOSIUM ON SOCIAL RESPONSIBILITY AND SUSTAINABILITY. This symposium is being organised by the University of Edinburgh, along with various partners, and seeks to provide a better understanding of how social responsibility is related to sustainable development, and to identify methods to help connect the two concepts better. It will bring together an international coalition of academic experts, practitioners, and government agency officials who are involved with researching or executing projects focused on social responsibility and sustainability. To learn more, visit the event [website](#).

28 June, Geneva, Switzerland, and online. STRATEGIES FOR SDG NATIONAL REPORTING. This webinar is being organised by various partners, including UN Environment, the World Resources Institute (WRI), the International Union for Conservation of Nature (IUCN), the Environment Agency – Abu Dhabi (EAD), the Group on Earth Observations (GEO), Eye on Earth, and the Abu Dhabi Environmental Data Initiative (AGEDI). The webinar will focus on national data reporting for the UN Sustainable Development Goals (SDGs), featuring presenters from the Center for Open Data Enterprise (CODE). The webinar presentation will focus on current progress towards SDG reporting, looking at best practices, national-level reports, and the merits of different reporting options. To learn more and to register, visit the event [website](#).

28 June, Webinar. WHAT DOES SUCCESSFUL ADAPTATION LOOK LIKE, AND WHAT DO WE WANT TO MEASURE IN THE CONTEXT OF ADAPTATION, NATIONAL DEVELOPMENT AND SDGs? This webinar, hosted by the International Institute for Environment and

Development, focuses on the importance of investing in monitoring and evaluation (M&E) for climate change adaptation. Presenters will discuss different aspects of adaptation M&E, including in the context of climate risk management, vulnerability, resilience and adaptive capacity, development outcomes, and climate information and data. A presentation on the implementation of these concepts in Uganda will aim to give additional context. To learn more and to register, visit the event [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.

22 June: Dispute Settlement Body

25 June: Workshop – Gender and Government Procurement

26 June: Committee on Budget, Finance, and Administration

27 June: Committee on Government Procurement

27 June: Informal Committee on Government Procurement

27 + 29 June: Trade Policy Review Body – Uruguay

28 June: WTO Informal Dialogue on Investment Facilitation for Development

28 June: Committee on Trade and Environment

### **Other Upcoming Events**

4-6 July, Toulouse, France. GEO BLUE PLANET SYMPOSIUM. The fourth Blue Planet Symposium focuses on ocean and coastal information needs for sustainable development, "Blue Growth," and building societal awareness around the subject. It aims to connect those who collect such data, along with stakeholders that use that data in practice. The goal of the GEO Blue Planet Initiative is to ensure the sustained development and use of ocean and coastal observations for societal and environmental benefits. For more information, visit the event [website](#).

9-13 July, Rome Italy. COMMITTEE ON FISHERIES (COFI) 2018. The 33<sup>rd</sup> session of the Committee on Fisheries, under the Food and Agriculture Organization of the United Nations (FAO), will convene for a week of meetings in July. Topics covered include progress on implementing the Code of Conduct for Responsible Fisheries; combatting illegal, unreported, and unregulated (IUU) fishing; and achieving the 2030 Agenda for Sustainable Development. For more information and a complete agenda, visit the event [website](#).

9-18 July, New York, US. HIGH-LEVEL POLITICAL FORUM ON SUSTAINABLE DEVELOPMENT 2018. The High-Level Political Forum is convened under the auspices of the UN Economic and Social Council (ECOSOC) and will include three days of ministerial meetings from 16-18 July. Other special events and side events will take place throughout the ten-day forum. The theme of this year's forum is "Transformation towards sustainable and resilient societies." The Sustainable Development Goals (SDGs) that will be reviewed in depth are Goals 6, 7, 11, 12, 15, and 17. More information, including on special and side events, is available on the forum [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. 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](#).

January 2019, location TBC. FIRST CARBON PRICING LEADERSHIP COALITION (CPLC) CONFERENCE. This event will be the first research conference on carbon pricing held by the Carbon Pricing Leadership Coalition (CPLC). It will bring together researchers, policy makers, and practitioners in this field, aiming for an exchange of ideas and information that can help resolve the gaps that exist between theory and existing practice. More information will be made available closer to the date. To learn more, visit the CPLC [website](#).

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## Resources

INVENTORY OF ENERGY SUBSIDIES IN THE EU'S EASTERN PARTNERSHIP COUNTRIES. Published by the Organisation for Economic Co-operation and Development (OECD) (June 2018). This report aims to provide a detailed set of data regarding energy subsidies in the EU's Eastern Partnership (EaP) region, in a bid to facilitate future discussions on policy reforms. The report focuses primarily on fossil fuel subsidies, both for consumption and production, along with other relevant energy policies. It focuses in depth on six select countries: Azerbaijan, Armenia, Belarus, Georgia, Moldova, and Ukraine. To read the report, visit the OECD library [website](#).

SUPPORTING PRIVATE ADAPTATION TO CLIMATE CHANGE IN SEMI-ARID LANDS IN DEVELOPING COUNTRIES. By Kate Elizabeth Gannon, Florence Crick, Estelle Rouhaud, Declan Conway, and Sam Fankhauser (June 2018). This brief was written as part of the Pathways to Resilience in Semi-Arid Economies (PRISE) research project, a five-year collaborative initiative through the London School of Economics and Political Science and other organisations. The brief aims to show the value of developing additional measures to improve climate adaptation and resilience, along with developing new partnerships between public and private actors to meet those goals. It focuses particularly on the case of semi-arid lands in select developing economies, along with the importance of climate finance and investment. To download the report, visit the brief [website](#).

SUSTAINABLE DEVELOPMENT GOAL 6 SYNTHESIS REPORT ON WATER AND SANITATION. Published by UN Water (May 2018). This report is the first synthesis report on SDG 6, which calls for ensuring the availability and sustainable management of water and sanitation for all. It presents an in-depth review and the global baseline status of SDG 6, which is one of 17 global goals covered under the broader 2030 Agenda for Sustainable Development. The report discusses current situations and trends at the global and regional levels, as well as what needs to be done to achieve SDG 6 by the target delivery date of 2030. The report is available on the UN Water [website](#).

CHINA'S FORCED TECHNOLOGY TRANSFER PROBLEM—AND WHAT TO DO ABOUT IT. By Lee G. Branstetter for the Peterson Institute for International Economics (PIIE) (June 2018). This policy brief, assesses the Trump administration's strategy in its trade relationship with China, focusing specifically on intellectual property rights protection, technology transfer, and industrial development strategy. It provides an alternate course of action for US trade officials to consider, instead of the planned tariffs and investment restrictions. To download the report, visit the PIIE [website](#).

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