

# BRIDGES WEEKLY

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## DISPUTES

WTO Panel Upholds Australia Plain Packaging Policy for Tobacco Products .....1

## GLOBAL ECONOMY

WTO Members Question US on Section 232 Autos Probe, Warn of Growing Risks From Metal Tariffs.....5

## GLOBAL ECONOMY

China Government Paper Touts Country's WTO Performance, Domestic Reforms .....8

## TRADE AGREEMENTS

RCEP Trade Ministers Set End-2018 Target for "Package of Outcomes" .....11

## SUSTAINABILITY

Five Years After Rana Plaza Disaster, Trade Officials Review Sustainability Compact Results..14

## TRADE AGREEMENTS

US President, Mexican President-Elect Consider NAFTA Next Steps.....18

## CLIMATE AND ENERGY

Australian Government Debates New Energy Policy, Considers Role of Coal .....20

## EVENTS & RESOURCES

Events .....22  
Resources .....25

## DISPUTES

### WTO Panel Upholds Australia Plain Packaging Policy for Tobacco Products

A WTO dispute panel said last week that Australia's plain packaging policy for tobacco products is in line with global trade rules, following years of litigation between Canberra and four countries over the measure's legality. The case was filed by Cuba, the Dominican Republic, Honduras, and Indonesia.

The dispute ruling itself, issued on Thursday 28 June, numbers nearly 900 pages, and involves one of the most high-profile WTO cases seen in recent years. It has also highlighted the relationship between public health, trade, and intellectual property rights, drawing interest and scrutiny from a wide range of stakeholder groups.

#### Years of litigation

Australia enacted its plain packaging legislation in 2011, which took effect the following year in order to give companies time to adjust their production practices. The policy was crafted following a legislative process dating back to 2008, and involves setting strict requirements on how tobacco products can be packaged for sale. For example, tobacco goods cannot use logos, brand imagery, or promotional text, and their packaging, including the appearance of brand name, company name, variant name, or other legally allowed marks must be made in a uniform size, colour, and format.

The four complainants mentioned above, along with Ukraine, had all filed WTO disputes in response to the Australian policy, with Honduras filing the first consultations request in April 2012 and the others following suit in 2012 and 2013. Ukraine, one of the complainants, later dropped its claim in 2015.

The remaining complainants claimed that the plain packaging requirements restricted trade, hurt their ability to protect and promote their trademarks, and violated other aspects of global trade rules. A trademark is "a sign, or any combination of signs, capable of distinguishing the goods or services of one undertaking from those of other undertakings," according to the WTO's Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS). (See Bridges Weekly, [11 June 2015](#))

Plain packaging was just one of several Australian measures aimed at tobacco control, which proponents say was essential at addressing the severe public health risks posed from smoking. Other measures included mandatory health warning requirements, tobacco advertisement restrictions, taxation measures, sale retractions, full or partial consumption bans, anti-smoking campaigns on social media, and measures to curb illicit tobacco trade. Those measures were not challenged in the WTO cases.

Australia was one of the first countries to implement tobacco plain packaging, amid growing international interest in pursuing tobacco control policies. Many of these have emerged following the entry into force of the World Health Organization's (WHO) Framework Convention on Tobacco Control (FCTC) in 2005. The FCTC parties also adopted guidelines for FCTC provisions covering packaging and labelling of tobacco products, as well as tobacco advertising, promotion, and sponsorship-related matters.

The WTO disputes attracted around 40 members to participate as third parties, along with drawing submissions from industrial groups, health advocacy organisations and UN health agencies, and associations specialised in intellectual property rights protection.

In its rulings, the panel said that, when looking at plain packaging with the context of Australia's various other tobacco control measures, the plain packaging requirements are within the reasonable boundary as allowed by global trade rules. The panel thus found no violation of WTO laws.

The rulings mark another Australian legal victory in defending its public health policy, following failed challenges from tobacco companies in an investor-state investment dispute (ISDS) in 2015 and in a constitutional challenge decided by Australia's highest court in 2012. (See Bridges Weekly, [25 May 2016](#))

### **Australia's overall tobacco control scheme**

The Australian measures, including the marking, labelling, and packaging requirements, set out detailed, mandatory characteristics for tobacco products, the panel said. Therefore, these qualify as "technical regulations" falling under the scope of the WTO's Agreement on Technical Barriers to Trade (TBT Agreement).

Under the TBT Agreement, members are not allowed to create "unnecessary obstacles to international trade" via their technical regulations. In a dispute, complainants must provide evidence that first establishes that the measures are "more trade restrictive than necessary to achieve the contribution it makes to the legitimate objectives, taking account of the risks non-fulfilment would create," according to the panel.

In its analysis, the panel repeatedly emphasised the importance of viewing the plain packaging measures in the context of Australia's entire, multi-faceted tobacco control scheme. For instance, the panel commented that the measures "operate to support and complement the effectiveness of these other measures, by avoiding regulatory gaps (in respect of advertising and promotion) and ensuring that other tobacco efforts aimed at raising awareness of the harmful effects of smoking (including [health warnings] and social media campaigns] are not undermined."

The panel reviewed the design, structure, and intended operation of the plain packaging measures, alongside actual data on smoking behaviours since the Australian legislation took effect. Overall, the panel found that together with other tobacco control measures, plain packaging requirements can and do make a "meaningful contribution" to Australia's objective of curbing tobacco use and exposure.

The panel disagreed with the options that complainants proposed as alternatives to the existing Australian measures. Complainants had suggested, for example, increasing taxes, raising the minimum legal purchasing age, enacting improved social marketing campaigns,

or setting up an approval mechanism to evaluate individual features of tobacco packaging on a case-by-case basis.

The panel viewed all of these as insufficient, either because they would not do enough to curb the appeal of tobacco products to consumers, provide the necessary health warnings, or ensure that products with prohibited packaging features do not accidentally make it onto the Australian market.

As a result, the panel said that the plain packaging measures were “not more trade-restrictive than necessary,” in line with what the TBT Agreement mandates.

### **Intellectual property claims**

Another major aspect of the complaints concerns the trademark protection obligations under the WTO's TRIPS Agreement.

The panel dismissed all of those claims, saying that complainants failed to prove the measures would affect the acceptance and registration of trademarks, or the rights of trademark owners to take legal action against trademark infringements, among other reasons. The panel also disagreed with the complainants' argument that measures would compel market players to engage in unfair competition.

In assessing the reasonableness of the measures under the TRIPS Agreement, the panel also referred to its analysis of the evidence under the TBT Agreement, together with the emerging multilateral public health policies as reflected in the FCTC and its associated, “relevant,” guidelines.

The panel also referred to the WTO's Doha Declaration on TRIPS and Public Health on various occasions throughout the report, noting that the text has “further emphasised the importance of public health as a legitimate policy concern” of WTO members.

Australia adopted an “appropriate policy intervention” to address its public health concerns in relation to tobacco products, and therefore this did not constitute an “unjustifiable encumbrance” on the use of trademarks “in the course of trade” as prohibited by the TRIPS Agreement, according to the panel.

### **Legal fees, chilling effect**

Australia is not the only country that has had to defend its tobacco control policies from legal challenges. Uruguay, for instance, faced over five years of litigation under the Switzerland-Uruguay bilateral investment treaty (BIT), with the ISDS tribunal dismissing the claims of tobacco giant Philip Morris in 2016. (See Bridges Weekly, [14 July 2016](#))

Similarly, the UK's plain packaging policy, approved by lawmakers in 2015, has faced multiple complaints from several tobacco companies, with the suits [struck down](#) by the UK Supreme Court in April 2017.

A few days after the WTO panel report, Rex Patrick, an Australian Senator from the Centre Alliance party, [published](#) the legal costs of Australia government in defending the plain packaging policy. The data was released following a two-year transparency request. The figure amounted to A\$39 million (US\$28.8 million at today's exchange rates), which only considers the costs paid during the ISDS case under the Hong Kong-Australia BIT. It does not factor in the costs of the state-to-state WTO dispute, for example.

Public health advocates warn that these legal cases can create a “regulatory chill,” specifically by discouraging or preventing governments from putting in place or implementing new laws promptly, which would have significant implications for public health efforts to reduce tobacco use and exposure.

According to the [World Health Organization](#) (WHO), tobacco is responsible for seven million deaths annually. While the vast bulk of these deaths are of smokers or other tobacco users, nearly 900,000 are the result of non-smokers being exposed to “second-hand” smoke caused by others.

The organisation has termed the problem as being “one of the biggest public health threats the world has ever faced,” and has noted the disproportionate impact on developing economies, which are home to the vast majority of the world's smokers.

In the Trans-Pacific Partnership (TPP) Agreement signed in 2015, there is a “carve-out” for tobacco control measures from investment arbitration. In other words, a party to the trade pact can choose not to allow ISDS to be used for tobacco control-related claims. That carve-out has remained in place following the revision of the agreement, endorsed by 11 of the original 12 signatories earlier this year. The accord is now known as the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP).

The scope of ISDS was narrowed down further in the succeeding CPTPP Agreement, through the suspension of select provisions in the investment chapter and intellectual property rights chapter, as well as side agreements between individual CPTPP countries.

### **Parties, international organisations respond**

Australian officials have publicly praised the WTO dispute result, with Trade Minister Steven Ciobo and Rural Health Minister Bridge McKenzie jointly [calling](#) the panel ruling a “significant win for the country as we continue to work hard towards reducing the damaging effects of smoking.” Similar public praise has also emerged from WHO officials as well as from public health groups.

Meanwhile, an official from Honduras told the Reuters news agency that their country intends to appeal the ruling, which other complainants have not yet confirmed their plans for next steps. Should the result be appealed, a final ruling from the WTO's Appellate Body could take years, given both the complexity of the case, as well as resource constraints and the various vacancies on the highest global trade court.

ICTSD reporting; “Australia wins landmark WTO ruling on plain tobacco packaging,” REUTERS, 28 June 2018.

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## GLOBAL ECONOMY

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### **WTO Members Question US on Section 232 Autos Probe, Warn of Growing Risks From Metal Tariffs**

The US' duties on imported steel and aluminium, as well as an ongoing investigation on whether automobile imports also pose a national security risk, took centre stage during a meeting of the WTO's Goods Council in Geneva this week. Dozens of members questioned the US on what these could mean for the functioning of global value chains, the potential costs for consumers, and the implications for the multilateral trading system.

The discussion, which followed a request by Japan and Russia to put the issue on the agenda, comes as a series of "suspension of concessions" measures and new disputes are being notified to the global trade club from various members as a response to the steel and aluminium duties.

The WTO's Goods Council is the body which addresses different aspects relating to the organisation's General Agreement on Tariffs and Trade (GATT), one of the main accords to deal with goods trade. While the US' Section 232 investigation on cars, along with Section 232 tariffs on steel and aluminium, were a high-profile item on the agenda, they were far from the only one, with delegations also tabling issues ranging from the approval of various waivers to country and product-specific questions or concerns.

Section 232 refers to the provision of the [US Trade Expansion Act of 1962](#) that provides for national security-focused investigations into imports upon the request of an "interested party" or via self-initiation by the US Department of Commerce, along with the possibility of the US executive branch taking responsive action should such a probe find a national security risk, either in practice or as a possibility.

#### **Spectre of car duties draws scrutiny**

The possibility that the US could eventually impose tariffs on vehicles ranging from cars to SUVs, and do so on national security grounds, has stoked tensions across the globe, both with other countries who are major producers and exporters of cars or their component parts, as well as with major US auto producers and other stakeholders. Critics have raised questions over the systemic implications, the possibility of rising production and consumer costs, and the disruption of current production chains.

The US announced in late May that it would be launching a Section 232 investigation on the subject, which is being conducted by the country's Commerce Department. (See Bridges Weekly, [31 May 2018](#))

Sources say that Japan and Russia had questioned what Section 232 duties on automobiles and auto parts could mean for the system, with Tokyo asking whether this would lead to an avalanche of responsive measures, while Moscow cited concerns over whether Washington was losing trust with the rest of the membership by pursuing this type of investigation more frequently.

Various members, such as the EU and China, took issue with the national security aspect of a Section 232 investigation into cars, either noting that most of the automobile types are for non-military use or highlighting that cars are already being produced in significant

quantities in the US. According to a Geneva trade official familiar with the meeting, a host of other delegations of varying economic weights also took the floor to raise their concerns.

These included Brazil, Canada, Costa Rica, Hong Kong, India, Mexico, Norway, Qatar, Singapore, South Korea, Switzerland, Thailand, Turkey, and Venezuela.

### **Growing tally of disputes: Russia files case on US metal tariffs**

The Section 232 tariffs on steel and aluminium have already been raised in various meetings of other WTO bodies, including at the General Council level in May, and emerged again at this week's meeting. Sources say that the commercial impact both for the US' trading partners as well as for the US itself was raised by various delegations, who also criticised some of the procedural challenges they have faced in obtaining any product exemptions from the relevant American authorities.

The Section 232 tariffs on these metals were nearly global, with only a handful of countries securing exemptions from the tariffs, mostly in the form of quota deals with the United States. These include Argentina, Australia, Brazil, and South Korea.

The Goods Council meeting came just on the heels of the European Commission's move to publish the [comments](#) it had submitted to the US Commerce Department on the Section 232 autos investigation, questioning the investigation's premise, WTO legality, and implications for the US economy.

Meanwhile, earlier this week Russia [filed](#) a request for consultations with the US on the Section 232 tariffs on steel and aluminium, which is the first step in launching a WTO dispute. The document, while dated 29 June, was circulated to members on 2 July.

The complaint outlines a series of claims of alleged WTO rule violations, with Russia arguing that the Section 232 measures on steel and aluminium go against both the General Agreement on Tariffs and Trade (GATT) as well as the Agreement on Safeguards. Similar complaints have also been filed by Norway, Mexico, Canada, the EU, India, and China.

All complaints have referred to both agreements, and some have also referred to the Marrakesh Agreement Establishing the WTO, Article XVI:4, [complaining](#) that the US failed to ensure its domestic rules and regulations are in line with its WTO obligations.

The issues listed across the seven complaints overlap significantly, with a few occasional differences, and all treat the US Section 232 measures as safeguards. Those are measures that a WTO member can impose in response to an import surge that does or could threaten domestic injury, subject to certain conditions, such as these safeguards being temporary, notified in advance, and that the affected exporting countries are consulted and potentially compensated for the economic hit.

Overall, the seven complaints submitted to date all argue that the US failed to meet various procedural and substantive obligations required under global trade rules for imposing a safeguard measure, such as proving that domestic industry is or could be under threat, among others.

The seven cases listed to date often have overlapping requests of members wanting to join the consultations. The consultations requests all contain the legal basis where the admission of interested third parties would depend on the respondent, specifically the United States. There has been no formal notification of acceptance to those requests. In practice, if the request to join consultations is not accepted, the rejected third party member can opt to request consultations directly with the WTO member concerned.

Along with the members who have lodged disputes, there are a few other members, such as Hong Kong, Thailand, and Turkey, who have similarly asked to join consultations, while not yet filing disputes of their own.

Several members have also notified the global trade club of plans to impose additional duties on US imports, filing these notifications under the WTO's Agreement on Safeguards as the "suspension" of "substantially equivalent concessions" under Article 8.2 of that accord. That provision deals with the steps that "affected exporting members" can take if consultations with the member imposing the alleged safeguard fail to bear fruit within a 30-day period.

Those members that have notified the WTO of their plans include the EU, China, India, Japan, Russia, and Turkey. Of these members, Turkey is the only one not to have filed a related WTO dispute.

Some countermeasures, such as the EU's, are already in place, though could evolve further pending the outcome of dispute settlement proceedings, while some others are pending additional details. Canada and Mexico have also indicated their plans of imposing additional duties on US products, but have not filed formal WTO notifications to that effect.

All told, the duties that the US may face from the above-mentioned partners could range between US\$2.6 billion to US\$3.7 billion, and potentially higher should other WTO members follow suit.

Late last month, US Trade Representative Robert Lighthizer [previewed](#) what approach Washington will be taking in defending these measures to its WTO trading partners, lobbying his criticisms specifically at the EU while noting that other countries or country groups were following similar approaches. Rather than treating the Section 232 tariffs as safeguards, he argued that these instead are national security measures and should be considered under the relevant WTO provisions on that subject.

"Article XXI of the General Agreement on Tariffs and Trade gives broad authority to WTO members to take action necessary to protect essential security interests. For decades, the United States has consistently held the position that actions taken pursuant to Article XXI are not justiciable by any panel of the WTO. In other words, each sovereign country must have the power to decide, for itself, what actions are essential to its security," he said, defending the steel and aluminium tariffs.

"Rather than work with the United States, [the EU and others] have retaliated with tariffs designed to punish US companies and workers. In an effort to give cover to this blatant disregard for WTO rules, they claim to be acting in reliance on a narrow exception that applies only in response to a safeguard measure. That exception does not apply here, however, because the United States has not taken a safeguard measure," Lighthizer continued.

ICTSD reporting.



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## GLOBAL ECONOMY

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### **China Government Paper Touts Country's WTO Performance, Domestic Reforms**

China's State Council published a "white paper" last week outlining how Beijing's involvement in the WTO has facilitated domestic economic reforms while also contributing to multilateralism and the performance of the global economy. The paper's release comes shortly before a biennial WTO review of the Asian economic giant's trading practices, and also in the midst of escalating trade tensions between the US and China.

The white paper, entitled "China and the World Trade Organization," numbers over 20 pages, and covers the opening up of the Chinese economy since 1978, with a particular focus on the post-WTO accession period from December 2001 onwards.

"To grow its economy, China must have the courage to swim in the vast ocean of the global market. If one is always afraid of bracing the storm and exploring the new world, he will sooner or later get drowned in the ocean," said Chinese Minister of Commerce Zhong Shan in a People's Daily [article](#) published on 2 July, explaining Beijing's approach to global integration. "China will stick to an open and win-win path in the new era."

Recurring topics throughout the white paper are China's involvement in supporting or implementing WTO processes and negotiations; its record in upholding the commitments made when joining the organisation; its efforts at improving the enforcement of intellectual property rights; its role in negotiating regional trade agreements with interested partners; and its future plans in terms of its Belt and Road Initiative and WTO participation.

"Accession to the WTO has boosted China's development and benefitted the rest of the world," the paper says. Looking ahead, it pledges that Beijing's "door of opening-up will not be closed and will only open even wider."

#### **Supporting multilateralism, shirking unilateralism**

The white paper devotes a full section to China's "firm support" of the global trading system, particularly within the aegis of the World Trade Organization. Along with highlighting various initiatives or steps where China has led or participated in at the WTO, it also warns of risks to the system, including from the use of unilateral measures and from the current impasse in nominating new judges to the organisation's Appellate Body.

"Since its accession to the WTO, China has firmly supported the multilateral trading system, participated in all aspects of WTO work," the paper says.

The white paper refers to China's efforts in multiple international forums to support the negotiation, ratification, and implementation of the WTO's Trade Facilitation Agreement (TFA). That accord was adopted in late 2013 and has been in effect since early 2017. It aims to reduce red tape at the border and make customs procedures significantly easier, with the goal of lowering the costs and time involved in trade.

Additionally, the paper highlights China's participation in "plurilateral" tariff-cutting initiatives with interested countries under the WTO framework, such as the Information Technology Agreement (ITA) and its subsequent expansion to cover new products. It also notes that China was involved in talks to craft an Environmental Goods Agreement (EGA), though that process has been on hold since late 2016.



It also refers to Beijing's interest in so-called new issues, such as electronic commerce, investment facilitation, and small and medium-sized enterprises (MSMEs). At last year's WTO ministerial conference in Buenos Aires, Argentina, different subgroups of the organisation's membership signed on to joint statements pledging to conduct more structured work in these areas, which in some cases may lead to more formal negotiations. (See Bridges Daily Update, [14 December 2017](#))

However, China warned that challenges remain for the full WTO membership, highlighting the current Appellate Body situation, which emerged after the US moved to block the start of selection processes to fill vacancies on the global trade court. The Appellate Body now has three of its seven seats vacant, and a fourth one could be open in September if a current judge's term is not renewed. (See Bridges Weekly, [28 June 2018](#))

"Despite the attempt of certain WTO member to obstruct the appointment of members of the Appellate Body, China joined more than 60 members in submitting a proposal on starting the selection process at the earliest possible date," the white paper says.

The paper also refers to the value of supporting other developing economies as they seek to integrate into global value chains or move up within these, including through providing duty-free, quota-free support to least developed countries (LDCs).

Furthermore, it devotes a subsection to the risks of unilateralism and protectionism, saying that "the multilateral system is a historic choice that follows the trend of global economic development."

"Unilateralism goes against the law of the market and international rules, causes injury to others but ends up defeating oneself. Pursuing protectionism is like locking oneself in a dark room. While wind and rain may be kept outside, that dark room will also block light and air," the paper says, without referring to any particular country or countries' actions in particular. It also flagged the value of using other international platforms in fighting such tendencies.

### **Intellectual property rights in focus**

The white paper also devotes several paragraphs to intellectual property rights (IPRs) enforcement, noting both the steps taken to date and forthcoming initiatives.

China's efforts in IPR enforcement have drawn intense scrutiny in recent months, particularly in light of the US' announcement that it will be imposing Section 301 measures to address allegedly unfair practices, such as forced technology transfers and discriminatory licensing practices. Both the US and EU have filed WTO cases regarding the latter, though they differ slightly in scope. (See Bridges Weekly, [7 June 2018](#))

Section 301, in US trade law, refers to a provision in the Trade Act of 1974 that allows the country's executive branch to take responsive measures after findings of unfair trading practices by another country.

The white paper does not make specific reference to the Section 301 investigation or associated actions, even though US tariffs on billions of dollars worth of Chinese goods are due to take effect on Friday 6 July, with China preparing to impose its own tariffs in kind. The white paper does, however, outline various reforms that China has made to date in IPR enforcement, with more to come.

"China has enhanced the dominant role of the judiciary in IPR protection to significantly raise the cost for offenders and fully unlock the deterrent effect of relevant laws," the white paper says. It refers, for example, to the establishment of new or improved IPR courts, the restructuring of administrative agencies or laws, and taking other steps to improve these protections, including for foreign companies with interests in China.

"China encourages technological exchanges and cooperation between Chinese and foreign enterprises, and protects the lawful IPR owned by foreign enterprises in China. At the same time, we hope foreign governments will also improve protection of Chinese IPR," the paper says.

### **Crafting new partnerships**

While the paper is primarily WTO-focused, the government document also highlights efforts at developing deeper economic partnerships with select countries, either through regional trade agreements (RTAs) or through infrastructure investment projects under the China-led Belt and Road Initiative (BRI), known also as One Belt, One Road (OBOR).

For example, the paper highlights China's role in the negotiations for a Regional Comprehensive Economic Partnership (RCEP), a 16-country coalition that aims to establish a free trade area in the Asia-Pacific. The planned accord's members would include the 10-country Association of Southeast Asian Nations (ASEAN) and their six FTA partners, which are Australia, China, India, Japan, South Korea, and New Zealand.

Those talks have been underway for the better part of six years, and RCEP ministers said this weekend that they hope to wrap up the negotiations, at least in principle, by year's end. (For more on RCEP, see related story, this edition)

The planned RCEP could also support an effort among the Asia-Pacific Economic Cooperation (APEC) countries, a wider coalition that includes economies such as the US and Russia, as well as various Latin American countries, to negotiate a Free Trade Area of the Asia-Pacific (FTAAP).

"With all these efforts, China will build a high standard network of free trade areas, focusing on the neighbouring areas, radiating across the Belt and Road and open to the world," the white paper says.

Last year, the section on FTAAP in the [APEC leaders' communiqué](#) called for the group's members to craft "work programmes to enhance APEC economies' ability to participate in high quality, comprehensive free trade agreement negotiations in the future."

APEC trade ministers earlier this year, in reference to FTAAP, [pressed](#) "economies to make further progress in a comprehensive and systematic manner to develop and implement work programmes" that would facilitate the "ability to participate in high quality, comprehensive" future accords. They made the statement during a meeting in Port Moresby, Papua New Guinea, in preparation for a leaders' meet planned for November.

### **WTO review coming up**

Next week, trade officials will gather at WTO headquarters in Geneva for China's "Trade Policy Review," or TPR in trade shorthand, an exercise that all members of the organisation go through on a regular basis.

As one of the world's four largest traders, China undergoes this review every two years. The other three members subject to the same timeframe are the EU, Japan, and the US. Starting next year, those reviews will be held triennially. Other WTO members are subject to different timeframes, which are set based on a member's economic weight. (See Bridges Weekly, [27 July 2017](#))

ICTSD reporting; "Full text of Chinese commerce minister's signed article on People's Daily," XINHUA, 2 July 2018.

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## TRADE AGREEMENTS

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### **RCEP Trade Ministers Set End-2018 Target for "Package of Outcomes"**

The top trade officials from the Regional Comprehensive Economic Partnership (RCEP) coalition have pledged to endorse a "package of outcomes" by the end of the year, in a bid to help wrap up nearly six years of negotiations.

"At this point in time, we have reached a stage where we are very near, and we can see the possibility of having a substantive conclusion for the RCEP negotiations by the end of this year," said Singapore's Minister of Trade and Industry Chan Chun Sing, according to comments reported by the Straits Times.

"I would encourage every one of us here, at this juncture, to seize the moment, and exercise maximum flexibility for us to close the last few steps of our negotiation," Chan added, having served as one of the meeting's chairs.

In a joint media statement, RCEP trade ministers [tasked](#) negotiators to "focus efforts towards achieving a package of year-end outcomes." They noted the progress across all areas and agreed to focus on finding breakthroughs to bring the talks to a successful, quick close.

The other meeting chair, Japanese Minister of Economy, Trade, and Industry Hiroshige Seko, also told the same news agency that he foresees a trade deal by the end of 2018, should countries ramp up their negotiating efforts. "I know it's not easy, but depending on our political will and how we go about it, it is more than feasible," he said.

Tokyo hosted the ministerial meeting, which was held on Sunday 1 July and, along with Singapore and Japan, also brought together officials from Australia, Brunei, Cambodia, China, India, Indonesia, Laos, Malaysia, Myanmar, New Zealand, the Philippines, South Korea, Thailand, and Vietnam. The Secretary-General of the Association of Southeast Asian Nations (ASEAN), Dato Lim Jock Hoi, was also in attendance.

Officials from the RCEP trade bloc, built around ASEAN and its six FTA partners, have indicated that the final version of the accord could be pivotal for the region, attracting greater trade and investment flows. Proponents say it would also be yet one more sign of support for the wider multilateral trading system.

"The RCEP negotiations send an important signal to the world that we are committed to opening new markets, free trade, and the rules-based global trading system," [said](#) Australian Trade Minister Steven Ciobo prior to meeting.

The joint media statement similarly highlighted the value of RCEP for supporting multilateralism while also serving as a bulwark against a potentially rising tide of unilateral actions. The RCEP deal, the ministers said, is particularly important given "the current global trade environment, which faces serious risks from unilateral trade actions and reactions, as well as their debilitating implications on the multilateral trading system."

"As we are faced with concerns of the rise of protectionism in the world, all of us in Asia must unite, and our future depends on whether we can keep hoisting our flagship principle

of free and fair trade," said Japanese Prime Minister Shinzo Abe at the ministerial meeting, according to comments reported by First Post.

The Japanese leader reportedly highlighted other trade developments involving some RCEP members, such as the advances towards ratifying a separate deal known as the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) and the impending signature of the EU-Japan trade accord. (See Bridges Weekly, [28 June 2018](#))

RCEP negotiators launched the talks formally in 2012, and have held 22 negotiating rounds to date, along with a series of "intersessional" meetings among ministers. The coalition had previously hoped to wrap up a deal within a couple of years, and has repeatedly extended the timeframe due to substantive disagreements or the need for continued technical work.

The bloc builds upon the existing agreements of ASEAN with its six dialogue partners, namely, Australia, China, India, Japan, New Zealand, and South Korea. The future comprehensive agreement will address topics such as goods and services trade, investment, economic and technical cooperation, intellectual property, competition, dispute settlement, e-commerce, and small and medium-sized enterprises, among others.

The ASEAN bloc is also pursuing its own agenda, focused on greater economic integration, trade and investment liberalisation, and connectivity. (See Bridges Weekly, [3 May 2018](#))

### **Outstanding issues**

RCEP comprises 18 chapters, of which just two have been concluded after six years of negotiations. Those include economic and technical cooperation and small and medium-sized enterprises.

Officials note, however, that they have made significant progress in many of the other chapters that are still outstanding, though participants still have diverging views on how to approach topics like electronic commerce and data, along with different aspects of farm trade and services, given the competitiveness of certain RCEP members in these sectors.

For example, agriculture is reportedly a key sticking point between Australia, New Zealand, and India, while data management and intellectual property rights are said to have fuelled debate between Australia, China, and Japan, in light of differing approaches to these subjects.

Development issues were also highlighted as a priority in the joint media statement, which said that RCEP countries seek to "achieve an agreement that would allow economies of different levels of development to actively participate in and benefit from an open and inclusive regional economic integration."

"We're aiming for a high-quality agreement, but we're prepared to be flexible," said Seko to the Nikkei Asian Review. Another Japanese official told the same publication that Tokyo and perhaps other, while still looking for a high-quality deal, would not necessarily be trying to match the same levels of liberalisation seen in other recent regional accords.

### **Pushing for a year-end deal**

Officials have already confirmed a series of meetings over the coming months, in a bid to wrap up the "package of outcomes" in time for a leaders' level summit held annually by ASEAN, which would also be before electoral processes begin next year in some RCEP countries, such as Australia, India, Indonesia, and Thailand. The ASEAN event will be in Singapore this coming November.

Already on the docket between now and the ASEAN meet are negotiators' level meetings in Thailand this month, as well as another ministerial in Singapore next month that some officials say could be a key turning point for the talks.

"We hope that by the ministers' meeting in August we will be able to lock in the substantive part of the negotiations, and then we can work out the minor details, in preparation, for the leaders' meeting at the end of the year," Chan told the Straits Times.

ICTSD reporting; "RCEP ministerial meeting kicks off in Tokyo, leaders express hope for major progress," THE STRAITS TIMES, 1 July 2018; "RCEP meeting in Tokyo: 16 Asian countries agree to reach basic consensus on regional trade pact by end of 2018," FIRSTPOST, 2 July 2018; "RCEP on track for substantial agreement by year-end in big win for free trade: Chan Chun Sing," THE STRAITS TIMES, 1 July 2018; "RCEP trade pact members seek year-end deal despite differences," NIKKEI ASIAN REVIEW, 2 July 2018.

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## SUSTAINABILITY

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### Five Years After Rana Plaza Disaster, Trade Officials Review Sustainability Compact Results

Officials from governments, international agencies, and other stakeholder groups recently examined Bangladesh's efforts to improve worker safety and labour rights, over five years after a devastating accident that killed or injured thousands of garment factory workers and fuelled a high-profile debate on the relationship between labour standards, sustainability, and trade.

During a meeting in Brussels, Belgium, on 25 June, the EU and other officials urged Bangladesh to make further improvements, while welcoming the progress made to date. The discussion took place during the fourth high-level follow-up meeting of the Sustainability Compact, which is now an annual event.

The Sustainability Compact was in response to a severe accident at a Bangladeshi factory five years ago, involving the collapse of the Rana Plaza building with thousands of people inside, many of them young women working in garment factories. The incident was the country's worst industrial accident in its history.

Those factories' products were sourced by transnational intermediaries sold by high-profile international brands like Mango, El Corte Inglés, and Walmart. The accident thus sparked an international outcry over worker safety and labour rights, particularly in so-called export processing zones that impose lax rules in these areas. It also prompted government officials, trade unions, private companies, civil society groups, and intergovernmental agencies to examine in greater depth the possible policy tools and private sector practices that could be adopted to avoid another accident.

The Sustainability Compact, which brought together the EU and Bangladeshi governments, as well as officials from the International Labour Organization (ILO), resulted from these discussions. The Compact has the goal of supporting efforts to revamp Bangladesh's labour law, improve worker and building safety, and ensure "responsible business conduct." (See Bridges Weekly, [11 July 2013](#))

The US and Canadian governments subsequently joined the compact, otherwise known as the "[Compact for Continuous Improvements in Labour Rights and Factory Safety in the Ready-Made Garment and Knitwear Industry in Bangladesh](#)."

#### **Implementation: continued progress, but much work remains**

Officials in Brussels last month welcomed the progress made in implementing the Sustainability Compact, but many issued warnings that much more work remains to create a better working environment, particularly in the ready-made garments (RMG) and textiles sectors.

EU Trade Commissioner Cecilia Malmström, for example, highlighted the importance of sustainable commitments to avert future tragedies. She also called for protecting labour rights, including for trade unions, in this context.

"Organised labour is a cornerstone for a fair working environment," she said during the event, which was also webcast live. "Restrictions in numerous sectors and workers interfere

with trade union's activities," she added, noting that export processing zones need to be brought in line with ILO conventions as well.

She also noted the progress made so far under the Sustainability Compact, notably on working conditions, but said more needs to be done in terms of aligning Bangladesh's labour legislation with international labour conventions and their implementation. She added that fair trade is a key value for European consumers, to the point where they are willing to pay greater product prices to support meeting sustainable development objectives in developing countries.

Meanwhile, Bangladesh's top trade official noted that his country has made notable progress in recent years, particularly in light of safety concerns, while warning that prices must improve in these sectors in order to help defray costs.

"We've modernised the (RMG) factories. We've ensured building and fire safety with an improved working environment in place," Bangladeshi Commerce Minister Tofail Ahmed said, while noting that the owners of such facilities, having invested so much in improving them, are now struggling to recoup those costs in light of low apparel prices.

Marcia Bloom Bernicat, the US Ambassador to Bangladesh, told the audience that building inspection and improvements are among the areas where positive developments have occurred, including under other initiatives. She cited, for example, the [Accord](#) on Fire and Building Safety in Bangladesh, in place through 2021. She also highlighted the legally binding [Alliance](#) for Bangladesh Worker Safety (Alliance), launched in 2013, which established a five-year commitment for companies from Macy's to Costco to work towards safety improvements in garment factories based in Bangladesh.

She warned, however, that progress across the board has been uneven, particularly when looking outside the Alliance and Accord's purviews. She also noted some positive developments in the field of Bangladeshi labour law, including in relation to export processing zones, while cautioning that concerns remain over restrictions on freedom of association and the treatment of labour leaders.

### **Bangladesh's expected LDC graduation**

The continued efforts to improve labour rights and worker safety in Bangladesh comes as the South Asian country prepares for a major economic transition: the graduation from least developed country (LDC) status, which is looking increasingly likely. Labour standards are key issues related to LDC graduation, and if Bangladesh is [recommended](#) for graduation in 2021, it will then graduate from being an LDC three years later.

Analysts note that this result would likely affect Bangladesh's involvement in trade preference schemes, such as its current duty-free, quota-free (DFQF) market access to the European Union. The EU accounted for the bulk of Bangladesh exports of knitwear at US\$15.3 billion in 2016, as well as for woven apparel at US\$15.4 billion that same year.

The EU still grants DFQF market access to recently graduated LDCs under its Everything but Arms (EBA) scheme for an [additional period](#) of three years, which in Bangladesh's case would be through 2027. The EBA involves full single market access, aside from weapons, as reflected in its title.

Graduation from LDC status could mean that Bangladesh could later become part of the EU's Generalised System of Preference Plus (GSP +) programme, designed for "vulnerable lower and lower middle income countries," which is conditional on a series of requirements.

This includes compliance with 27 international conventions, 15 of which are related to human rights, such as the ILO's labour related conventions. The GSP+ is not full DFQF access, but instead liberalises access for two-thirds of the bloc's tariff lines.



In 2017, the EU wrote to Bangladeshi government officials urging the latter to demonstrate “concrete” and “lasting” measures to ensure the respect of fundamental human and labour rights while referring to future EBA participation, according to excerpts of the letter reported in the Daily Star.

Meanwhile, Bangladesh no longer has access to a separate preference scheme administered by the United States, also known as the Generalized System of Preferences. Bangladesh was suspended from the scheme five years ago, following the Rana Plaza disaster. According to the Office of the US Trade Representative, in 2016 the top import categories from Bangladesh to the US were woven and knit apparel, among other textile products.

Looking at the US overall, the [Pew Research Center](#) notes that the highest average import duties are found in apparel at 18.7 percent for knitted clothing and 15.8 percent for non-knitted apparel, “the two highest average rates out of 98 broad import categories.”

Bangladesh also pays the highest average duty as a percentage of total exports to the US, [according](#) to the Washington-based research group, which compared these to hundreds of other countries and jurisdictions.

### **Upgrading standards in value chains**

The discussions over worker safety and labour rights in Bangladesh has also fuelled a renewed interest in the role of voluntary sustainability standards in spurring social and economic change.

Such standards are not set by country governments, and instead come from either the private sector, who use them to address competitiveness concerns and protect brands, or civil society organisations, who develop them to address consumer concerns over sustainability.

Statistics show that global value chains currently account for more than two-thirds of today's international trade flows. Companies therefore use these standards both to demonstrate their commitment to sustainability objectives, along with to get a better foothold in these value chains themselves.

While the dispersion of production on a global scale has enabled producers in developing countries to supply global buyers in Western economies, analysts say that it has also created a complex web of outsourcing and sub-contracting arrangements where accountability and transparency in labour conditions are often muddled at best. This is particularly true in cost-driven value chains, where low labour cost is one of the critical factors shaping global buyers' sourcing decisions.

Facing falling prices in consumer markets, cost pressures are passed on to suppliers in developing countries, who are incentivised to squeeze labour costs to remain competitive, rather than upgrading into higher value products, processes, and tasks. Experts say that voluntary sustainability standards can be instrumental in improving labour conditions, subject to key conditions being met, such as sharing costs of this “social upgrading” between buyers and consumers, or making sure that there are adequate mechanisms for monitoring and ensuring transparency and accountability.

For producers in developing countries, experts say that compliance with voluntary sustainability standards is critical for meeting the Sustainable Development Goals (SDGs), including SDG 8 on decent work and SDG 12 on sustainable consumption and production patterns, along with better targeting niche markets.

Exporting to these high-value markets gives developing country producers the chance to compete in a different environment, as opposed to the cost-driven, low-value added tasks in GVCs where many have participated in historically.

Experts say that improving work conditions, safety, and labour rights protections could also lead to important developments in other areas, encouraging companies to take steps to invest in skills development and organisational strategies that would then yield competitiveness and productivity advantages. For a number of markets, some sustainability standards are, in practice, mandatory to supply global buyers.

ICTSD reporting; "Improve labour rights to retain GSP benefit," THE DAILY STAR, 7 June 2017; "EU finds 'fantastic' progress under Sustainability compact," THE DAILY STAR, 9 May 2017.

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## TRADE AGREEMENTS

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### US President, Mexican President-Elect Consider NAFTA Next Steps

Mexico's left-wing presidential candidate, Andrés Manuel López Obrador, won national elections on Sunday 1 July, setting the stage for the Morena Party leader to take office in December. The result, which was widely expected, has fuelled questions over what this will mean for the timeframe of the negotiations to update the North American Free Trade Agreement (NAFTA).

Once the results were announced, López Obrador [emphasised](#) the importance of this "historical day and a memorable night" to the country, which he said was a clear indication that voters are ready "to begin the fourth transformation of Mexican public life."

López Obrador pledged to improve the government's anti-corruption efforts, for example, along with its support for labour rights, as well as a safer and more stable climate for foreign investors, among other commitments.

Among his top priorities, he added, would be to put in place his party's social platform, looking particularly to help those domestic communities that have historically been disadvantaged.

#### López Obrador, Trump talk trade

The Mexican President-elect has already spoken with US President Donald Trump by phone following the election, according to White House Press Secretary Sarah Huckabee Sanders. She [told reporters](#) in Washington on Monday 2 July that the call was "positive and constructive," and that Trump and López Obrador "talked pretty extensively about trade and the willingness for both parties to come together to make a deal."

Separately, Trump told reporters that day while meeting with Dutch Prime Minister Mark Rutte that the call with López Obrador was a "great conversation about a half an hour long."

"We talked about NAFTA. We talked about a separate deal, just Mexico and the United States. We had a lot of good conversation. I think the relationship will be a very good one. We'll see what happens, but I really do believe it's going to be a good one," Trump [said](#).

Meanwhile, the incoming Mexican leader said on [Twitter](#) that the conversation was "respectful" and would be followed by future talks between officials from both sides. He also said that he proposed "exploring an integral agreement, of development projects which create Mexican jobs and in turn reduce migration and improve security."

Neither official clarified, however, whether there was any additional willingness to move on politically sensitive issues. Canada, Mexico, and the US have been in negotiations to update NAFTA for nearly a year, and while progress was initially swift, the talks have recently lagged in light of electoral dynamics in the countries involved and deep-seated disagreements on controversial areas, such as automobile rules of origin, dispute settlement, and a possible "sunset clause" for the final accord.

On trade, the Mexican President-elect has already named former WTO official Jesús Seade to take the helm of the country's NAFTA negotiations with the United States and Canada. Seade has publicly defended the incoming Mexican leader's commitment to free trade and

the NAFTA negotiations, and told [Bloomberg](#) last month that he expects the incoming administration to align its negotiating positions closely with those taken under outgoing President Enrique Peña Nieto's government.

"What I have seen of the Mexican position is what it has to be. I don't think these are partisan questions," he said.

Seade told the news agency that the few months remaining ahead of the US midterms in early November could present an opportunity to wrap up the bulk of the NAFTA talks, [suggesting](#) that there "has to be a way to break the impasse" in negotiations. The new Mexican leadership would take office after the midterms, however, on 1 December.

Seade also previewed that Mexico will still advocate for alternative approaches in response to the US' proposals on rules of origin for automobiles, particularly the US push for sourcing more content from higher wage areas – a move that could disadvantage Mexican producers, despite plans to improve wages across sectors.

Experts predict that the new Mexican government may also be less willing to open up its agricultural markets further, for example.

Meanwhile, US President Donald Trump told Fox News on Sunday, July 1 that he would not endorse a completed deal on NAFTA before the midterm elections, given the need to secure further improvements in the trade accord. The midterms are gearing up to be a bruising fight between the US' two main political parties for control of the Senate and the House of Representatives.

How the two sides will resolve other trade irritants, such as the US' tariffs on imported steel and aluminium, remains to be seen. Mexico and Canada have publicly put in place responsive tariffs on US imports, with the Canadian tariffs taking effect on C\$16.6 billion (US\$12.8 billion) worth of US-made goods this past weekend, [covering products](#) ranging from steel and iron goods to coffee, maple syrup motorboats, and pizza.

ICTSD reporting; "Trump and Mexico's New Leader, Both Headstrong, Begin With a 'Good Conversation'," THE NEW YORK TIMES, 3 July 2018; "López Obrador llama a la reconciliación tras su abrumadora Victoria," EL PAÍS, 2 July 2018; "Lopez Obrador's NAFTA Negotiator Hopes for Deal in Next 'Couple of Months'," BLOOMBERG, 27 June 2018; "Los inversores reciben con calma la confirmación de la victoria de López Obrador," EL PAÍS, 4 July 2018.

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## CLIMATE AND ENERGY

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### Australian Government Debates New Energy Policy, Considers Role of Coal

Australian lawmakers are in the process of negotiating the National Energy Guarantee (NEG) [policy](#), which was proposed in 2017 in response to energy cost concerns in the Oceanic nation. Proponents say that the NEG could answer concerns over energy affordability, reliability, and emissions reductions targets in a single policy, while detractors have cautioned that it could increase the country's reliance on coal and complicate its ability to meet international climate commitments.

The new policy will need both federal-level approval, as well as the sign-off from Australia's individual states and territories. Australian energy minister Josh Frydenberg is set to discuss the planned NEG with state and territory energy ministers in early August.

Last week, Frydenberg defended the prospect of new coal-powered plants, highlighting in particular the importance of ensuring reliable energy supplies.

"I would welcome a new coal-fired power station for our country because it supplies reliable baseload power and it has served us well in the past and will continue to serve us well in the future," he said, according to comments reported in The Guardian.

"Coal has a very important role in our energy mix, and I have no doubt it will have for many, many years to come, possibly forever," Prime Minister Malcolm Turnbull has also [said](#), though opposition lawmakers have come out to criticise the stance.

For example, Mark Butler, the Labor parliamentarian from Adelaide who serves as Shadow Minister for Climate Change and Energy, [said](#) that "Australia's energy future is renewable, not a coal fantasy." In a [statement](#) delivered via Facebook, Butler cited statistics from the government's most recent Resources and Energy Quarterly report to demonstrate that the coal industry is not in Australia's future interests.

Emphasising the importance of assisting coal communities, he added that lawmakers should "manage the ongoing transition in our economy, including the long term structural decline of thermal coal, with policies to create new jobs and industries and deliver a just transition to thermal coal communities."

Meanwhile, the Australian Senate also voted last week on a motion "to facilitate the building of new coal-fired power stations and the retrofitting of existing base-load power stations," which narrowly failed by a 34-32 vote margin. Some Liberal Party lawmakers have continued to insist that the NEG must assist coal plants, either through retrofitting or new plant construction.

Australia is one of the world's top producers and exporters of coal, and the fuel is one of its top "export earners," according to government statistics. Mining is also one of Australia's key industries, and domestic debates on climate action have often involved balancing a fine line between the need to curb emissions while also ensuring that jobs and growth do not take a major hit.

Years ago, for example, the country under the leadership of then-Prime Minister Julia Gillard of the Labor Party put in place a national carbon tax, which was meant to evolve into an emissions trading scheme after a few years and be linked to the EU's carbon market. The

plan drew heated controversy, however, over its potential implications for coal exports and domestic jobs, and was ultimately repealed in 2014 after the Liberal Party came to power, then led by Tony Abbott. (See Bridges Weekly, [17 July 2014](#))

### **International climate commitments**

Facing additional questions from the opposition Labor party, Turnbull said last month that the NEG was “designed to ensure you have dispatchable power, reliable power, affordable power and you meet your Paris emissions targets,” according to comments reported in The Guardian.

He was referring to the UN's Paris Agreement on climate change, the landmark accord governing post-2020 international climate action, which has been in force since late 2016.

However, some climate watchers have questioned the Australian government's ability to meet its Paris targets under current policies. For instance, Climate Action Tracker (CAT), an independent research group tracking countries' climate action and commitments, noted in its most recent [report](#) that the Australian government has not shown sufficiently that it is on track to meet its Paris pledges, as outlined in its nationally determined contribution (NDC). These NDCs are domestic-level plans that are the building blocks of the Paris deal, and which countries will need to update over time, with a view to making them more ambitious.

Climate Action Tracker's assessment suggests that emissions have risen over the last three years, and current policies will lead the country to “far exceed” its Paris NDC target, which the organisation also suggests is too lax.

As part of the NEG, the government has emphasised a 26 percent reduction of emissions in the electric sector, which is in line with the overall emissions reductions target of the NDC. However, critics warned that this could create complications in making those emissions cuts via other sectors.

How Australia will fulfil other climate pledges made in different international forums, most notably the G20, is also an open question. Australia, along with the other G20 members, have agreed in the past to phase out “inefficient fossil fuel subsidies.”

The government made this commitment multiple times since 2009, along with other G20 countries, including in the [joint communiqué](#) issued at the 2014 G20 Summit in Brisbane, Australia.

ICTSD reporting; “No end to climate wars if energy pact offers concession to coal, Labor warns,” THE GUARDIAN, 26 June 2018; “Energy minister would welcome new coal-fired power plant,” THE GUARDIAN, 25 June 2018; “Coalition backs Hanson motion for new coal-fired power stations,” THE GUARDIAN, 27 June 2018.

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## EVENTS & RESOURCES

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# Events

### Coming Soon

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 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](#).

10-13 July, Singapore. ASIA PACIFIC CLIMATE WEEK (APCW2018). This event is organised by the Nairobi Framework Partnership, and features a variety of events related to climate action, including implementation of nationally determined contributions (NDC) under the Paris Agreement, as well as the UN Sustainable Development Goals (SDGs). The theme for APCW2018 is "Climate Action for Sustainable Development: Driving Change in Asia Pacific." For more information, visit the event [website](#).

11 July, London, UK. A NEW BEGINNING? ASSESSING THE FUTURE OF TRANS-PACIFIC TRADE WITH AMERICA. At this Chatham House event, Koji Tsuruoka, Japanese Ambassador to the United Kingdom, will discuss the new Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), currently at the ratification stage. He will draw on his experience working on negotiations for the original Trans-Pacific Partnership (TPP), looking at the implications of the US withdrawal both regionally and globally. For more information, 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.

6 July: Working Group on Trade and Transfer of Technology

9 July: Informal Committee on Import Licensing

9 + 10 July: Workshop – Sanitary and Phytosanitary Measures

10 July: Informal Committee on Customs Valuation

11 July: Informal Committee on Sanitary and Phytosanitary Measures



11 + 13 July: Trade Policy Review Body – China

12-13 July: Committee on Sanitary and Phytosanitary Measures

12 July: Informal Open-ended Dispute Settlement Body - Special Session

### Other Upcoming Events

16-17 July, Geneva, Switzerland. 2<sup>ND</sup> OCEANS FORUM ON TRADE-RELATED ASPECTS OF SDG 14. This forum, organised by the UN Conference on Trade and Development (UNCTAD), aims to provide a platform for information exchanges and policy debates over how to meet the trade-related targets of SDG 14 on life below water. The forum will also identify public and private best practices to meet the trade-related targets of SDG 14, building on existing tools. For more information, visit the event [website](#).

18-19 July, Yokohama, Japan. INTERNATIONAL FORUM FOR SUSTAINABLE ASIA AND THE PACIFIC 2018 (ISAP2018). Organised by the Institute for Global Environmental Strategies (IGES) and the UN University Institute for the Advanced Study of Sustainability (UNU-IAS), this annual forum has the theme "Driving Transformative Actions through Integrated and Innovative Approaches" for 2018. It aims to facilitate diverse discussions on sustainable development in the Asia-Pacific region, especially in light of the Paris Agreement and the UN Sustainable Development Goals (SDGs). Sessions will assess progress in the region as well as priorities for the future. For more information, 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. More information is available at the WTO's dedicated site for the Public Forum [here](#).

2-4 October, Manila, Philippines. ASIA WATER FORUM 2018: INFORMATION, INNOVATION, AND TECHNOLOGY. The Asian Development Bank (ADB) will host the Asia Water Forum, focusing on the theme, "Information, Innovation, and Technology." The conference aims to facilitate discussion of a variety of water issues, including issues of supply, water use for food and energy, sanitation, and water resources management. It will also explore themes that affect these issues, such as resilience, inclusiveness, finance, and sustainability. The conference will examine how increased knowledge and advanced technology can aid member countries and improve development projects in the region. All sessions will be conducted in English. For more information, visit the event [website](#).

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](#).

27-29 November, Paris, France. SIXTH GREEN GROWTH KNOWLEDGE PLATFORM (GGKP) ANNUAL CONFERENCE. The GGKP annual conference will take place in conjunction with the Organisation for Economic Co-operation and Development's (OECD) Green Growth and Sustainable Development Forum. The focus of the GGKP conference is "Inclusive solutions for the green transition: Competitiveness, jobs/skills and social dimensions." The conference seeks to address distributional impacts of green and low-carbon policy reforms, analysing inclusive solutions for stakeholders who might be harmed by such a transition. The

conference will include panel discussions among a variety of stakeholders, including policy makers, academia, civil society, business, and labour. To learn more, 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

INVESTOR-STATE DISPUTE SETTLEMENT (ISDS): REVIEW OF DEVELOPMENTS IN 2017. Published by the UN Conference on Trade and Development (UNCTAD) (June 2018). This International Investment Agreement (IIA) Issues Note reports on treaty-based ISDS developments in 2017, including case outcomes and arbitral decisions. The report highlights the fact that new ISDS claims remain high, with 80 percent brought under bilateral investment treaties from the 1980s and 1990s. The report suggests that this underscores the importance of IIA reforms. The analysis also looks at developments related to intra-EU disputes, as well as a variety of themes and trends in arbitral decisions. To download the report, visit the UNCTAD [website](#).

AGRICULTURAL POLICY MONITORING AND EVALUATION 2018. Published by the Organisation for Economic Cooperation and Development (OECD) (June 2018). This annual report details agricultural policies and supports in all 35 OECD countries, as well as six non-OECD EU member states and ten emerging economies. Through several indicators, the report aims to measure and classify agricultural supports and inform OECD's agricultural policy monitoring and evaluation. Comprehensive country chapters and data underlying the evaluation are available online. To access the report, visit the OECD [website](#).

TRACE FACILITATION AND THE GLOBAL ECONOMY. Published by the Organisation for Economic Cooperation and Development (OECD) (June 2018). This book provides information on trade facilitation reforms around the world, discussing successes and key challenges ahead. It aims to show that trade facilitation is becoming increasingly essential in the global economy to keep the costs of trade low and better benefit consumers and small firms. The book cites examples from around the world to suggest that benefits of implementing trade facilitation measures clearly outweigh the costs. It uses the OECD Trade Facilitation Indicators (TFIs) to assess and monitor trade facilitation measures and benchmark performance across countries. To access the book, visit the OECD [website](#).

US-CHINA ECONOMIC RELATIONS: FROM CONFLICT TO SOLUTIONS—PART 1. Edited by Ha Jiming and Adam S. Posen, published by the Peterson Institute for International Economics (PIIE) (June 2018). This PIIE Briefing aims to analyse and address what it sees as legitimate economic concerns in the US-China trading relationships. It suggests that the high costs of increasing trade tensions between the countries outweigh the costs of the row and are further damaging to the world trading system. In nine chapters from a variety of authors, the briefing seeks to contribute to finding solutions to US-China economic tensions in a way that is less damaging to the world economy. To download the briefing, visit the PIIE [website](#).

FINANCE OPTIONS AND INSTRUMENTS FOR ECOSYSTEM-BASED ADAPTATION. Published by Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH (June 2018). This report from GIZ provides information on public and private sources of financing for ecosystem-based adaptation (EbA) measures in the context of climate change. The report presents ten cases by way of example, aiming to provide practical information to project developers and practitioners interested in EbA financing. To download the report, visit the Adaptation Community [website](#).

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