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## TRADE AGREEMENTS

### US-Mexico-Canada Trade Deal Draws Scrutiny as Partners Prep for Signature, Ratification Processes

Canada, Mexico, and the United States have clinched a deal to revise and replace the North American Free Trade Agreement (NAFTA), the trade accord that has governed regional cross-border commerce since 1994. The updated accord has been rebranded as the US-Mexico-Canada Agreement (USMCA) and will need to be signed and ratified to enter into force, a process that will last through at least early 2019.

News that Canada and the United States had reached a deal broke on Sunday 30 September, just before that day's deadline for the US and Mexico to release the text of a preliminary accord that they had reached among themselves in late August. Washington and Mexico City had spent much of July and August negotiating between themselves on key issues of shared bilateral interest, with Ottawa and Washington then resuming bilateral talks thereafter. (See Bridges Weekly, [13 September 2018](#))

Leaders from the three countries are now aiming to sign the deal by the end of November, before Mexican President Enrique Peña Nieto's term in office ends. Ratification is not expected before 2019 at the earliest, due to domestic legislative requirements in the countries involved.

For example, the US Trade Promotion Authority (TPA) legislation sets a minimum 60-day period where a proposed trade agreement text must be made publicly available online at the USTR site before signature is permitted. That sets the signature date at 30 November at the earliest, after the US midterm elections but before the swearing in of a new Congress, which would take place in late January 2019. Meanwhile, the accord will also need to undergo a legal scrub and authentication in the three agreed languages, specifically English, Spanish, and French.

"USMCA will give our workers, farmers, ranchers, and businesses a high-standard trade agreement that will result in freer markets, fairer trade, and robust economic growth in our region. It will strengthen the middle class, and create good, well-paying jobs and new opportunities for the nearly half billion people who call North America home," read a [joint statement](#) from US Trade Representative (USTR) Robert Lighthizer and Canadian Foreign Affairs Minister Chrystia Freeland.

The USMCA text has [34 chapters](#), covering various aspects of goods and services trade, investment, public procurement, environment and labour, digital trade and telecommunications, intellectual property, competition policy, small and medium-sized enterprises, anti-corruption, macroeconomic policies and exchange rate matters, dispute settlement, and good regulatory practices, among others.

"It is a great deal for all three countries, solves the many deficiencies and mistakes in NAFTA, greatly opens markets to our Farmers and Manufacturers, reduces Trade Barriers to the U.S. and will bring all three Great Nations together in competition with the rest of the world. The USMCA is a historic transaction!" said US President Donald Trump in a [multi-part post](#) on Twitter issued on Monday 1 October.

The deal's future, however, will depend on whether lawmakers in the countries involved view the text's final outcomes favourably, particularly given its significance for regional trade. Analysts, private sector actors, and civil society representatives are poring through the text to determine how much the USMCA has changed from the original NAFTA, along with predicting how it will affect trade flows, working conditions, the environment, and supply chains across North America.

### **Automobiles: rules of origin details explained**

The USMCA text released on Sunday shows the various compromises reached among negotiators on a host of challenging issues, including automobile rules of origin and agricultural market access. Some details on the former had already emerged when the US and Mexico announced their bilateral agreement in August.

Chapter 4 of the USMCA deals with rules of origin, including the highly contentious subject of product-specific rules for automotive trade, which according to a 2017 [report](#) from the US Congressional Research Service is responsible for one-fifth of the US' goods trade with its North American partners.

The USMCA outlines in an appendix to Annex 4-B how regional value content will be calculated for these products, along with what threshold automotive vehicles and parts must surpass to benefit from preferential treatment.

For example, passenger vehicles and light trucks will face a progressively increasing requirement for regional value content, starting at 66 percent from when USMCA takes effect or from January 2020, depending on which date comes last. It will increase annually by three percentage point increments, ultimately finishing at 75 percent in January 2023 or three years from when USMCA takes effect. These percentages will be calculated via a "net cost method." This marks an increase from the 62.5 percent threshold in the original accord.

Heavy trucks, meanwhile, will face a progressively increasing requirement for regional value content that begins at 60 percent, rising to 64 percent and finally to 70 percent. The timeframe for these changes is from 2020 to 2027, unless the deal is ratified later than expected, in which case it would apply progressively from the deal's entry into force and hit the maximum level after seven years.

Automotive parts for such vehicles will also face a progressively increasing requirement for regional value content over the same timeframe. These levels vary depending on which type of automotive part is involved, and whether the "net cost" or "transaction value" methods are used. Regional value content can be determined either by subtracting the product's net cost or its transaction value, and then dividing the difference by that same number and multiplying by 100.

Other conditions include requiring that 70 percent of the steel and aluminium used in the product be purchased from North America, as well as setting rules on "labour value content" such that a set percentage of the passenger vehicle or truck is made using "high-wage"

material, manufacturing, technology, and assembly expenditures. This percentage increases progressively from an initial 30 percent overall for passenger vehicles to 40 percent, while it is set at 30 percent for trucks. A high wage, in this context, is considered US\$16 per hour.

### **USMCA: Dispute settlement changes**

The original NAFTA covers the subject of dispute settlement in three different areas: trade remedies, investment, and state-to-state cases.

The fate of these three types of dispute settlement had been among the more challenging negotiating issues to address. The US had argued for eliminating the dispute settlement mechanism for trade remedies, codified in the original NAFTA under Chapter 19.

The USMCA chapter on trade remedies, now known as [Chapter 10](#), keeps trade remedy dispute settlement in place, despite an earlier US proposal to eliminate the system, which Canada had pushed back against. This dispute settlement system is now outlined under Chapter 10 Section D: "Review and Dispute Settlement in Antidumping and Countervailing Duty Matters Between the United States and Canada."

State-to-state dispute settlement is featured in USMCA [Chapter 31](#). A key question for state-to-state dispute settlement had been whether negotiators would address a weakness in the original NAFTA dispute settlement terms that had limited the actual use of that chapter.

Under NAFTA, panellists for possible use in adjudicating disputes were named to a "roster" for an initial three years, with their terms then expiring unless NAFTA parties agreed to reappoint them. Any party to a dispute could also file a "peremptory challenge" to a proposed panellist who is not on the roster. According to an [analysis](#) published by trade law experts Simon Lester, Inu Manak, and Andrej Arpas earlier this year, the NAFTA system provides a loophole for a responding party to effectively block a panel from being composed when there is no active roster of panellists. According to the same experts, in practice, the roster's status has been unclear, specifically regarding whether it is at its 30-person full capacity and whether parties have actively established a new roster after an old one lapsed. No panel has been composed since 2000.

Under the USMCA terms, the chosen panellists on the initial roster must still be approved by consensus and stay in place for an initial three years, as do their replacements. However, their term can last longer should USMCA parties need more time to set up a new panellists' roster – in other words, constituting a continuation of the original term rather than a reappointment.

The USMCA text also limits the scope of investor-state disputes, allowing them only in select situations involving the US and Mexico, though an annex on "legacy investments" would apply to all three USMCA parties. This "legacy" situation refers to those investments made while the original NAFTA was in effect, with the relevant annex outlining how arbitration would work for disputes regarding such investments. The consent to arbitration by the three parties under this annex, however, "shall expire three years after the termination of NAFTA 1994." USMCA deals with investment under [Chapter 14](#).

An annex on Mexico-US investment disputes related to covered government contracts sets out five sectors that would be covered in those specific cases, namely infrastructure, telecoms, power generation, transport, and oil and gas processes ranging from exploration to sale.

### **Environment, labour chapters included**

The original NAFTA did not have dedicated chapters for environment and labour issues. Instead, the three parties put in place side deals known as "cooperation agreements" to deal

with these subject areas, known as the [North American Agreement on Environmental Cooperation](#) (NAAEC) and the North [American Agreement on Labour Cooperation](#) (NAALC).

Both side agreements set out a series of cooperation activities, along with outlining how consultations and disputes will proceed in cases where a party has allegedly not enforced its trade-related domestic environmental or labour laws, respectively. The NAAEC and NAALC also envision the possibility of imposing “monetary enforcement assessment” in cases where the respondent has not resolved the issue following a panel review and establishment of an action plan.

The USMCA brings environment and labour into the overall trade agreement itself, dedicating a full chapter to each subject area. It also envisions using the USMCA's own dispute settlement mechanism to adjudicate cases, should efforts to resolve disagreements through consultations outlined under the subject-specific chapters fail.

For disagreements that arise under the labour chapter, the USMCA first envisions a process of confidential consultations to resolve the accord, which can be bumped up to ministers' level at a party's request. Any agreement reached to address the issue would be made public, unless the parties involved decide not to do so.

Should consultations fail to resolve the matter within 60 days, the complainant can then request a dispute panel to review the case, within the context of USMCA Chapter 31 on state-to-state dispute settlement. Parties can agree to apply a different consultations time limit if they choose. A similar process applies to disagreements arising under the environment chapter, and an environmental dispute can have four layers of consultation processes and the participation of third parties in consultations. In both types of disputes, panellists appointed to serve on those cases must have related expertise in those subject areas. In both types of disputes, panellists appointed to serve on those cases must have related expertise in those subject areas.

In terms of substantive provisions, the USMCA environment chapter covers the enforcement of domestic environmental laws and the promotion of public awareness on these; recognition and affirmation of multilateral environmental agreements that USMCA members may be involved in; ozone layer protection; marine litter and the reduction of marine pollution from ships; air quality; biodiversity; various aspects of fisheries policy, including subsidies; and illegal wildlife trade, among other subjects.

Meanwhile, the USMCA labour chapter covers the enforcement of domestic labour laws; forced labour; migrant workers; sex-based discrimination in the workplace; the improvement of public awareness of such laws; and select other subjects.

Some trade analysts have also [noted](#) the addition of several footnotes that could provide “greater certainty” in both chapters, especially in relation to the standards of enforcing domestic laws. “This is to respond to the US-Guatemala labour case panel report,” said Kathleen Claussen, an Associate Professor of Law at the University of Miami, in a blog post. She was referring to a labour rights-related dispute between the US and Guatemala that went to arbitration under the Dominican Republic-Central America-United States Free Trade Agreement (CAFTA-DR). That case is the one instance of a labour issue actually being filed under a trade agreement's dispute settlement mechanism.

The result of that case was “criticised by Democrats and Republicans for having misunderstood some of the key language found in recent US trade agreements, particularly the phrases ‘through a sustained or recurring course of action or inaction’ and ‘in a manner affecting trade between the Parties’,” she added. (See Bridges Weekly, [6 July 2017](#))

### **Currency chapter included, with limited dispute settlement**

The USMCA also includes a chapter devoted to "Macroeconomic Policies and Exchange Rate Matters," specifically Chapter 33. This inclusion is an innovation from the original NAFTA, which did not cover currency.

The chapter sets out a series of shared objectives on exchange rate practices, such as refraining from competitive devaluation of their exchange rates and working to establish and keep in place a "market-determined exchange regime," among others. It also has each party "[confirm] that it is bound under the Articles of Agreement of the IMF to avoid manipulating exchange rates or the international monetary system in order to prevent effective balance of payments adjustment or to gain an unfair competitive advantage." The IMF refers to the International Monetary Fund.

Additionally, the chapter requires the public disclosure of various types of data, relating to exports, imports, foreign exchange reserves, spot and forward foreign exchange market interventions, and capital flows, along with making sure that the IMF Article IV Staff Reports on a particular USMCA country are released, among other agreed information.

It also provides for expedited bilateral consultations at principal representative level for disagreements involving exchange rate practices, transparency, and reporting obligations. Should this process fail to lead to a mutually agreed solution, the parties can ask the IMF to get involved. For the use of the USMCA's dispute settlement chapter, this is limited only to instances where a USMCA party has allegedly not met the chapter's transparency and reporting requirements "in a recurring and persistent matter." Furthermore, the parties involved must have held consultations first on the subject.

Panellists in these cases will have to meet the particular requirement of having "served as a senior official of an exchange rate or fiscal or monetary authority of a party or the International Monetary Fund," in addition to the requirements set out in the dedicated chapter on settling disputes. The chapter also foresees the possibility of asking the IMF's input in determining countermeasures, should non-compliance be found.

### **Cultural exception secured**

Chapter 32 on "[Exceptions and General Provisions](#)" shows that Canada was able to keep its clause on cultural exception, with Article 32.6 devoted to the subject of "Cultural Industries." Cultural exception was a feature of the original NAFTA. It is a key ask of Canada's when negotiating trade deals, given the country's history of federal and provincial support to those industries, as well as the value the country places on the role of those industries in shoring up the country's identity.

The provision states that the USMCA "does not apply to a measure adopted or maintained by Canada with respect to a cultural industry, except as specifically provided" in the relevant provisions on national treatment and in the services chapter annex on "simultaneous substitution." The latter of which deals with the substitution of commercials when broadcasting programmes in Canada that were originally transmitted in the United States.

The provision on cultural industries covers the production, distribution, sale, and in some cases exhibition of books, magazines, periodicals, newspapers, films, video recordings, music recordings, and radiocommunications aimed for viewing by the general public. That article also has related sub-articles on dispute settlement, among other topics.

### **USMCA renewal terms**

The USMCA also outlines how the three countries will take stock of the accord's ramifications, along with when and how it shall be extended. Whether to include a "sunset clause" or other type of review mechanism was one of the top sticking points in the NAFTA

modernisation talks, with the US reportedly pushing for the updated deal to terminate within five years of entry into force unless all parties agreed otherwise.

Ultimately, the final language on this combines a review and sunset mechanism, stretched out over a longer period and with multiple opportunities to consider the deal's extension. Article 34.7, entitled "Review and Term Extension" and included in the [chapter](#) on "Final Provisions," provides for a regular "joint review" process. This would begin at latest six years after the accord takes effect and involve an examination of the deal's performance to date. It will also allow countries to say whether they wish to extend the period for the deal's application, and outlines the timing for subsequent reviews depending partly on that feedback. Under Article 34.7.1, the USMCA will lapse 16 years from taking effect unless all three countries agree otherwise.

### **Agreements with non-market countries**

Separately, the chapter on final [exceptions](#) also includes a key provision regarding the negotiation of any free trade agreements with a non-market economy country, as defined by any one USMCA member for the purpose of trade remedy probes, in a move that analysts say may target potential negotiations with countries such as China. Canada, for example, has been weighing whether to launch formal trade talks with Beijing.

The relevant provision requires that a USMCA country wishing to undertake such a negotiation notify and consult with other USMCA parties in advance, along with providing the full agreement text for analysis once completed. Should that trade agreement move forward, the remaining parties would have the right to end the USMCA and move to a bilateral deal among the remaining parties, and to provide six month's warning in doing so.

### **Section 232 side letters**

The US has also inked side letters with both Canada and Mexico regarding the imposition of Section 232 measures. Section 232 refers to the provisions of the Trade Expansion Act of 1962 that allow for the investigation of whether imports of a good are a threat to US national security, and if so, allows for taking steps to "adjust the imports of an article and its derivatives" accordingly.

For both [Canada](#) and [Mexico](#), there are side letters from the US that deal with how Section 232 measures will be applied, stating that should the US move to adopt such measures, it would provide each country with a 60-day window for attempting to "negotiate an appropriate outcome based on industry dynamics and historical trading patterns." It also recognises that, should the US pursue a Section 232 action in violation of the original NAFTA, the USMCA, or the WTO Agreement, Canada and Mexico "may take a measure of equivalent commercial effect in response." Furthermore, the side letters recognise that Canada and Mexico will each hold onto their rights to file WTO disputes on such measures.

Additionally, there are also side letters involving the possibility of a US Section 232 measure(s) on automotive trade, in light of an ongoing investigation by the US Commerce Department on the subject. Namely, should the US pursue such measures, it would exempt annually a set quantity of passenger vehicles from [Canada](#) and [Mexico](#), with the number set at 2.6 million cars each, along with all light trucks, as well as US\$108 billion in auto parts from Mexico and US\$32.4 billion "in declared customs value in any calendar year."

The side letters also envision additional talks to hammer out the details, while clarifying that Canada and Mexico can pursue a dispute under NAFTA or the USMCA, depending on which agreement is being applied at that moment, in cases where the side letter's above-mentioned exceptions are being applied in practice.

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## WORLD TRADE ORGANIZATION

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### **WTO Public Forum: Trade, Tech, and Sustainability Take Centre Stage at Annual Outreach Event**

The WTO's Public Forum is wrapping up today in Geneva, Switzerland, after bringing together representatives from government, civil society, international organisations, academia, and the private sector for three days of meetings under the overarching theme of "Trade 2030."

Among the various sessions held during the forum included the release of the WTO's flagship World Trade Report, focusing this year on digital trade, as well as a high-level WTO-UN Environment event and report launch on trade and environment linkages. Other sessions covered topics ranging from fossil fuel subsidy reform and investment facilitation for development to various facets of the gender-trade nexus and the digital economy.

The three-day outreach event had approximately 2500 registered attendees and well over 100 scheduled sessions, according to statistics cited by WTO Director-General Roberto Azevêdo during the opening plenary.

The Public Forum is being held from 2-4 October, and comes at a time of heightened international debate and activity on trade. The past year has seen different country governments debate in multiple forums ways to update the global trading system to keep pace with current realities, along with how to mitigate rising trade tensions among key economies that experts and international organisations warn could translate into losses in economic and trade growth.

Meanwhile, the implementation of the UN Sustainable Development Goals (SDGs) and the Paris Agreement on climate change are also top-line agenda items for policymakers' discussions, particularly given targets and deadlines associated with both processes. Technological evolution has, for its part, put in stark relief the need to implement the necessary policies and programmes to prepare workers, companies, governments, and the international community for an increasingly digitised production and trade landscape.

#### **Opening plenary: interventions highlight trade, technology, and sustainability**

The WTO Public Forum traditionally kicks off with a high-level opening plenary, featuring a mix of speakers from the public and private sectors on the event's overarching theme.

Speakers included Azevêdo as moderator, as well as UN Environment Executive Director Erik Solheim, Executive Chairman of the Alibaba Group Jack Ma, Lidya Co-founder Tunde Kehinde, Shippo CEO and co-founder Laura Behrens Wu, and Coalition of Services Industries (CSI) President Christine Bliss.

Describing the various challenges and opportunities for the global trading system between now and 2030, the WTO chief indicated that while there are risks for job losses from technological change, there are also studies documenting the vast opportunities for job creation and increased international trade. He also called for policies focusing on supporting displaced workers with retraining for new types of occupation.

"If the proper synergies are in place... by 2030, the technological revolution could help to fuel additional trade, on top of whatever we are expecting today," Azevêdo said on Tuesday

morning to a packed conference hall, noting the value of discussing and preparing now for the technological changes of the future.

The world cannot wait “until we understand all the elements of technological change and how we’re going to evolve, because this is never going to happen,” he added. “We have to start talking now, we have to get involved.”

He also noted that currently, courts are often having to step in to fill gaps between rules and practice, even though the jurisprudence that emerges may “not always reflect the wishes and the priorities” of those it affects. He thus asked the audience whether the policy community would rather leave such issues to courts or unilateral action, “or do we want to sit down and fill the gaps together.”

The environmental challenges that the world is facing, and what it means for trade, were also raised by both the WTO chief and the head of UN Environment during the plenary session, particularly given the current geopolitical climate as well as the ambitions set out for creating a more inclusive, sustainable world by 2030 in line with the UN Sustainable Development Goals (SDGs).

“The environment community and the trade community are under challenge. We have to fight back,” said Solheim, in a nod to the current tensions being seen in many quarters over how to approach the future of international trade policy and environmental action.

Meanwhile, Jack Ma of Alibaba indicated that bringing in the perspective of young people could help in crafting innovative solutions for future challenges, including on trade. The Alibaba chief was one of several speakers who highlighted the importance not just of bringing in the perspective of young people, but also of those individuals and small and medium-sized businesses that are having to navigate trade rules and regulations on the ground, including through online platforms.

“Let’s stop worrying about the future,” Ma said. “You may not have the solutions. But young people have solutions. You may not have the solution today, but you may have the solution tomorrow.”

Meanwhile, Laura Behrens Wu, who founded a startup known as Shippo that aims to facilitate shipping for e-commerce platforms, said that “shipping is a pain point across the board” for business owners in e-commerce. “It’s easier than ever to start an online store,” she said, given that doing so is very “asset-low.”

“People can really focus on what they’re best at,” she added, such as creating products, connecting with customers, and staying in touch with trends.

Meanwhile, Lidya co-founder Tunde Kehinde described how his start-up financing platform helps small businesses get the necessary capital and credit scores to succeed, including online. Lidya is based in Lagos, Nigeria. “The power of technology and data is being able to bridge these gaps,” he said, making it easier for businesses in Africa, Latin America, and other regions to operate internationally and show that they are not necessarily high-risk. This opens up possibilities for sourcing from more businesses, he added.

Christine Bliss of the Coalition of Services Industries (CSI), similarly noted that digital trade is having a transformative effect on services, an effect which is amplified further given how services support various other sectors that produce goods.

“With the advent of digital trade, the invention of the internet, the explosion of data flows... that element, and the transformation of services to digitally-enabled services have even compounded the impact of services on manufacturing, on agriculture,” she said.



## WTO, UN Environment launch joint report at high-level dialogue

On Tuesday 2 October, the heads of the WTO and UN Environment released a [joint report](#) at a high-level dialogue held during the Public Forum. The report, entitled "Making trade work for the environment, prosperity, and resilience," is a 107-page document detailing various possible areas where trade action could support environmental objectives while having beneficial economic effects.

"To ensure that trade works for sustainability and prosperity, an enabling environment allowing for coherent and fit-for-purpose policies and coordinated action that puts human wellbeing front and centre is critical," the report says.

For example, the report suggests considering cooperative efforts to tackle emissions from transport and other sectors that have implications across national borders; using trade facilitation and Aid for Trade to help support disaster recovery; and creating greater opportunities for collaboration between different policy communities whose work touches on these issues.

The report also refers to the value of liberalising trade in environmental goods and services, as well as in developing public-private partnerships that build synergies between trade and environmental objectives. Additionally, it notes that low-income economies will need further support in adopting trade measures that are environmentally beneficial, while highlighting that building greater public awareness and engagement on trade and environment links is another essential objective to fulfil.

The two international organisations had announced earlier this year their plans to examine new ways of working together, along with fostering greater engagement with other stakeholders on the synergies between trade policy and environmental action. (See Bridges Weekly, [1 February 2018](#))

## Investment, fossil fuel subsidy initiatives examine possible ways forward

Among the myriad events during this week's Public Forum, some sessions touched specifically on the joint statements launched by groups of WTO members on the sidelines of last year's ministerial conference in Buenos Aires, Argentina.

The Friends of Fossil Fuel Subsidy Reform (FFFSR) organised a session on Tuesday afternoon regarding a statement backed by 12 countries on the sidelines of the December WTO ministerial conference. That statement pledged to "advance discussion in the World Trade Organization aimed at achieving ambitious and effective disciplines on inefficient fossil fuel subsidies that encourage wasteful consumption, including through enhanced World Trade Organization transparency and reporting." (See Bridges Daily Update, [12 December 2017](#))

Panellists included Álvaro Cedeño Molinari, Ambassador of Costa Rica to the WTO, Valérie Ducrot, Executive Director, World Energy Council – Global Gas Centre, Ronald Steenblik, Senior Trade Policy Analyst at the Organisation for Economic Co-operation and Development (OECD), Steven Stone, Chief of the Resources and Markets Branch, UN Environment, Kimmo Tiilikainen, Finnish Minister of the Environment, Energy, and Housing, and Swiss Ambassador to the WTO Didier Chambovey.

Discussions focused on the possibility of eventually updating existing WTO subsidy rules; the use of the WTO's Trade Policy Review (TPR) mechanism on reporting fossil fuel subsidies; and the interest of the Friends group in bringing on board additional countries in support of their efforts. Another issue raised by participants included the potential use of lessons learned from the ongoing WTO negotiations on disciplining harmful fisheries subsidies. Ambassadors involved in the Friends initiative highlighted both their interest in recruiting more participants and in using the lessons of the fish talks once completed.

The Friends of Investment Facilitation for Development (FIFD) also held a session on Tuesday early evening, featuring ambassadors involved in the current "structured discussions" on a possible multilateral framework for investment facilitation.

The 17-member FIFD group had been among those backing a joint statement on the sidelines of the Buenos Aires ministerial conference on looking to negotiate a multilateral framework for investment facilitation, with the supporters of the statement numbering 70 WTO members in total. (See Bridges Daily Update, [14 December 2017](#))

Panellists at the FIFD session on Tuesday included Chinese Ambassador Xiangchen Zhang, Kazakh Ambassador to the WTO Zhanar Aitzhanova, Colombian Ambassador to the WTO Juan Carlos González, Lisa Schroeter, Global Director of Trade and Investment Policy, Dow Chemical Company, and Chiedu Osakwe, Ambassador, Chief Trading Negotiator, Government of Nigeria.

Colombian Ambassador to the WTO Juan Carlos González, the current coordinator for these structured discussions, updated the audience on the current state of this work, along with next steps for the talks, which are open to participation from any interested WTO member.

He noted that the group met in April and June on how to improve transparency and predictability of investment measures; then in July on streamlining and speeding up administrative procedures, and again in late September on international cooperation information sharing, and dispute prevention. The next meeting will be on facilitating greater participation of developing and least developed countries in global investment flows.

Participants have been looking to outline specific issues of interest for each element. The coordinator has also been tasked to prepare, under his own responsibility, a document which puts together all the issues of interest that have been raised during these discussions, with over 70 topic-specific or cross-cutting issues raised to date.

### **Flagship WTO report highlights digital technology's role in trade**

The WTO released its flagship World Trade Report on the morning of Wednesday 3 October, devoting this year's edition of the high-profile publication to the theme of "The Future of World Trade: How Digital Technologies Are Transforming Global Commerce."

"The focus here is on internet-enabled technologies, such as the internet of things, artificial intelligence, 3D printing, and blockchain," said Azevêdo on Wednesday morning in presenting the report, which suggests that new technologies could add 34 percent to trade growth by 2030, specifically by adding a couple of percentage points to growth each year.

"The report predicts that the share of services trade could go from 21 percent to 25 percent by 2030," he noted, explaining that blockchain could "give way to a new generation of services," becoming, for services, "what robots are for manufacturing."

He also noted that policy would need to keep pace with growing concerns that these technologies have prompted on issues such as the digital divide, loss of privacy, and market concentration. Furthermore, he said there is "a responsibility of the whole international community" to respond to the trade tensions currently being seen, along with persistent concerns of what trade and automation could mean for jobs, which could in turn have strong implications for the future.

"We need an informed debate on trade in technology, and this is what we have tried to achieve with the World Trade Report," he added.

The report also highlights other predictions, though experts involved in the report made clear that these were not necessarily formal forecasts, but rather an effort to test out

different possible scenarios. For example, the report examines what these new technologies could mean for micro, small, and medium-sized companies, as well as for developing and least developed countries.

“In the best scenario, developing and least developed economies' share in global trade is predicted to grow to 57 percent by 2030, from 46 percent in 2015, whereas if they cannot keep up, this share is predicted to rise to 51 percent,” the report says.

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## GLOBAL ECONOMY

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### **UN General Assembly Debate Wraps Up, Focusing Heavily on Trade Climate, Environmental Action**

The annual gathering of high-level officials in New York last week for the United Nations General Assembly (UNGA) led to the continuation of several discussions related to trade and climate action, both within and on the sidelines of the main gathering. The annual general debate wrapped up on 1 October.

Lawmakers and policymakers had congregated at UN headquarters for a host of meetings and debates since mid-September, while various ministers and senior officials also participated in trade-related meetings on the margins.

The Assembly's general debate, which kicked off on 25 September and was entitled "Making the United Nations Relevant to All People: Global Leadership and Shared Responsibilities for Peaceful, Equitable, and Sustainable Societies," featured several addresses covering the global trading system, a topic that is expected to take centre stage at other international forums through the rest of the year.

#### **Tariffs, climate, WTO reform at forefront**

US President Donald Trump's address at the UNGA on 25 September, in which he expressed the need for fair and reciprocal trade, also made reference to recent tensions with China. "The United States has just announced tariffs on another US\$200 billion in Chinese-made goods for a total, so far, of US\$250 billion. I have great respect and affection for my friend, President Xi [Jinping], but I have made clear our trade imbalance is just not acceptable. China's market distortions and the way they deal cannot be tolerated," he stated. (See Bridges Weekly, [27 September 2018](#))

China's State Councillor and Foreign Minister Wang Yi addressed the Assembly later in the week, highlighting Beijing's commitment to the WTO and its economic development agenda commonly known as the Belt and Road initiative. Wang also cautioned that "protectionism will only hurt oneself," and that "international trade is complementary and win-win by nature."

His speech came after a visit to the Council on Foreign Relations, also based in New York, where he [affirmed](#) China's role as a leader in economic growth.

"We want to invite people in to share China's opportunities," he said, in anticipation of China's first International Import Expo this upcoming November in Shanghai. "The Chinese economy is shifting from high-speed growth to high-quality growth. China is opening wider, bringing more development opportunities to the world."

Several other leaders used the UNGA to voice their concerns over recent trade developments between the US and China and what it could mean for other economies. Malaysian Prime Minister Mahathir Mohamad referred to the tensions during his address, stating that "the rest of the world is feeling the pain." Ghanaian President Nana Addo Dankwa Akufo-Addo also [spoke on the subject](#), saying that "the consequences [of trade tensions between the US and China] will affect those who have had no say, including small countries like Ghana. These events provide proof if some were needed, that ours is an interdependent world."

Ahead of the annual WTO Public Forum that is underway in Geneva this week, many leaders also expressed concern or enthusiasm over updating global trade rules, a topic that is expected to be a recurring theme in the months to come, including at a ministers' level meeting of about a dozen countries or country groups in Canada later this month. The EU, US, and Japan also released a trilateral statement covering WTO reform and other topics earlier during the UNGA. (See Bridges Weekly, [27 September 2018](#))

Some national leaders and ministers in New York also reaffirmed the importance of further integrating climate change initiatives within the trade policy space.

In his speech to the Assembly, French President Emmanuel Macron encouraged all nations not to sign any trade agreements with nations that are not parties to the Paris Climate Change Accord, while also [calling](#) for the mandatory integration of environmental and social provisions within new trade instruments.

"Let's sign no more trade agreements with powers that don't respect the Paris Agreement. Let's ensure our trade commitments include our environmental and social obligations," [said](#) Macron. He also warned earlier in the speech against protectionism and unilateral actions to tackle trade tensions, highlighting instead the importance of "common rules adapted to today's reality."

This climate focus comes as a continuation of UNGA 72, which the then-President of the General Assembly, Miroslav Lajčák, deemed the most frequently mentioned item during last year's debate.

The UNGA took place alongside Global Goals Week 2018, where several national leaders also participated in conferences such as the [International Conference on Sustainable Development](#) and the [One Planet Summit](#), targeted at promoting sustainable development through international programmes or initiatives, such as the UN Sustainable Development Goals (SDGs). The One Planet Summit, hosted by Macron, UN Secretary-General António Guterres, World Bank Group President Jim Yong Kim, and UN Special Envoy for Climate Action, Michael R. Bloomberg joined heads of state and non-state actors to discuss the implementation of cross-border commitments such as the international mobilisation of development banks and institutional investors.

### **"On the margins" meetings tackle trade, economic cooperation**

Several meetings on the margins related to trade also took place during the week, including talks between the countries forming the Association of Southeast Asian Nations (ASEAN), the Pacific Alliance, Mercosur and possible trade agreement partners, and the Regional Comprehensive Economic Partnership (RCEP).

"At all these meetings, there is still strong consensus and political will to move forward on free trade agreements," stated Singapore's Foreign Minister Vivian Balakrishnan to the Straits Times after participating in meetings in different configurations with all four groups. "If [Singapore] makes significant progress with Mercosur and the Pacific Alliance, which builds us new trade links to South America (and) Latin America, this is an affirmation that we still believe in free trade and we are proceeding, despite the apparent withdrawals of bigger countries who have perhaps more options," the Singaporean official continued.

The Pacific Alliance, made up of Chile, Colombia, Mexico, and Peru, is looking to both deeper trade and investment ties internally, while bringing on board a set of prospective associate members, namely Australia, Canada, New Zealand, and Singapore. South Korea will also become a candidate for associate member status, once negotiations with the other four countries are completed. (See Bridges Weekly, [26 July 2018](#))

Pacific Alliance leaders held a panel in New York that focused on [investment opportunities](#) within their countries, along with the goals for the future. Ministers from the group also met

with their ASEAN counterparts to [explore avenues](#) for joint work, building on an existing plan that deals with economic cooperation, education, and small and medium-sized enterprises, among others.

The planned RCEP consists of ASEAN members Brunei, Cambodia, Indonesia, Malaysia, Myanmar, Singapore, Thailand, the Philippines, Laos, and Vietnam, along with their six FTA partners Australia, China, India, Japan, New Zealand, and South Korea. Negotiations are ongoing, with the goal of endorsing a “package of outcomes” this year, however several countries expressed optimism about the trade accord at the UNGA.

“In addition to Japan's commitment to the World Trade Organization, which is a given, I will make all-out efforts towards negotiations on the RCEP, which will give rise to an enormous free-trade area in East Asia,” said Prime Minister Shinzo Abe during his address to the Assembly.

ICTSD reporting; “China's Top Diplomat Rebukes Trump's Trade Policy at UN,” BLOOMBERG, 28 September 2018; “UN General Assembly: Chinese FM Wang Yi champions multilateralism in speech,” CGTN, 29 September 2018; “Free trade, multilateralism, cyberspace top concerns at UN General Assembly, Minister Vivian Balakrishnan tells Singapore media,” THE STRAITS TIMES, 30 September 2018; “Free trade and strengthening ties: Abe's speech to U.N.,” THE JAPAN TIMES, 26 September 2018.



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## BREXIT

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# UK, EU Brexit Negotiators Prepare for High-Stakes October Summit

With the upcoming meeting of the European Council on 18 October, officials from the EU27 and the UK are working to settle core issues in the planned Brexit "divorce" deal and to define future steps for completing the withdrawal treaty. The past several weeks have seen officials from both sides exchanging differing visions for how Brexit and the future EU-UK relationship should look like.

The results of the October summit, officials say, could also determine whether negotiators will be able to finalise a Brexit deal at a special EU summit being planned for mid-November.

### Salzburg informal summit reveals negotiating sticking points

On the EU side, on 20 September the bloc's heads of state convened for an informal summit in Salzburg, Austria, to review current issues related to internal security and migration, along with gauging the progress of Brexit talks. At the meeting, parties flagged in particular the challenging issue of how to avoid a hard border on the Irish isle, along with what form a future trade accord should take.

The EU and UK previously said that a legal "backstop" would be in place should talks on finding an alternative approach to the Irish situation fail, though the UK has since indicated that the terms provisionally agreed on this subject would not be sufficient. The EU27 has [insisted](#) on keeping its proposed backstop, which would involve an open border on the Irish isle and continue Northern Ireland's access to the single market. Northern Ireland would thus remain obligated to EU customs rules, tariffs, rules of origin, and other regulatory requirements.

One day before the summit, the EU's chief Brexit negotiator, Michel Barnier, said that there may be the possibility of rethinking the proposed "backstop" provisions.

"We are ready to improve this proposal. Work in the EU is ongoing. We are clarifying which goods arriving in Northern Ireland from the rest of the UK would need to be checked, where, when and by whom these checks would be performed," he said, according to comments reported by Politico. He added that the most crucial of the border inspections that would need to remain intact would be sanitary measures, such as with livestock trade crossing the internal border on the island.

However, EU27 leaders did not announce any major shift in position in Salzburg. They reconfirmed "full unity" and commitment to their common position, which according to European Council President Donald Tusk would involve [three pillars](#).

These state that: "there will be no Withdrawal Agreement without a solid, operational and legally binding Irish backstop," and that the EU27 wants a "joint political declaration that provides as much clarity as possible on the future relations." Lastly, they referred to the need for a "timetable for further negotiations," particularly for October and November.

After the summit, UK Prime Minister Theresa May said that despite the progress made, negotiations were at an "impasse." From the start of the Brexit negotiations, the EU has insisted that participation in its single market requires accepting its four freedoms. Given that the UK will not take on board those four freedoms, experts suggest the options could

include remaining in the customs union, or to pursue a free trade agreement, as if it were another third country.

However, May [suggested](#) in late September that the idea of continued membership in the European Economic Area and a customs union would constitute “a mockery of the referendum we had two years ago,” referring to the vote in which a majority of UK citizens opted for leaving the European Union. Doing so, she said, would preserve migration between the EU and UK without set limits, while also hampering the UK’s ability to set its own trade policy.

Another option of a free trade agreement has already been rejected by the country’s parliament “unanimously,” the UK leader said. She also warned that it could “threaten the integrity” of the country given its implications for Northern Ireland.

“The second option would be a basic free trade agreement for Great Britain that would introduce checks at the Great Britain/EU border. But even worse, Northern Ireland would effectively remain in the Customs Union and parts of the Single Market, permanently separated economically from the rest of the UK by a border down the Irish Sea,” she said.

“Anything which fails to respect the referendum or which effectively divides our country in two would be a bad deal and I have always said no deal is better than a bad deal,” she added.

The UK leader, in the meanwhile, reiterated her call for “frictionless trade in goods” through the creation of a new facilitated customs arrangement (FCA), proposed in the Chequers white paper in July. (See Bridges Weekly, [26 July 2018](#)) Though the EU27 acknowledged “positive elements” in the Chequers proposal, a key component of Theresa May’s Brexit approach, Tusk noted that it would ultimately “undermine the single market.”

In her post-Salzburg speech, May concluded by saying that “at this late stage in the negotiations, it is not acceptable to simply reject the other side’s proposal without a detailed explanation and counter proposals.” She called for the bloc to outline their own suggestions in response in order to facilitate future discussions – while noting that the UK will take steps in the meantime to prepare should Brexit occur without a deal in place.

Tusk, meanwhile, said that the EU27 is expecting at the October summit to see “maximum progress and results in the Brexit talks. Then we will decide whether conditions are there to call an extraordinary summit in November to finalise and formalise the deal.”

### **Conservative party debates Brexit deal approaches**

This week, the UK’s [Conservative Party Conference](#) has been considering the government’s stance in the Brexit talks, with the event starting on 30 September and wrapping up on 3 October. The talks were met with domestic protests calling for the Brexit process to be stopped entirely, amid speculation of whether a second referendum on whether to exit the EU might be feasible.

The Conservative Party, known also as the Tories, have been divided over May’s Chequers proposal and whether she should continue to have her negotiators advocate for it in their talks with Brussels. “The only way forward is to bin Brexit and to remain in the EU,” said Tim Skeet from the group Tories against Brexit, according to comments reported by the Evening Standard.

Just before the conference, former UK Foreign Secretary Boris Johnson, who is rumoured to be vying for the Conservative Party leadership, published an [article](#) in the Daily Telegraph detailing a “six point plan” on Brexit that he said should serve in lieu of the Chequers proposal, while calling for the UK government to “scrap Irish backstop and rewrite withdrawal agreement.”

Speaking ahead of the conference, May said that the government was on the verge of a Brexit deal, despite the friction that emerged following the Salzburg summit.

"Two years on from the referendum, we've made progress in the Brexit negotiations at the same time as improving life for people at home. But we're now at a crucial moment. The right deal is close – and with it the opportunity to make life better for ordinary working people," she said, according to comments reported by the Financial Times.

Meanwhile, some UK government officials have warned that should negotiations not advance soon, they will need to prepare for the possibility of the March 2019 passing without a deal in place.

"If the only offer from the EU threatens the integrity of our Union then we will be left with no choice but to leave with no deal," said Dominic Raab, Secretary of State for Exiting the EU, at the Conservative Party Conference in Birmingham. "What is unthinkable is that this government, or any British government, could be bullied by the threat of some kind of economic embargo, into signing a one-sided deal against our country's interests," he added, though also mentioning that the UK is ready to listen to "alternative ways" to deliver Brexit.

At this pivotal stage for the UK-EU negotiations, the Conservative Party Conference has been flagged as a potential turning point in the UK domestic discussions. The UK premier ultimately told the conference that the "future is full of promise," and is expected to continue pushing an updated version of the Chequers plan as a model.

Recognising a no deal Brexit as a "bad outcome," May said that "has never meant getting a deal at any cost." She also ruled out the possibility of a second referendum.

"Britain isn't afraid to leave with no deal if we have to. Leaving without a deal would be a bad outcome for the UK and the EU. It would be tough at first, but the resilience and ingenuity of the British people would see us through," she said.

Meanwhile, last Friday, Michel Barnier, the EU's chief Brexit negotiator, ruled himself out of the race for the position of European Commission President, given that the current president, Jean-Claude Juncker, will leave the post next year. Barnier explained that seeing the Brexit negotiations through would remain his key priority. "It is my duty and responsibility to continue the Brexit negotiations right to the end," he said.

The October European Council summit will likely shed light on the future of the UK-EU relationships, with experts looking for signals on what a final deal could look like, along with its likelihood. If an agreement is reached, the deal could be ratified before the 29 March Brexit deadline, but experts warn that many hurdles still remain between now and then. A potential deal would provide for the previously endorsed 21-month transition period when the UK would still be subject to EU laws, though without any stake in decision-making. (See Bridges Weekly, [26 July 2018](#))

ICTSD reporting; "Michel Barnier: EU ready to 'improve' Irish border proposal," POLITICO, 19 September 2018; "Brexit news latest: Thousands protest against leaving EU at Conservative Party conference 2018," EVENING STANDARD, 1 October 2018; "Boris Johnson: My plan for a better Brexit," THE TELEGRAPH, 27 September 2018; "Pressure increases on Theresa May ahead of Conservative conference," FINANCIAL TIMES, 28 September 2018; "Tory conference: Hunt says UK will 'fight' if EU refuses to compromise in Brexit talks - as it happened," THE GUARDIAN, 1 October 2018; "Conservative Party conference day two: Dominic Raab says UK will listen to 'alternative ways' to deliver Brexit amid growing doubts over Chequers," THE TELEGRAPH, 1 October 2018; "Barnier rules himself out of centre-right commission race," FINANCIAL TIMES, 29 September 2018; "Brexit revealed: May's moment of truth - EU demands Irish answers by October," EXPRESS, 29 September 2018.

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## WILDLIFE TRADE

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### **US, Peru Assess Efforts to Tackle Illegal Logging Under Trade Accord**

In late September, an interagency US committee issued a report via the Office of the United States Trade Representative (USTR) that deemed that while Peru has made valuable headway in its forest management efforts, more work remains in ensuring the legality of its timber supply chain can be properly ensured and verified.

The statement was released on behalf of the US Timber Committee, which was set up as part of the US-Peru Trade Promotion Agreement, and its assessment built on an earlier review by Lima that found similar results. The reviews focused specifically on efforts to verify the legality of three timber shipments from Peru to the United States in early 2017.

Timber from a particular Peruvian exporter, Inversiones La Oroza, has been banned in the US since late 2017 due to concerns over the ability to verify the integrity of the supply chain, in a move deemed "unprecedented" at the time. (See Bridges Weekly, [26 October 2017](#))

The document released last month says that while two shipments were in line with Peru's domestic laws, there were challenges in the verification of the third. The US Timber Committee report also outlines a series of suggestions for future work by the Andean country's government. US Trade Representative Robert Lighthizer welcomed efforts made to date while noting that "there is more work to do," and that he is "committed to using the tools available under our trade agreement" to tackle the issue.

#### **Forest annex implementation**

Nearly a decade has passed since the enactment of a trade deal between the United States and Peru, which has a forest annex that set aside specific provisions for combating illegal logging in the Latin American country and is subject to the agreement's dispute settlement provisions. The forest annex of the accord has been in effect since 2010, and aims at supporting efforts to ensure the legality of the timber supply chain, with the possibility of blocking imports from producers deemed to be non-compliant.

The current situation began a few years ago, when Washington flagged a particular shipments from January 2015 by Inversiones La Oroza for examination in early 2016, with a review ultimately finding that the shipment included illegally sourced timber. Subsequent reviews have been held, and the Peruvian government has indicated that it is working to improve traceability, inspections, and other aspects of the supply chain.

However, due to repeat questions over verifying compliance, timber from the producer involved has been banned since late 2017 for a period of three years, though this timeframe can be shortened if and when the issue is fully addressed.

The US Timber Committee report issued in late September came after the US filed a request earlier this year to review progress to date in implementing the steps that Peru had announced in late 2016. The domestic investigation in Peru involved an interagency review, in conjunction with the regional governments of the locations where the timber was harvested.

Peruvian authorities were able to establish that two shipments from early 2017 were compliant with domestic laws and regulations regarding the harvest and trade of timber products. However, the report found challenges with the verification of the third, according to the Timber Committee's summary of the findings of the Peruvian government investigation.

"For the remaining shipment, based on the procedures followed and information obtained, Peru could not establish that it was compliant with Peru's laws, regulations, and other measures on the harvest and trade of timber products. Specifically, OSINFOR found through its post-harvest inspection of the one land title associated with the shipment that the trees were not harvested from the authorised site and that there were inaccuracies in the forest land title holder's management plan," the report said.

The acronym OSINFOR refers to Peru's Supervisory Agency for Forest and Wildlife Resources, an independent body tasked with such matters.

Peruvian authorities at the country's trade ministry noted their continued work at improving forest sector governance, as well as the value of doing so for the country's sustainable development objectives. For example, it highlighted efforts to improve the capacity of regional forest authorities, the establishment of an online platform for reporting infractions of forest-related laws, and legal actions against actors who are not implementing forest laws.

"The forest sector contributes, through using resources sustainably, to forest conservation, job creation, and the development of the Peruvian Amazon, with a positive impact on local economies," [said](#) Peru's Ministry of Foreign Trade and Tourism (MINCETUR).

### **Trade tools and timber**

The Peruvian government has implemented various regulatory measures in the ten years since the trade promotion agreement was signed to make sure none of its timber is being harvested or produced illegally, and taking legal action in cases of violations. Illegal logging has long been a challenge in the Andean nation, as the Washington-based Environmental Investigation Agency (EIA) documented in its landmark 2012 report "[The Laundering Machine](#)." An earlier report from the World Bank in 2006 suggested that the level of Peruvian timber exports with illegal origins could amount to [80 percent](#), a figure that has been cited in subsequent [reports](#) as recent as 2012.

Experts note that illegal logging in the Amazon has severely damaging environmental implications, particularly via deforestation. It is also blamed for supporting organised crime networks, hurting local livelihoods, devastating the biodiversity-rich corridor's resources, creating economic disadvantages for indigenous communities, and harming a key "carbon sink."

Furthermore, US officials say that tackling illegal logging in Peru is important not only because of the environmental, social, and economic costs for the Andean country, but also given that having illegal timber arrive and be sold on the US market at a lower cost would hurt American producers.

The US is one of various countries or country groups that have been experimenting with the use of trade tools to tackle illegal logging and ensure that illegally sourced timber from abroad does not end up on their domestic markets. Aside from trade tools such as the forest annex in the Peru deal, Washington also has a domestic law in place known as the Lacey Act, which institutes a prohibition in illegal wildlife trafficking, including timber.

As another example of international efforts, the EU has in place a system known as the Forest Law Enforcement, Governance and Trade ([FLEGT](#)) Regulation, aimed at tackling illegal logging and improving the controls along the timber supply chain. More specifically,

the regulation aims at ensuring that illegal timber does not find its way onto European markets, with the EU pursuing "voluntary partnership agreements" or VPAs with various timber-exporting countries on the subject.

The bloc has VPAs in place with some select countries in the African continent and southeast Asia, and is looking to ink several more with other countries in those regions and in Central America.

At the wider international level, the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES), the landmark treaty designed to regulate wildlife trade, also includes tackling illegal logging among its aims. It has various types of timber listed on its annexes as requiring protection to avoid being exploited extensively, with the organisation's secretariat reporting that [approximately](#) 900 varieties of timber are now on its lists.

ICTSD reporting.



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## EVENTS & RESOURCES

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# Vacancy

The International Centre for Trade and Sustainable Development (ICTSD) is hiring a Managing Editor for Bridges Africa and Passerelles, its English and French-language periodicals focusing on trade and sustainable development in the African continent. The position is for ICTSD's Geneva office, though remote options will be considered. The deadline for applications is 20 October 2018. To learn more about the candidate profile and job responsibilities, please visit the ICTSD [website](#).

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# Events

## Coming Soon

8 October, Geneva, Switzerland. GREEN EXPORT FORUM: PROMOTING SUSTAINABLE PRODUCTION AND EXPORT IN DEVELOPING COUNTRIES AND ECONOMIES IN TRANSITION. This event is being organised by the UN Conference on Trade and Development (UNCTAD), looking at the results of National Green Export Review projects from Angola, Ecuador, Ethiopia, Lebanon, Madagascar, Morocco, Moldova, Oman, Senegal, and Vanuatu. It will look at lessons learned from these studies, specifically on how these economies have been able to identify and develop "green export sectors" and focus on a set of selected sectors in this regard. To register online and to learn more, visit the UNCTAD [website](#).

9 October, online. INTERACTIVE WEBINAR: THE CASE FOR AND AGAINST A WTO MULTILATERAL FRAMEWORK ON INVESTMENT FACILITATION. This event is being organised by the International Centre for Trade and Sustainable Development (ICTSD) as part of its WTO Paths Forward initiative. It will examine the current structured discussions on a possible multilateral framework for investment facilitation, looking at the rationale behind such an effort, what it could feature, and the potential implications for developing countries. Please note that advance registration is required. To learn more and to register, visit the ICTSD [website](#).

11 October, Tokyo, Japan. DISTINGUISHED SPEAKER SERIES: GLOBALISATION AND ENVIRONMENTALLY SUSTAINABLE DEVELOPMENT IN CHINA: A INTERNATIONAL BUSINESS PERSPECTIVE. For this talk, Maoliang Bu, an associate professor at Nanjing University's School of Business, will focus on international globalisation from a business perspective, with a specific emphasis on China. He will also look at the possible environmental implications of the current US-China trade tensions. The event is being organised by the Asian Development Bank Institute (ADBI). To learn more, visit the ADBI 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.

5 October: Informal Open-ended Committee on Trade and Development - Session on Aid for Trade

9 October: Committee on Market Access

9 + 11, 12 October: Trade Facilitation Workshop

9-11 October: Committee on Trade Facilitation

10 October: CTS Thematic Seminar: "Mode 4 at Work"

11 October: Briefing session on the procedures for modification and certification of schedules under the GATS

### **Other Upcoming Events**

15-16 October, London, United Kingdom. CLIMATE CHANGE 2018. The 22<sup>nd</sup> annual Chatham House conference will discuss the conclusions of the Intergovernmental Panel on Climate Change (IPCC) Special Report on Global Warming of 1.5 °C, which will come out in early October. The conference will address the IPCC report's implications for climate action efforts and negotiations, along with what these mean for the preparations for the UN climate talks later this year in Katowice, Poland, and other discussions on topics such as making financial markets more attuned to climate concerns. More information, including on registration, is available at the Chatham House [website](#).

22-23 October, Fuzhou, China. INTERNATIONAL EXPERT MEETING ON SUSTAINABLE INFRASTRUCTURE. This expert meeting will be hosted by Fujian Normal University's School of Economics together with UN Environment. The event will focus on the role of infrastructure in delivering on the Sustainable Development Goals (SDGs), with participants due to examine different facets of infrastructure governance and exchange best practices relating to sustainable infrastructure. For more information of the meeting, visit the Green Growth Knowledge Platform event [website](#).

22-24 October, Yokohama, Japan. WORLD CIRCULAR ECONOMY FORUM 2018. The second annual World Circular Economy Forum (WCEF2018) will be hosted in Japan by the Ministry of the Environment of Japan and Sitra. The event will focus on circular economy, including what it means for climate change, and will also examine Japan's evolution in developing this circular economy, along with public-private cooperation in this area. Expected attendees include the private sector, policymakers, and other experts. To learn more about the event, visit the Sitra [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 forums will come together to discuss investment-related policymaking, particularly in relation to sustainable development. For more information and to register, please visit the event [website](#).

24-25 October, Dubai, United Arab Emirates. WORLD GREEN ECONOMY SUMMIT 2018. The World Green Economy Summit is due to bring together experts to discuss strategies for advancing the global green economy, covering topics like the circular economy, green bond markets, and disruptive technologies. To view the programme, speakers, and other information, visit the event [website](#).

29-31 October, Geneva, Switzerland. FOSTERING THE ENGAGEMENT OF THE AGRI-FOOD SECTOR IN RESILIENCE TO CLIMATE CHANGE. This event is being organised by the International Trade Centre (ITC) and the United Nations Framework Convention on Climate Change (UNFCCC). It will feature a series of sessions related to the nexus between climate change and the agri-food sector, with perspectives from intergovernmental agencies and global development banks, as well as governments, the private sector, academia, and civil society. For more information, visit the ITC's event [website](#).

27-29 November, Paris, France. GREEN GROWTH AND SUSTAINABLE DEVELOPMENT FORUM. The Organisation for Economic Co-operation and Development (OECD) will hold its 7<sup>th</sup> annual Green Growth and Sustainable Development Forum with the theme of "Inclusive Solutions for the green transition: Competitiveness, jobs/skills and social dimensions." A special focus will be placed on the relationship between competitiveness, employment, and green policies. The OECD conference will be held in conjunction with the Annual Conference of the Green Growth Knowledge Platform, Global Green Growth Institute, UN Environment, and the World Bank. Registration will be open until 20 November. More details forthcoming on the OECD [website](#).

14-15 February 2019, New Delhi, India. CARBON PRICING LEADERSHIP COALITION (CPLC) RESEARCH CONFERENCE. This event will be the first international research conference on carbon pricing, hosted by CPLC. It will bring together researchers, policymakers, 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. CPLC seeks to foster leadership across the public and private sectors, academic, and NGO communities in order to implement carbon pricing policies more effectively and reduce global emissions. To learn more, visit the CPLC [website](#).

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## Resources

FACILITATION 2.0: E-COMMERCE AND TRADE IN THE DIGITAL AGE. By Maria Ptashkina for the RTA Exchange (September 2018). This paper was published by the RTA Exchange, an initiative jointly implemented by the International Centre for Trade and Sustainable Development (ICTSD) and the Inter-American Development Bank (IDB). It uses the framework of Facilitation 2.0 and looks at the interaction between different regulatory frameworks, examining provisions from trade accords, as well as the sustainability dimension of e-commerce. To learn more and to download the paper, visit the [ICTSD website](#).

FACILITATION 2.0: SERVICES AND TRADE IN THE DIGITAL AGE. By Marta Soprana for the RTA Exchange (October 2018). This paper was published by the RTA Exchange, an initiative jointly implemented by the International Centre for Trade and Sustainable Development (ICTSD) and the Inter-American Development Bank (IDB). It uses the framework of Facilitation 2.0 to look at the potential lessons to be drawn from services provisions in regional trade agreements (RTAs) when considering services from a multilateral negotiating perspective. To learn more and the download the paper, visit the [ICTSD website](#).

DECENT WORK, MIGRATION AND THE 2030 AGENDA FOR SUSTAINABLE DEVELOPMENT. By Richard Mallett for the Swiss Agency for Development and Cooperation and the Overseas Development Institute (ODI) (September 2018). These briefing papers are from a 12 part series exploring the relationship between migration and socioeconomic development, with the goal of supporting discussions on migration in the context of the Sustainable Development Goals (SDGs). The research is available for download at the [ODI website](#).

VOLUNTARY SUSTAINABILITY STANDARDS, TRADE AND SUSTAINABLE DEVELOPMENT. Published by the United Nations Forum on Sustainability Standards (UNFSS), in partnership with the International Trade Centre (ITC), the UN Conference on Trade and Development (UNCTAD), the UN Industrial Development Organization (UNIDO), and UN Environment (September 2018). This report focuses on the subject of Voluntary Sustainability Standards (VSSs) and their relationship to trade, with a particular emphasis on what such standards mean for market access. It aims to elucidate how such standards work, how public actors can support the VSS-trade nexus, and what the use of such standards could mean for developing countries' participation in trade, among other subjects. To learn more or to download the report, visit the [UNCTAD website](#).

SUSTAINING ECONOMIC GROWTH IN ASIA. Edited by Jérémie Cohen-Setton, Thomas Helbling, and Adam S. Posen for the Peterson Institute for International Economics (PIIE). (September 2018). This new book of essays examines the state of economic growth in Asia, looking at different regional dynamics such as fiscal policy and monetary policy, while also taking a deeper look at the country level via case studies on Japan, South Korea, China, India, and Indonesia. To learn more and purchase the book, visit the [PIIE website](#).

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## 桥

Analysis and news on trade and sustainable development for the Chinese-speaking world  
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*Chinese language*

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