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GLOBAL ECONOMY

Europe, Asia Leaders Prep for High-Level Summit, With Trade and Cooperation to Headline Agenda

Leaders from the European Union and from a host of Asian countries are meeting in Brussels, Belgium, this week for a high-level gathering that is due to tackle subjects like economic cooperation, trade and investment, and climate change. The meeting, along with related summits scheduled this week in the Belgian capital, will also see Singapore and the EU sign their long-awaited trade and investment accords.

In total, officials from 51 countries will begin meeting as of Thursday evening, with the Asia-Europe Meeting (ASEM) to be chaired by European Council President Donald Tusk for talks on "Europe and Asia: global partners for global challenges." The biennial event will cover topics such as multilateralism; international and regional approaches to trade and investment; cooperation on climate action, including the UN's Paris Agreement, and opportunities for collaboration on boosting connectivity in the Asian continent.

Shifting trade landscape

The ASEM comes at a key time in international trade, as countries weigh how to approach international and regional cooperation in the current era, particularly given the rising use of unilateral measures by the US, as well as questions over whether and how to update the current multilateral trading system to fit existing and future needs and lower trade tensions.

The EU has put forward its own paper on possible ways to update the WTO, including on dispute settlement and the negotiation of new rules, as well as on improving the system's functioning through notifications and other areas.

The EU is part of a working group with the US where WTO reform is one of the agenda items, as well as in a trilateral formation with the US and Japan where they have also been discussing their interest in negotiating new rules on areas such as industrial subsidies.

Additionally, WTO reform is due to come up in a working group between the EU and China. Leaders from both Japan and China are due to be in the Belgian capital for this week's event, which also comes less than one week before Canada's planned ministerial meeting of "like-minded" countries to discuss the North American nation's own proposed ideas for WTO reform. That meeting will not include the US or China but will include the EU and Japan, among others.

Aside from the WTO reform discussions, the international trade calendar has seen a host of activity on the negotiating front, with countries and country groups looking to advance existing processes for clinching new regional trade agreements, or launching new ones. Much of this activity has been seen both in Europe and in Asia, amid efforts by the EU to wrap up talks with the Mercosur countries, advance new negotiations with Australia and New Zealand, and update an existing accord with Chile.

The Asian region, meanwhile, has its own processes underway, including the 16-country negotiations for Regional Comprehensive Economic Partnership (RCEP), where the participants are hoping to endorse a set of outcomes by the end of the year. (For more on RCEP, see related story, this edition)

The signing ceremony for the EU-Singapore trade and investment accords is set for Friday 19 October. The EU is also due to hold summits directly with South Korea, as well as with the Association of Southeast Asian Nations (ASEAN). The latter two events are also planned for Friday and are also slated to see discussions on trade, including an examination of the EU-South Korea trade pact already in place.

The ASEM summit comes on the heels of a Bruegel-hosted Asia-Europe economic forum meeting, due to wrap up on Thursday and which will also cover the subject of trade, along with other shared items of interest in the field of global governance.

EU-Singapore deals

The EU and Singapore wrapped up negotiations for a trade accord in late 2012 and negotiations on investment-related terms in 2014. The signature process had been put on hold, however, until the EU's highest court could rule on the bloc's competence in different areas, in light of questions regarding whether member state ratification would be needed for terms involving investment-related dispute settlement and investor protections.

The European Court of Justice (ECJ) issued its final opinion last year clarifying that, in the case of the EU-Singapore accord, "non-direct foreign investment ('portfolio' investments made without any intention to influence the management and control of an undertaking) and the regime governing dispute settlement between investors and states" would require ratification by member states in their respective legislatures, and not just the European Parliament. (See Bridges Weekly, [18 May 2017](#))

The ruling led to the bloc working to separate out the investment terms from the Singapore trade accord and submitting these as two different agreements for the ratification process. While the trade deal will require only the European Parliament's ratification, which Commission officials said is expected by next year, the investment protection accord will be subject to member state ratification.

"Opening new opportunities for European producers, farmers, service providers, and investors is a key priority for this Commission. These deals do precisely that, and more – Singapore is an important gateway to the whole Asia-Pacific area, and it is vital that our companies can have a foothold there," [said](#) EU Trade Commissioner Cecilia Malmström earlier this week, previewing the signing.

The ECJ ruling also affects the bloc's approach to other trade and investment accords on the horizon, with the Council agreeing earlier this year that the EU will pursue trade and

investment deals separately, rather than trying to lump them together. (See Bridges Weekly, [24 May 2018](#))

The European Commission, meanwhile, did not include investment in the mandates it requested from the European Council for negotiating trade accords with Australia and New Zealand, though such mandates may be requested at a later date. (See Bridges Weekly, [24 May 2018](#))

The EU has been negotiating trade accords with individual members of ASEAN, after the two blocs previously attempted a region-to-region negotiating process. EU officials have said that they hope to use the bilateral agreements approach to lay the groundwork for eventually reaching a region-to-region deal.

The bloc is also slated to move ahead soon with signing a separate accord with Vietnam, for example, another ASEAN member. Negotiations are also underway for trade deals with the Philippines and Indonesia. Proponents of the EU-Singapore deal say that along with the commercial benefits, as well as accord marking a concrete link between the two regions, the trade agreement could pave the way for other cooperative opportunities and send a strong signal of the value of trade and economic integration, both within and across continents.

"These agreements also promote sustainable development, as they include ambitious commitments on the protection of the environment and labour rights and uphold the right to regulate. They are yet another example of the EU's determination to work with like-minded countries to uphold rules-based international trade," said Malmström earlier this week.

ICTSD reporting.

GLOBAL ECONOMY

IMF, World Bank Meetings: Finance Ministers Call for Greater Cooperation on Trade, "Shared Challenges"

The 2018 Annual Meetings of the International Monetary Fund (IMF) and World Bank Group (WBG) wrapped up in Bali, Indonesia, this past weekend, bringing to a close several days of meetings where ministers and other high-level officials debated the future of fiscal and monetary policy, development, and the need for greater collaboration to boost "confidence in international trade."

The high-level event, which brings together finance ministers, development ministers, and central bank governors from the two organisations' member countries, came at a milestone moment, marking ten years after the 2008 financial crisis.

Similar to several other multinational assemblies such as the recent United Nations General Assembly in New York, this year's IMF-WBG Annual Meeting focused heavily on discussions related to trade, in light of growing tensions among some major economies that many fear could have a ripple effect across the global economy, curbing expectations for economic and trade growth. (See Bridges Weekly, [4 October 2018](#) and [11 October 2018](#))

In the Annual Meetings' opening plenary, IMF Managing Director Christine Lagarde [called](#) for countries to consider a "new multilateralism," which she described as a "more inclusive, people-centred, and results-oriented" international system that would facilitate cooperation. This would include, for example, both resolving current trade disputes and the irritants that caused them, as well as making the system fit for purpose for tackling "21st century challenges," such as "inequality, technology, and sustainability."

The [communiqué](#) released after the 38th Meeting of the International Monetary and Financial Committee (IMFC) on 13 October, chaired by Governor of the South African Reserve Bank Lesetja Kganyago, affirmed the value of addressing trade tensions and improving the existing system. Notably, the section on trade used language that echoed, to a degree, that of G20 trade ministers last month when they met in Mar del Plata, Argentina. (See Bridges Weekly, [20 September 2018](#))

"We recognise the need to continue to step up dialogue and actions to mitigate risks and enhance confidence in international trade, including on ways to improve the WTO to face current and future challenges. We acknowledge that free, fair, and mutually beneficial goods and services trade and investment are key engines for growth and job creation," the IMFC document stated.

The IMFC is a steering body for the IMF, made up of 24 members that are part of the wider organisational membership and whose statements are meant to give direction to the Washington-based international financial institution.

Examining the health of the global economy

The links between market health and global trade were frequently mentioned throughout the meetings by ministers, particularly in light of new IMF and WTO figures that suggest

that economic growth is plateauing, and could face some significant challenges down the line. (See Bridges Weekly, [11 October 2018](#))

The IMFC communiqué referred directly to that situation, noting that while “the global expansion remains strong,” projections suggest that “the recovery is increasingly uneven, and some of the previously identified risks have partially materialised.”

“Policy uncertainty, historically high debt levels, rising financial vulnerabilities, and limited policy space could further undermine confidence and growth prospects,” the IMFC said.

The IMFC document also noted that the “window of opportunity” for undertaking the policy reforms necessary to ensure the global expansion continues is becoming increasingly slim, outlining recommendations in areas such as fiscal and monetary policy, as well as undertaking “structural reforms” that could have benefits for “lifting potential growth and employment.”

The IMFC also flagged the importance of making sure the global economy’s troubles, particularly when it comes to rising debt burdens in low-income countries, do not threaten the achievement of the 2030 Agenda and related Sustainable Development Goals (SDGs), including shared international objectives related to climate action and migration.

Similar concerns were also raised by the Development Committee, a joint IMF-World Bank body that advises both agencies on specific development issues. “Downside risks to global growth have intensified for multiple reasons,” the committee [warned](#), while also highlighting “the crucial role of international trade for economic growth, job creation, and sustainable development.”

Robin Brooks, the chief economist at the [Institute of International Finance](#), which describes itself as “the global association of the financial industry,” pointed out that US-China ties were at the forefront of officials’ concerns this past weekend in Bali. “There’s really only one discussion that’s happening here, in earnest [...] And that is basically the intensity of the trade dispute between the US and China and how bad that will get – how prolonged and how pernicious,” he told the Bloomberg news agency.

IMF Chief Economist Maurice Obstfeld, who is wrapping up his time in that role, similarly noted that the increasing use of tariffs by the two major powers were influencing medium-term views on the global economy’s health. “Notwithstanding the present demand momentum, we have downgraded our 2019 US growth forecast owing to the recently enacted tariffs on a wide range of imports from China and China’s retaliation,” he said in an IMF [blog post](#).

For example, looking more specifically at the Asia-Pacific region, the IMF’s [Regional Economic Outlook](#) predicts slowing growth levels due to factors such as the current trade climate, along with “slowing momentum in China” and other economic dynamics. Demographic challenges, such as aging populations, could also pose particular challenges for some Asian countries, among them Japan, while the region is also needing to prepare for the sea change posed by the increasing digitalised regional and global economy.

“If tariffs spiral upward and economies slip toward autarky, global growth would take a substantial hit, and Asia – which already needs to rebalance its trade-driven growth model given weaker medium-term prospects in advanced economies – would be vulnerable,” the report states.

Various officials stressed the value of cooperative approaches going forward, and the importance of forums such as these for bringing country representatives together to tackle issues of mutual concern.

"I don't underestimate meetings like this, although it is often hard to communicate these things easily. But if we don't participate and we don't present our actual problems, each country will go in their own direction and this can create danger," said Indonesian Finance Minister Sri Mulyani Indrawati in comments to Reuters.

"Each country basically cares for its own domestic problems before looking after the world's, but if we communicate often, people will know that one country's policy can have a spillover dimension," she added, referring also to her former experience as a former World Bank official.

Several other meetings took place in Bali last week on the margins of this year's IMF-WBG Annual Meetings, such as the Xblockchain summit addressing international wealth transfers and financial inclusion; the Indonesia State-Owned Enterprises and Infrastructure Investment Forum; and a meeting between leaders of the Association of Southeast Asian Nations in which the group reaffirmed its commitment to open trade.

The next two Annual Meetings will be held in Washington, while the 2021 Annual Meetings will take place in Marrakech, Morocco.

ICTSD reporting; "IMF World Bank: What the economic outlook holds for Asia," BBC NEWS, 15 October 2018; "Tremors Rattling World Economy: Takeaways from IMF Talks in Bali," BLOOMBERG, 14 October 2018, "IMF cuts world economic growth forecasts as import tariffs, emerging market issues bite," REUTERS, 8 October 2018; "Indonesia to press for policy coordination at IMF-World Bank meetings," REUTERS, 8 October 2018.

BREXIT

Brexit Process Enters Pivotal Phase As Leaders Debate Options for "Backstop"

The past week has seen a flurry of activity and headlines on the Brexit negotiations, ahead of a pivotal meeting on the evening of Wednesday 17 October among EU leaders to weigh the negotiating state of play and prepare for the final months of 2018. While no major breakthroughs were announced, leaders pledged to continue their discussions, in a bid to make further headway in the weeks to come.

Just days before the summit, the EU's chief Brexit negotiator, Michel Barnier, and UK Secretary of State for Exiting the European Union, Dominic Raab, met to discuss the state of the Brexit talks, initially fuelling speculation that a tentative compromise had been reached, though subsequent reports indicated that negotiations were still ongoing.

After the meeting, Barnier commented on [social media site Twitter](#) that, "despite intense efforts, some key issues are still open, including the backstop for IE/NI to avoid a hard border. I will debrief the EU27 and the European Parliament on the Brexit negotiations." IE/NI refers to the Republic of Ireland, an EU member state, and Northern Ireland, a part of the United Kingdom. EU27 refers to all European Union member states, minus the United Kingdom.

British officials have warned that, depending on the terms, a deal could run the risk of being blocked domestically, including on how the subject of Northern Ireland and the EU customs union is broached. Speaking on Monday in anticipation of the Wednesday night summit, UK Prime Minister Theresa May said that she still had confidence in a deal being reached.

"I continue to believe a negotiated deal is the best outcome for the UK and the EU and that such a deal is achievable, and that is the spirit in which I will continue to work with our European partners," she told the House of Commons.

Meanwhile, European Council President Donald Tusk [cautioned](#) leaders from the EU's 27 other member states that the bloc "must prepare the EU for a no-deal scenario, which is more likely than ever before." Those comments were made in an invitation letter circulated to the members of the European Council ahead of their meetings on 17-18 October.

"The fact that we are preparing for a no-deal scenario must not, under any circumstances, lead us away from making every effort to reach the best agreement possible, for all sides. This is what our state of mind should be at this stage. As someone rightly said: 'It always seems impossible until it's done.' Let us not give up," he added.

Complexities of Irish border

Disputes over how to address the special situation of the Irish isle and avert a hard, physical border have played a dominant role in recent talks, amid concerns that different formulations could either be unfeasible in practice, complicate the UK's ability to determine its own international trade policy with third countries, or draw pushback from "Brexiters" in the UK's Conservative Party and the DUP in Northern Ireland.

The EU and the UK previously said that a legal "backstop" would be in place should talks on finding an alternative approach to the Irish situation fail, with the backstop keeping

Northern Ireland in the EU's single market and customs union and thus averting a hard border that many fear could threaten decades of peace on the island.

Subsequently, the UK government deemed that these provisional backstop terms would not be sufficient, and negotiators have since been testing out alternative proposals and formulations. (See Bridges Weekly, [22 March 2018](#) and [4 October 2018](#))

For example, the Democratic Unionist Party (DUP) in Northern Ireland has maintained that a deal which sets Northern Ireland in a different system from the overall United Kingdom would be untenable.

Following a week of meetings with EU officials in Brussels, DUP leader Arlene Foster said in an article published by the [Belfast Telegraph](#) that "I would not tolerate a trade barrier between England and Wales any more than I would tolerate one between Northern Ireland and Great Britain." She said that she "fully appreciate[s] the risks of a 'no deal' but the dangers of a bad deal are worse. If true to her principles Mrs. May would not and should not choose the path to effectively cut Northern Ireland adrift."

Last week, EU chief negotiator Michel Barnier laid out a potential approach to the customs union issue, laying out how a system of customs checks could be designed. Speaking at the European Parliament of Enterprises on 10 October, Barnier [said](#) that negotiators are working with the goal of having "an agreement be within reach" in time for this week's Council summit and that the EU may be open to different customs union options, depending on what these entail.

"The EU is committed to respecting the territorial integrity and constitutional order of the UK," he added. "The UK wants to leave and will leave the single market and the customs union, this means that there must be checks on goods traveling between the EU and the UK and that checks do not exist today."

He pointed out that "these checks cannot be performed at the border between Northern Ireland and Ireland. A crucial question is therefore where they will take place."

Therefore, he suggested, regarding most goods, "companies in the rest of the UK would fill in their customs declarations online and in advance when shipping goods to Northern Ireland. The only visible systematic checks between Northern Ireland and the rest of the UK would involve scanning the bar codes of the lorries or containers, which could be done on ferries or in transit ports."

However, he reiterated that separate terms would have to apply for livestock, given that these involve specific types of checks due to "food safety and animal health reasons," and would therefore need to happen at the Belfast and Larne ports, with all live animals and products derived from them checked, as opposed to the 10 percent checked now.

Governments prepare for range of outcomes

Given the challenging nature of the talks, the European Commission has [published](#) over 70 Brexit "preparedness notices" covering a host of sectors, which it says could make it easier for companies and individuals to prepare for when Brexit takes place.

Meanwhile, the UK Government recently [issued](#) proposed guidance for a "no deal" scenario, including an overarching [framing notice](#) of the UK approach to prepare for this outcome. "It is part of the government's ongoing programme of planning for all possible outcomes. We expect to negotiate a successful deal with the EU," the conclusion notes.

The guidance includes a reference to the existing trade accords that the EU has in place, noting that the UK government is "currently working with partner countries to prepare for a range of possible scenarios to maintain existing trading relationships." The document

warns, though, that if there is a “no deal” scenario, and therefore no “implementation period” for a Brexit deal, the UK government will have to take steps “to bring into force bilateral UK-third country agreements from exit day, or as soon as possible thereafter.”

“These new agreements will replicate existing EU agreements and the same preferential effects with third countries as far as possible, whilst making the technical changes needed to ensure the agreements operate in a bilateral context. Ministers and officials are engaging regularly with partner countries to complete this work,” the document says, noting that should final arrangements not be ready in time for Brexit, then trade with those countries would revert to WTO terms, specifically on a “most favoured nation” basis.

Coming up

The next potential milestone would be an upcoming special summit to close the deal. While November had been floated as a possible date, that timeframe is now considered too tight following Wednesday night's discussions. The summit, when it occurs, would allow leaders in the European Council to endorse a deal and allow it to move to the ratification stage.

However, this will still depend on UK Prime Minister Theresa May resolving diverging views among lawmakers back home to make sure such a deal would pass her country's legislature, while the remaining EU member states would also need to be on board with the final outcome and be able to defend it domestically.

ICTSD reporting; “Brexit divorce agreement collapses after Raab and Barnier meet,” POLITICO, 14 October 2018; “Arlene Foster: ‘EU spin on offer suggested NI would have best of both worlds. That was a lie. We would not’,” BELFAST TELEGRAPH, 13 October 2018; “Michel Barnier's zen Brexit,” POLITICO, 11 October 2018.

WORLD TRADE ORGANIZATION

WTO Negotiators Look to Lay Groundwork on Post-Brexit Food Import Quotas

The preparations for Brexit have been a top-line agenda item for trade negotiators in Geneva, with the subject of how to divvy up EU and UK tariff-rate quotas being one of the main items for review at a meeting of the WTO's Market Access Committee last week. Sources expect the process to require continued negotiations to hammer out the final details.

The Brexit negotiating process at the WTO involves a series of elements, due partly to the nature of how the EU currently represents its member states at the global trade club. For example, as a member of the European Union, the EU's goods and services schedules are expressed collectively for the entire bloc. In October 2017, the EU and UK [circulated a note](#) to WTO members regarding how they hoped to approach the subject going forward.

"When the European Communities accepted the WTO Agreement and the Multilateral Trade Agreements in 1994, the schedules of concessions and commitments and of specific commitments that were annexed to the General Agreement on Tariffs and Trade 1994 and the General Agreement on Trade in Services for the European Communities were thereby simultaneously annexed for the UK. The EU's schedules therefore contain commitments applicable also to the UK in its capacity as a WTO Member," the letter explained.

"As far as the EU is concerned, its scheduled commitments for goods, services, and public procurement will remain applicable to its territory, but the EU's existing quantitative commitments in the area of goods will require certain adjustments to reflect the UK's withdrawal from the EU," the letter continued. For the United Kingdom, the letter said, London will be looking "to replicate as far as possible its obligations under the current commitments of the EU" in goods and services. The letter was co-signed by the UK and EU ambassadors to the WTO, respectively.

Both the EU and UK have been meeting informally with WTO members on a bilateral basis over the past several months on the different implications that Brexit will have for their trading relationships.

Subsequently, UK Ambassador to the WTO Julian Braithwaite submitted in July a proposed UK goods schedule for the post-Brexit era. Explaining the UK's approach to the issue on social media site [Twitter](#), he said that London will "be seeking certification of our goods schedule under the rectification procedure, on the basis that it replicates the concessions and commitments applicable to the UK as part of the EU today."

The UK submission kicked off a three-month window, due to end this week, for fellow WTO members to review the submission and respond. Should there be no objection, the proposed UK schedule will move forward as is. The document was submitted under the "1980 procedures for the modification and rectification of schedules," a process that gives WTO members the chance to "introduce changes in the formal text of the schedule." Other members are then able to examine the changes put forward and determine whether they agree before the changes are "certified," according to a [WTO backgrounder](#) on the subject.

This is a different procedure from what the EU is going through, and whether other WTO members will agree with the UK's approach is one of the subjects for discussion, given that some members have expressed interest in negotiating with the UK directly.

The EU had previously notified fellow members of the global trade club of its intention to use Article XXVIII of the General Agreement on Tariffs and Trade (GATT) to modify its concessions under its schedule, a process that does foresee the potential for negotiations with interested members.

Specifically, that same article refers to this process being done “by negotiation and agreement with any contracting party with which such concession was initially negotiated and with any other contracting party determined by the contracting parties to have a principal supplying interest.” The term contracting parties uses the language of the original GATT, which was the precursor to the current WTO system.

Questions raised on data, certification status

The UK, as one of the EU's earliest members, has its commitments on tariff-rate quotas (TRQs) on agricultural products expressed within the EU's overall goods commitments, meaning that the EU and UK will have to separate out what belongs to each as part of the Brexit process. There is also the question of whether other WTO members will agree with the terms that the UK and EU are proposing, or whether they will seek to negotiate alternative formulations to ensure they do not inadvertently lose market access gains or trading flexibility when the UK leaves the European bloc.

Tariff-rate quotas, by definition, involve having imports of a good within a certain quota facing lower tariffs, relative to any imports above that quota threshold.

For example, the EU allows limited volumes of beef or lamb to enter at a lower tariff rate, in a trade concession that allows competitive producers in exporting countries such as Argentina or New Zealand to take advantage of consumer demand for these products within the bloc. If the UK or EU's post-Brexit trade arrangements were to involve more market access for exporting countries, this could bring them into direct competition with domestic producers – but also with exporters in other developing countries who currently benefit from preferential access.

According to a Geneva trade official, various WTO members raised questions over the data being used as a basis for the EU proposal, along with how it was calculated. Among the questions raised was which goods should be included, with multiple members referring to how the EU proposal features import data from countries that are either outside the global trade club or have preferential trade accords in place with the bloc.

Another question raised included which schedule the EU should use as a basis of negotiation, as Brussels has proposed using an October 2017 schedule and related modifications, rather than a December 2016 version. While the latter has been certified, the former has not – a point that some WTO members raised last week.

Another issue that some members raised was whether the allocation of TRQs in the schedule should consider not just volume, but value, in order to ensure that other WTO members do not lose out on the value of current market access commitments.

Some WTO members said last week that they do intend to submit a “claim of interest” on the subject, meaning that the process will move into a negotiating phase, rather than being closed this week. On a related note, the UK's own proposal on rectifications and modifications to its schedule also drew scrutiny from various trading partners, with some questioning whether the UK had erred in excluding some products, or whether the proposal should tackle the subject of how much these goods are worth, rather than basing it solely on the volume of TRQs for inclusion.

Given that the UK's proposed schedule builds off the draft version submitted by Brussels, including in the data used, the question of whether to deal with the EU schedule first and the UK one later was also put forward by some members.

The discussions come as UK and EU negotiators working on the overall Brexit package – aside from the WTO dynamic – have been trying to set the stage for a high-stakes summit this week that could determine the future of the Brexit process. That same summit may clarify whether a withdrawal deal, final transition period, and the process for determining the future trade relationship can be resolved in time for the UK's exit from the European Union at the end of March 2019, or whether a "no deal" Brexit may instead be on the horizon. (For more on that subject, see related story, this edition)

The outcome of those talks would have implications for how long negotiators at the WTO have to resolve the issue of schedules. For example, it could allow for additional negotiating time, should a final Brexit deal include a transition window during which the UK will remain a part of the EU's customs union.

Government Procurement Committee considers UK bid

In other WTO-related Brexit action this week, the parties to the organisation's Government Procurement Agreement (GPA) considered the UK's request to become a party in its individual capacity, after the country submitted its bid in June 2018. While the UK is currently a party by virtue of its EU membership, given that the EU overall is a party to the accord, what levels of coverage the UK will provide following Brexit is a key question in determining its future relationship to the GPA.

Various WTO members said in June that they wanted to learn more about what London will have on offer regarding market access coverage, while raising questions on domestic legislation relating to government contract bids. Those issues, among others, were expected to come up at this week's meeting on Wednesday, and the negotiations are expected to continue past this week.

The GPA is one of the WTO's plurilateral accords, with the parties involved endorsing a set of rules and market access commitments involving foreign bids for government contracts. When counting all 28 EU member states, as well as the EU overall, the GPA has 47 total parties. Negotiations to update the accord wrapped up in 2011, taking effect from April 2014 for those parties which have ratified the changes. The only one which has not yet done so is Switzerland, though the Alpine nation is well advanced in the process.

ICTSD reporting.

ASIA-PACIFIC

RCEP Ministers Assess Progress, Call for "Further Improvements" Ahead of Year-End Target

Ministers representing 16 Asia-Pacific countries called for "further improvements" in negotiating a sweeping trade accord, while outlining some advances in talks on the framework of rules for the planned agreement. The meeting, held in Singapore, comes ahead of a 2018 target for endorsing a "package" of agreed outcomes.

The trade accord in question is known as the Regional Comprehensive Economic Partnership (RCEP), and would bring together the 10 members of the Association of Southeast Asian Nations (ASEAN) and their six free trade agreement (FTA) partners: Australia, China, India, Japan, South Korea, and New Zealand. Negotiators have been meeting regularly over the past six years, with ministerial meetings interspersed therein, in a bid to craft such a deal.

"The ministers welcomed the intensification of market access negotiations. While appreciating some narrowing of gaps, the ministers emphasised the need for further improvements," read a [joint media statement](#) issued after the 13 October meeting.

The 13 October ministers' meeting was preceded by negotiations related to market access, which were held last week in the Indonesian city of Jakarta. Since the talks' launch in November, RCEP members have held two dozen negotiating rounds, along with several ministerial-level meetings, aiming to make progress both on technical issues and politically sensitive subjects. Another negotiating round is set for later this month in Auckland, New Zealand, and RCEP ministers are due to reconvene in November, days before a leaders' meeting. (See Bridges Weekly, [13 September 2018](#))

New Zealand Trade Minister David Parker told reporters after the meeting that while final offers remain pending on the main market access areas, "ministers gave a clear message to officials that if possible, the parties want to reach substantial conclusion by the end of the year," according to comments reported by Kyodo News. The joint media statement issued this weekend affirmed that sentiment, saying that meeting that year-end objective would be "an important milestone, particularly at the time of uncertainties in global trade."

Some other officials, however, have recently suggested that the 2018 target may be hard to meet. Indian Commerce and Industry Minister Suresh Prabhu told news outlets last month that the negotiations could run into next year, given some of the challenges in negotiating with such an economically diverse set of countries.

The RCEP coalition has set, as its package of desired deliverables for the end of 2018, outcomes on goods and services market access, as well as intellectual property rights and investment. The accord overall is also due to cover economic and technical cooperation, competition policy, dispute settlement, small and medium-sized enterprises, and electronic commerce, according to an [ASEAN summary](#) of the deal's objectives.

If agreed, the accord would cover a market whose population numbers over 3.5 billion people, with a collective GDP of US\$25.4 trillion, according to 2017 [figures cited](#) by the Australian Department of Foreign Affairs and Trade.

The negotiations have also been cited as additional incentive for further integration efforts within the ASEAN bloc. For example, the coalition's [ASEAN Economic Community \(AEC\)](#)

[Blueprint 2025](#) named RCEP as a powerful reason to “strengthen [the ASEAN Trade in Goods Agreement, ATIGA] further,” focusing on objectives such as “entrench[ing] ASEAN centrality, strengthen[ing] the ATIGA’s notification process, and bring[ing] down further the remaining tariff barriers in ASEAN towards the free flow of goods in the region.”

The RCEP talks were also named as a key effort, among various other negotiating processes with other countries, that could help yield “a global ASEAN” that would make sure the coalition would be able to cement its “position as an open and inclusive economic region.” The AEC Blueprint 2025 lays out a roadmap for various regional integration objectives for the 2015-2025 decade.

Regional integration agenda

The RCEP negotiations are part of a concerted effort by many countries in the Asia-Pacific region to both deepen ties among themselves while also develop stronger economic relationships with partners further afield.

Leaders from ASEAN and the European Union will be meeting in Brussels, Belgium, later this week for a summit among themselves, as well as within a wider gathering known as the Asia-Europe Meeting (ASEM), which will be held under the overarching theme of “Global partners for global challenges.” The latter 18-19 October meeting in the Belgian capital city is due to cover three main areas, according to a press summary issued by the European External Action Services: these include “financial and economic issues; global issues and Europe-Asia connectivity; as well as international and regional issues.”

Among the items on the docket for discussion include climate and oceans, along with the achievement of the Sustainable Development Goals (SDGs). Intensified cooperation on trade and investment is also on the agenda, as is a European Council conclusions [document](#) from 15 October on “developing connectivity partnerships” with the Asian continent which, the bloc says, would aim to be “sustainable, comprehensive, and rules-based, and will advance investment and trade.”

That event is also due to see the EU and Singapore sign their long-awaited free trade and investment accords, after the European Council gave the [all-clear](#) on 15 October for the signature process to move forward. (For more on the EU-Asia meetings, see related story, this edition).

ICTSD reporting; “RCEP negotiators agree on package of trade objectives to be reached by year-end,” KYODO, 1 September 2018; “RCEP negotiations not to end in 2018: Prabhu,” OUTLOOK INDIA, 4 September 2018; “RCEP ministers still struggling to reach year-end target,” KYODO NEWS, 14 October 2018.

EVENTS & RESOURCES

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](#).

Events

Coming Soon

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 October, Nanjing, China. POLICIES, CHALLENGES AND OPPORTUNITIES FOR AGRICULTURE AND FOOD SYSTEMS DEVELOPMENT. This event is being organised jointly by the International Centre for Trade and Sustainable Development (ICTSD), the Organisation for Economic Co-operation and Development (OECD), the UN Food and Agriculture Organization (FAO), and the African Trade Policy Centre (ATPC). The workshop will examine trends in agricultural markets, along with what these trends, as well as policy design and implementation, can mean for supporting a sustainable, equitable food system. Additional information, including an event agenda and useful links, are available at the ICTSD [website](#).

25 October, Geneva, Switzerland. INTERACTIVE BREAKFAST ENCOUNTER: SUSTAINABLE INVESTMENT FACILITATION POLICIES AND PRACTICES. This meeting is being organised jointly by the International Centre for Trade and Sustainable Development (ICTSD), the UN Conference on Trade and Development (UNCTAD), and the World Economic Forum (WEF). Participants will examine the subject of sustainable investment, looking at past efforts to facilitate such investment, along with current challenges and possible recommendations. Please note that event attendance is by invitation only and that the breakfast is part of the World Investment Forum 2018. To learn more, visit the ICTSD [website](#).

25 October, Geneva, Switzerland. NEGOTIATIONS ON FISHERIES SUBSIDIES: LEGAL ISSUES AND THE CASE OF OVERFISHED STOCKS. This event is being organised by the International Centre for Trade and Sustainable Development (ICTSD), in the context of its WTO Paths Forward initiative. This seminar is devoted specifically to the WTO negotiations on fisheries subsidies, as part of a series of events aimed at advancing the negotiating

process. The seminar will cover key legal questions involved in crafting a fish subsidies deal. For more information, including an event agenda and speakers' list, visit the ICTSD [website](#).

25 October, Geneva, Switzerland. TOWARDS REALISATION OF THE SDGs ON THE NATIONAL LEVEL: CHALLENGES POSED BY INTERNATIONAL INVESTMENT LAW. This "break-out session" is being held during the World Investment Forum (WIF) and organised by Nyenrode Business University in cooperation with the Dutch Ministry of Foreign Affairs and Utrecht University. The session will involve a panel discussion, preceded by a presentation by Hugo von Meijenfeldt, the coordinator for the implementation of the Sustainable Development Goals at the Dutch Ministry of Foreign Affairs, on how the Netherlands have been working to achieve the SDGs. Topics for discussion will include the relationship between different facets of investment policy and the SDGs, among related subjects. More information, including a list of speakers, is available at the World Investment Forum [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.

18-19 October: General Council

19 October: Working Party on State Trading Enterprises

22 October: Committee on Import Licensing

22 October: Committee on Safeguards

22-23 October: Informal Open-ended Committee on Agriculture – Special Session

23 October: Committee on Subsidies and Countervailing Measures – Special Meeting

23 October: Informal Committee on Technical Barriers to Trade

23 + 25 October: Trade Policy Review Body – Vanuatu

23 October: Committee on Subsidies and Countervailing Measures – Regular meeting

24 October: Committee on Anti-Dumping Practices – Informal Group on Anti-Circumvention

24 October: Committee on Anti-Dumping Practices

25-26 October: Committee on Anti-Dumping Practices – Working Group on Implementation

Other Upcoming Events

29 October, Geneva, Switzerland. INNOVATING FOR THE FUTURE OF ENERGY. This event is being organised by the World Intellectual Property Organization (WIPO) and the Graduate Institute of International and Development Studies' Centre for International Environmental Studies. The event will feature speakers from WIPO, The Ground Up Project, INSEAD, the Graduate Institute, the Enel Foundation, PwC, and the Moroccan mission in Switzerland, for a panel discussion on leveraging innovation to support the development of new sustainable energy technologies and scale up their use globally. The discussion will be

held at the Graduate Institute's Maison de la Paix. To learn more and to register, visit the Graduate Institute [website](#).

1 November, London, UK. GLOBAL TRADE 2018: PROTECTIONISM, POWER DYNAMICS, AND CHANGING PRIORITIES. This Chatham House conference will be devoted to recent developments and trends in global trade governance and regional policymaking, along with possible risks and the potential emergence of new trading relationships. A detailed agenda, including a full list of speakers, is available online. To learn more and to register, visit the Chatham House [website](#).

6-7 November, Singapore. BLOOMBERG NEW ECONOMY FORUM. The first meeting of the New Economy Forum, set up by Michael Bloomberg, will cover a host of topics relating to the global economy, including trade, climate change, global governance, technology, urbanisation, finance and capital markets, and inclusion. A provisional agenda and speakers' list are already available online. To learn more, visit the New Economy Forum [website](#).

7-8 November, Jakarta, Indonesia. THE ROLE OF FINANCIAL TECHNOLOGY IN THE INCLUSIVE GROWTH OF ASIAN ECONOMIES. This Asian Development Bank Institute (ADBI) event will involve a two-day workshop on the role that digitalisation and "fintech" can play in supporting small and medium-sized enterprises in the Asian region. Expected participants include government officials from Asian Development Bank (ADB) member countries, as well as ADBI experts and representatives from the private sector and research institutions. Please note that attendance is by invitation only. More information, including a full list of partners, is available at the ADBI [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](#).

Resources

HUMAN CAPITAL INDEX. Published by the World Bank (October 2018). This new report from the World Bank covers the implications of underinvesting in education, health, and other key areas for the future incomes of individuals and countries over the coming years. The index ranks countries by a measure known as “human capital,” which the World Bank defines as “the knowledge, skills, and health that people accumulate over their lives.” To learn more, visit the World Bank [website](#).

INNOVATION, AGRICULTURAL PRODUCTIVITY AND SUSTAINABILITY IN CHINA. Published by the Organisation for Economic Co-operation and Development (OECD) (October 2018). This publication is part of the OECD’s Food and Agricultural Reviews series, and examines recent developments in Chinese agricultural production, including what they mean for sustainable resource use. It also reviews the potential areas for improving sustainable business practices, such as through investment and innovation. The report was conducted with the help of the Chinese government. The publication is available at the OECD’s [iLibrary](#).

TACKLING ILLEGAL WILDLIFE TRADE IN AFRICA: ECONOMIC INCENTIVES AND APPROACHES. By Chris Vandome and Dr. Alex Vines, OBE, for Chatham House (October 2018). This new paper examines the current situation involving illegal wildlife trade in the African continent, including its economic and sustainability implications, as well as the political context. The authors also include related recommendations, noting the economic incentives involved in tackling illegal wildlife trade. The paper is available at the Chatham House [website](#).

USING TECHNOLOGY TO SOLVE TODAY’S WATER CHALLENGES. Published by the International Institute for Sustainable Development (IISD) (October 2018). This new research paper features a series of case studies related to water resource management and ecosystems, along with how new technologies could alter the policy landscape in this area. To learn more or to download the report, visit the IISD [website](#).

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