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GLOBAL ECONOMY

WTO Modernisation: Ministers Arrive in Ottawa for High-level Trade Talks

A meeting of over a dozen trade ministers is underway in Ottawa, Canada, this week, with participants set to weigh possible ideas for updating the WTO that they can then bring back to discussions with the rest of the global trade club.

The 24-25 October event began with an opening reception and dinner on Wednesday 24 October, with the event due to get fully underway on Thursday morning local time. Canada, as the event's host, has described the meeting as involving a "small, representative group of WTO members committed to supporting and strengthening the multilateral trading system."

"Canada played a key role in building the multilateral trading system of the last century, and we will not see it eroded," said Jim Carr, Canadian Minister of International Trade Diversification, in a [news release](#) previewing the event.

He elaborated further in a [video interview](#) released by the Canadian government, saying that "we know that the WTO is not perfect, but we know it's good and we seek to make it better. So we've invited these like-minded nations from all over the world to see if we can't come up with a consensus for reform that we will then roll out to other members of the WTO."

Expected attendees include ministers from Australia, Brazil, Chile, the European Union, Japan, Kenya, Mexico, New Zealand, Norway, Singapore, South Korea, and Switzerland. Senior officials and vice ministers from this group had met in September in Geneva, Switzerland, for preliminary discussions ahead of the Ottawa meet.

The [provisional schedule](#) for Thursday includes an opening session with introductory remarks, with the rest of the day split into segments on chosen themes. The first involves "improving efficiency and effectiveness of WTO monitoring and transparency functions," while the second involves "safeguarding dispute settlement." The third and last theme is "creating 21st century trade rules."

The gathering will close with a session outlining what subsequent steps the group will take, opening up later to a press conference at the end of Thursday. The ministerial-level meeting comes at an especially challenging period for the global trade club, with the organisation's Appellate Body now down to the minimum number of judges to rule on cases. The US has blocked the start of process to appoint new judges or renew existing judges' terms, citing a series of systemic and procedural concerns, even as nearly 70 WTO members have repeatedly backed a proposal to launch the process for selecting new judges.

Additional, the use of unilateral trade measures by some major economies, particularly the US, has become increasingly common, despite warnings from international agencies that continued trade tensions, uncertainties, and trade-restrictive measures could have a dampening effect on trade growth and the health of the global economy. (See Bridges Weekly, [18 October 2018](#))

Canadian discussion paper

To date, informal documents on modernising the WTO have been circulated by Canada and the European Union. The EU Commission made its paper public in mid-September, days after G20 trade ministers met in Mar del Plata, Argentina, and backed a statement citing an "urgent need to discuss events in international trade and ways to improve the WTO to face current and future challenges." (See Bridges Weekly, [20 September 2018](#))

Meanwhile, working groups that include WTO reform on their agenda have emerged in multiple configurations. For example, the subject is being discussed in a trilateral setting between the EU, Japan, and the US; bilaterally between China and the European Union; and now in the Canadian-led grouping.

The Canadian [discussion paper](#) is now a public document and lays out in detail a series of options for countries to consider, while referring to these options as being "illustrative," rather than "exhaustive." While calling for "creativity and flexibility," the paper also notes that "the most realistic choice of instrument in the near term will likely need to be plurilateral in participation."

Plurilaterals could either be open, in which those who choose to take on commitments extend those benefits across the WTO membership, or closed, where the benefits are extended only to those involved. Otherwise, pursuing accords as regional trade agreements could be an option.

The paper is broken down into themes, which align with the themes of the different ministerial-level discussion segments planned for Thursday. On the first theme, which focuses on improving the WTO's monitoring function, the paper suggests that countries structure their work around developing better incentives for meeting the organisation's notifications requirements, and potentially updating the same.

It also suggests making changes to how the organisation's regular bodies function so that discussions in those forums can be "more timely and relevant" and bring together "multiple bodies and information from diverse sources." That section continues to say that strengthening the WTO's regular bodies could be a way to defuse trade tensions that might otherwise escalate into formal legal disputes.

On the second theme of dispute settlement, the paper again suggests finding ways to avoid bringing so many cases to the organisation's dispute settlement branch for adjudication. "Aging trade rules, the increasing complexity of disputes, and an erosion of self-restraint combine to overburden the dispute settlement system," the paper says.

It also says that the legal proceedings involved in WTO cases can be "made more flexible and adaptable to the diverse nature of disputes," suggesting that this could be another way to relieve some of the strains that the system is currently facing.

Lastly, it suggests that countries consider “updating and ensuring appellate review,” structuring that discussion around two main areas: the first would examine “whether the Appellate Body has, through its clarifications of WTO provisions, added to the rights and obligations of WTO members,” and look at options for providing issue-specific guidance that could improve the process. The second would be focused on the Appellate Body’s “systemic and procedural practices.”

On the third and final theme on crafting trade rules fit for the current era, the paper notes that members will need to talk much more in depth on what their “priorities” should be, along with considering whether to go for multilateral, plurilateral, or regional trade agreements.

“While no WTO member should be expected to take on obligations to which it did not consent, likewise no member should expect to be able to prevent others from moving forward in various configurations in areas where they are willing to make greater commitments, which could vary from political statements to more ambitious binding agreements, e.g. plurilateral initiatives,” the paper says.

Additionally, the paper suggests that members consider using an approach similar to that used in the WTO’s Trade Facilitation Agreement (TFA) that accounts for countries’ differing capacities and needs. The WTO’s TFA allows developing countries to designate which obligations they can implement immediately, as opposed to which ones will require a transition period and/or assistance – an approach that the Canadian paper suggests could provide a “precedent and possible blueprint” for ensuring future agreements have a strong “development dimension,” with some tweaks.

ICTSD reporting.

GLOBAL ECONOMY

Asia-Europe Meetings Close With Calls for Supporting WTO, Multilateralism

The 12th Asia-Europe Meeting (ASEM) came to a close last week in Brussels, Belgium, where leaders from 51 countries examined options for greater cooperation on supporting the multilateral trading system, improving climate action, and otherwise backing multilateralism and shared policy objectives.

"Leaders stressed that recent international developments have boosted the ASEM as a building block for effective multilateralism and the rules-based international order anchored in international law and with the United Nations at its core," read a [chair's statement](#) issued after the event.

More specifically on trade, leaders "highlighted the vital need of maintaining an open world economy and upholding the rules-based multilateral trading system, with the World Trade Organization at its core."

The importance of supporting and improving the global trade club, as well as ensuring non-discrimination and openness in trade, were also listed within one of the "pillars" of that document, namely the second one on "partners for economic and financial challenges."

Furthermore, the chair's statement noted, leaders also "stressed their commitment to comply with WTO rules, cooperating on rendering its dispute settlement system more effective, and redoubling ongoing efforts aimed at WTO reform."

The meeting was chaired by European Council President Donald Tusk, who noted in his [closing remarks](#) that leaders' shared affirmations backing "the rules-based international order" was ultimately "the most important signal from this summit, especially valid in the current geopolitical context."

Tusk also highlighted leaders' level discussions on environmental priorities, migration-related challenges, security issues, trade, and connectivity.

"While the free flow of goods, investment, information, ideas, and people contributes to global growth, I strongly believe that genuine connectivity between our regions will be achieved by bringing more people together through education and exchanges, joint research programmes, and tourism," he said.

Additionally, the European Commission's High Representative for Foreign Affairs and Security Policy Federica Mogherini [welcomed](#) the results of ASEM at a closing press conference, telling reporters that the two-day meeting had yielded "a reinforced global partnership between Europe and Asia."

"This summit has allowed us to translate this global weight that we share into concrete policy initiatives that can make a real difference for the world," she said, naming among these climate action, "free and fair trade," security, and the digital economy.

The meeting was held under the theme "Global Partners for Global Challenges," and is part of a process that dates back over two decades. Currently, the ASEM brings together the 28-

nation EU, Switzerland, Norway, 21 Asian nations, and the ASEAN Secretariat to address a host of topics of common interest.

Eyes on trade

Recent developments and current events in the trade landscape loomed over the Brussels meeting, featuring also in the opening address of European Commission President Jean-Claude Juncker, as well as in statements from other leaders such as Japanese Prime Minister Shinzo Abe.

Other officials also noted growing tensions among major players, both in trade and in various other foreign policy areas. Kazakh President Nursultan Nazarbayev, whose country is due to host the next WTO ministerial conference in June 2020, called on global leaders to collaborate towards addressing and resolving existing frictions.

"This summit should call upon major countries such as the US, Russia, China, and the EU to realise their responsibility to humankind and look for the path to resolve international confrontations," he said, according to a [transcript](#) of his plenary session remarks published by the Astana Times.

"I call upon [the] above-mentioned countries' leaders (US, Russia, China, EU) to get together to discuss these burning problems. Perhaps a UN special session should be called for this matter. If need be, we stand prepared to offer Astana as a platform for such a meeting," he added.

Also on the summit margins, the European Council and Singapore officially signed their free trade agreement and an investment protection agreement, as previously announced by both sides. (See Bridges Weekly, [18 October 2018](#))

Enhancing inter-regional connectivity

Connectivity was one of the main elements of the ASEM meeting, featuring both in the wider group discussions as well as in bilateral meetings.

Notably, the meeting came shortly after the European Council release of its [conclusions](#) on a strategy for connecting Europe and Asia, which calls for strengthened regional cooperation to help foster economic growth, create jobs, and enhance trade and investment flows while supporting sustainability objectives.

The Council's adoption of this strategy, entitled "Connecting Europe and Asia – Building blocks for an EU strategy," aims at promoting "sustainable, comprehensive, and rules-based systems" that will not only boost commercial links, but also ensure that sustainable development priorities are taken into account.

On that subject, Juncker [opened](#) the plenary session by reiterating the importance of deeper connectivity between the two continents, such as by suggesting that the European continent could work towards fusing existing infrastructure projects with Asia.

Concurrently, in line with this year's ASEM emphasis on connectivity, the ASEM Path Finder Group on Connectivity (APGC) released its [Plan for Areas of Focus and Related Actions on Connectivity](#) on 19 October. This subgroup, which was set up in 2016 with a two-year mandate, identified six areas of focus for enhancing interconnectivity between Europe and Asia.

These six areas consist of connectivity policies, sustainable connectivity, trade and investment connectivity, future connectivity and the digital economy, people-to-people connectivity, and security challenges linked to connectivity. Designing trade policies such as sustainable supply chains, "free, open, and safe" maritime transport, customs clearance

facilitation, and cross-border e-commerce were key priorities named within these focus areas.

The ASEM chair's statement said that overall, "leaders underlined the link between ASEM connectivity and sustainable development for achieving the 2030 Agenda," noting the potential of such efforts to foster improved ties between "countries, people, and societies." Leaders also pledged to structure their upcoming work on this subject around the APGC findings and recommendations.

Environmental cooperation

In environmental news from ASEM, the EU and Vietnam also signed on the summit margins the [Forest Law Enforcement Governance and Trade \(FLEGT\) Voluntary Partnership Agreement \(VPA\)](#) aimed at tackling illegal logging and supporting efforts to ensure legal timber trade. The accord, which is one of a half-dozen VPAs that the EU has inked with countries in Latin America, Africa, and Asia, will still need to go through the signature process before taking effect.

Environmental cooperation has featured in multiple meetings of Asian and European officials in recent months. For example, the summit came weeks after a high-level meeting involving lawmakers from various Asian and European countries, which led to the [Declaration of the 10th Asia-Europe Parliamentary Partnership Meeting](#) (ASEP).

The meeting was held on 27-28 September and the final declaration cites the interconnectedness of various challenges that affect countries across the board, including "market disruptions" and climate change. The Declaration also urges all nations "to fully implement the Paris Agreement including the principle of common but differentiated responsibilities and respective capabilities."

Earlier this year, ASEM held a Conference on Green Shipping and Blue Business, identifying ways to implement the International Maritime Organization's (IMO) own target for lowering shipping sector emissions. (See Bridges Weekly, [19 April 2018](#))

ICTSD reporting; "ASEM 12: RoK boosts collaboration with Thailand," VIETNAM PLUS, 19 October 2018; "12th ASEM Summit concludes," THE VOICE OF VIETNAM, 20 October 2018; "At Asia-Europe Meeting, Abe issues appeal for upholding multilateral free trade system," JIJI PRESS, 20 October 2018.

GLOBAL ECONOMY

EU, US Officials Consider Approaches, Objectives for Trade Negotiating Outcomes

Three months after US and EU leaders agreed to launch an “Executive Working Group” to tackle a series of trade issues, questions over how future talks will proceed and what those efforts will cover substantively remain, with trade officials offering differing public assessments in recent weeks.

Reports indicated that the working group was due to meet in Washington this week, though details of the meeting were not made public by the time Bridges went to press. The Executive Working Group was launched in July by US President Donald Trump and European Commission President Jean-Claude Juncker, who said that this working group would tackle a multi-pronged agenda covering select trade topics.

The two leaders had met in Washington in a bid to assuage trade tensions that had been on the rise between the trans-Atlantic partners over the past year. (See Bridges Weekly, [26 July 2018](#))

Joint statement implementation

Since last July, subsequent meetings of EU and US trade officials have been held to discuss the implementation of the Juncker-Trump [joint statement](#), which had said that the two sides could aim to eliminate tariffs, non-tariff barriers, and subsidies on industrial goods, minus cars, along with seeking to agree terms to boost trade in soybeans, chemicals, pharmaceuticals and medical goods, and services. Talks were also due to cover standards, as well as examine how to boost EU imports of US-produced liquefied natural gas (LNG).

Since then, EU officials have noted that LNG imports from their North American partner have already been on the rise, while suggesting that US rules requiring regulatory approval for shipping LNG abroad are posing challenges for increasing that trade to its full potential.

“The growing exports of US liquefied natural gas, if priced competitively, could play an increasing and strategic role in EU gas supply; but the US needs to play its role in doing away with red tape restrictions on liquefied natural gas exports,” [said](#) Juncker in August.

How much such efforts will harvest from past attempts to clinch an EU-US trade accord, most recently under the Trans-Atlantic Trade and Investment Partnership (TTIP) process launched during the previous administration of US President Barack Obama, also remains to be seen. Negotiators held well over a dozen TTIP negotiating rounds, but ultimately had to put their work on hold after the results of the US election, pending clarity from the new administration on its approach to the EU trading relationship. (See Bridges Weekly, [13 October 2016](#))

US, EU officials lay out respective goals

On 16 October, US Trade Representative (USTR) Robert Lighthizer submitted letters to congressional leaders regarding plans to launch formal trade negotiations with the European Union, as well as with the United Kingdom and Japan, which is the first step under US trade law for beginning such talks formally. Lighthizer's team will next need to submit negotiating objectives to Congress, a step that must take place one full month before trade talks officially begin.

"Our aim in negotiations with the EU is to address both tariff and non-tariff barriers and to achieve fairer, more balanced trade in a manner consistent with the objectives that Congress has set out in section 102 of the Trade Priorities and Accountability Act," the [letter](#) says. The legislation that the letter refers to is the 2015 version of Trade Promotion Authority, which was extended this year through 2021.

The letter also envisages the possibility of conducting trade talks with Brussels in multiple stages, while stressing that this decision would be made only after the administration has held the necessary consultations with US lawmakers.

Further details in the US notification were scant, however, and recent statements from EU and US officials have suggested that Brussels and Washington are not yet on the same page regarding how and when such a process should proceed, along with what should be included in a formal trade agreement and what should be dealt with via other channels.

"We took stock on where we were after the meeting where we both participated in the White House between President Juncker and President Trump, so it was a general stocktaking exercise," said EU Trade Commissioner Cecilia Malmström during a [press conference](#) earlier this month, describing her recent meetings with US Commerce Secretary Wilbur Ross. The press conference was held on 17 October, after the USTR notifications were sent to Congress.

"We have not started negotiating yet, we have asked and said that we are prepared – several times – to start the scoping exercise on a limited agreement focused on industrial goods, on tariffs there. So far the US has not shown any big interest there, so the ball is in their court," said Malmström at the time.

"As you know, if we were to start a negotiation, which was expressed in the joint conclusions by the two presidents, there would first need to be a scoping exercise, and then I would have to ask for a mandate from the member states. So we haven't started negotiating yet, but if this is a first step taken by the US, then we are happy to continue those discussions," she continued.

On soybeans, LNG, and regulatory cooperation, the EU trade chief said that the two sides are starting to "exchange ideas on what can be done" and the process is "quite advanced," while suggesting that these items would fall outside the ambit of a trade accord. The latter would be "more limited" and focus on industrial tariffs, she said.

Separately, Ross told reporters last week that he hopes US-EU negotiations proceed swiftly and lead to "tangible" outcomes, while also saying that standards should be discussed together with industrial tariffs. He also suggested that the Trump administration would not be comfortable with talks that drag on too long, according to comments reported by Bloomberg.

ICTSD reporting; "U.S., EU Trade Teams Seek Fast Results and Big Savings," THE WALL STREET JOURNAL, 21 October 2018; "Trans-Atlantic Trade Truce Tested by U.S. Official's Outburst," BLOOMBERG, 17 October 2018.

DIGITAL TRADE

Protection of Privacy in the Spotlight at Second Annual Review of EU-US Data Transfer Pact

High-level officials from the EU and US gathered last week in Brussels, Belgium, to evaluate the health and efficacy of their bilateral Privacy Shield, a trans-Atlantic accord that sets rules governing personal data flows and privacy protections. The meeting, helmed by US Secretary of Commerce Wilbur Ross and EU Commissioner for Justice, Consumers, and Gender Equality Věra Jourová, considered the framework's performance and identified areas for further action in preparation of a key EU report due later this year.

The event marked the Second Annual Review of the EU-US Privacy Shield, and also featured representatives from the European Data Protection Authorities. Talks covered issues relating to both commercial exchanges of data and collection of personal information by US authorities for national security purposes.

The Privacy Shield oversees the trans-Atlantic transfer of data, with the objective of ensuring the protection of personal data and privacy rights for individuals, as well as providing legal certainty for firms that depend on these data flows for their operations. It takes the place of the Safe Harbour framework, after the European Court of Justice (ECJ) ruled in 2015 that the European Commission's decision over a decade prior to endorse the framework was invalid. (See Bridges Weekly, [8 October 2015](#) and [5 November 2015](#))

Adopted in 2016, the Privacy Shield is underpinned by a self-certification scheme, through which US firms voluntarily make legally enforceable commitments to meet the framework's requirements, as well as access to redress for individuals who have been affected by misuse of data. Over 3500 companies are certified under the shield, with over half of these being small and medium-sized enterprises (SMEs).

The first annual review took place in September 2017, followed by the [publication](#) of the findings in October, including recommendations for the enhanced functioning of the framework.

Earlier this year, the European Parliament adopted a non-binding resolution to suspend the programme unless Washington takes further steps to show its compliance with its obligations, citing risks to the privacy of EU citizens and giving a 1 September deadline. (See Bridges Weekly, [12 July 2018](#))

Evolving digital needs

In the digital economy, cross-border data flows are increasingly integral to global trade and electronic commerce, fuelling productivity, innovation, and economic growth.

The Privacy Shield is also aimed at bridging differences between Washington and Brussels in regulatory approaches to data flows. While the EU advocates for stringent privacy protections, the US maintains a patchwork of sector-specific privacy protection laws, focused on ensuring the free flow of information across borders.

This past May, the EU enacted the General Data Protection Regulation (GDPR), designed to harmonise data privacy rules across the bloc and enhance the rights of EU citizens to control the use of their personal information even if it is transmitted, processed, or stored in a server outside of the bloc. (See Bridges Weekly, [31 May 2018](#))

"We must be mindful that countries take different approaches to privacy concerns and challenges presented by our hyper-connected world," said Ross in an [op-ed](#) published by the Financial Times. "If both parties are to realise the full potential of the digital revolution in a way that protects individual privacy, we must preserve the framework that we have worked so hard to build."

The review comes amid concerns that individuals are losing confidence in how dominant tech firms are treating their personal data, particularly in view of the cybersecurity concerns roused by the Cambridge Analytica data breach that affected 87 million Facebook users, of which 2.7 million were based in Europe.

While Facebook is certified under the Privacy Shield, Cambridge Analytica was disbanded after the breach. Facebook could also have its certification revoked pending the results of an ongoing US Federal Trade Commission (FTC) investigation into the company's privacy practices.

"In the wake of recent privacy incidents involving the personal data of Europeans and Americans, the US and EU reaffirm the need for strong privacy enforcement to protect our citizens and ensure trust in the digital economy," according to the joint statement issued by Jourová and Ross on 19 October.

Primary concerns

EU officials have scrutinised US performance to ensure close adherence to the conditions established in the first annual review.

Over the past year, the US government had been working to "refine" the "functioning and governance" of the Privacy Shield, to enhance "stakeholder understanding" and enhance "public knowledge," and to broaden the framework's scope and develop new resources and guidance for firms, Ross said at last week's meetings, according to a [copy of his remarks](#) circulated by his office.

The Privacy Shield requires evaluation also in view of the roll-out of the EU's new data protection regulations, officials say. "The Privacy Shield is in some ways a relic from the old data protection regime, pre-GDPR," said Giovanni Buttarelli, the European Data Protection Supervisor, to the Bloomberg Law news outlet. This new context necessitates review to determine whether the framework is still "fit for purpose," he said.

In the first annual review, Brussels recommended improvements to the functioning of the US Privacy and Civil Liberties Oversight Board, the independent agency responsible for ensuring privacy is weighed on balance with specific national security concerns. Earlier this month, three new members were confirmed to the board, ensuring a quorum. Two additional nominations are still pending confirmation in the US Senate.

Last month, Washington also appointed a new State Department official, Manisha Singh, to serve as ombudsperson in an acting capacity, and thus mediate claims by European individuals with regard to access to EU data by US authorities. The absence of a permanent ombudsperson has been a sticking point for EU officials, and has been raised in previous meetings. There has not been a permanent ombudsman in this role under the administration of US President Donald Trump.

"Both sides recognise the need for prompt progress on nominating a permanent Under Secretary," read the [joint statement](#) released after the conclusion of the talks last week. "This process is well underway and the US will be in close contact with the EU on this important matter."

US officials have pointed to a low usage rate of the instrument. "Even though the ombudsperson has remained ready for more than two years to address EU requests, not a single inquiry has been received," said Ross in the Financial Times [op-ed](#).

Washington says it has also made commitments to restrict the use of EU data by domestic intelligence agencies. "To limit inappropriate access to personal data by American government agencies, the US has committed to protect civil liberties, privacy, and transparency," said Ross in the same article.

EU officials also raised concerns with the monitoring of how US companies engage with the Privacy Shield in the first annual review, including inconsistencies in the certifications and re-certifications logged by the US Commerce Department. Re-certification requests have increased since GDPR entered into force, reportedly leading to a backlog in the processing of applications.

Last month, the FTC brought enforcement actions against four companies for falsely or erroneously claiming participation in the framework. Three actions were brought last year, according to a [statement](#) from FTC Chairman Joseph Simons during the Brussels meetings.

The Commerce Department resolved to remove companies who fail to meet Privacy Shield requirements from its coverage, according to the joint statement.

A report featuring the European Commission's views and potential actions is due to be published at the end of November. Meanwhile, the European Court of Justice, Europe's highest court, is expected to review concerns raised domestically about the accord next year.

"US and EU officials will continue to work closely together to ensure the framework functions as intended, including on commercial and national-security related matters," the joint statement concluded.

ICTSD reporting; "EU Officials Critical of U.S. Data Pact Oversight as Review Looms," BLOOMBERG LAW, 17 October 2018; "Europe and US lock horns on transatlantic privacy," POLITICO, 17 October 2018; "Transatlantic privacy deal is vital to trade," FINANCIAL TIMES, 17 October 2018; "EU-US Privacy Shield review: Jourová to meet US secretary amid compliance concerns," EURACTIV, 17 October 2018.

ASIA-PACIFIC

CPTPP Ratification Process Advances, With Possibility of Taking Effect in Early 2019

Last week, Australia's Senate passed legislation ratifying the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), the sweeping trade accord signed by 11 Pacific Rim economies this past March in Chile. Australia is now the fourth of the 11 signatories to ratify the planned trade deal, following Mexico, Japan, and Singapore, boosting the chances of the CPTPP taking effect early next year.

Australia Prime Minister Scott Morrison [told](#) reporters in Canberra, that "it's a big, important day for businesses all around the country, and it's the product of a government that gets it."

He added that the CPTPP, once in force, "could connect Australia to half a billion consumers around the world," while noting that the accord will particularly benefit Australian farmers and services providers.

After US President Donald Trump withdrew his country from the original Trans-Pacific Partnership (TPP) Agreement in January 2017, the remaining signatories spent several months in negotiations to help the accord move forward, ultimately agreeing to suspend select provisions while leaving the bulk of the accord intact. (See Bridges Weekly, [16 November 2017](#))

Under the CPTPP's terms, the accord requires ratification by at least half of its signatories, or six of the 11 countries involved. While four economies have already ratified the legislation, others may be close behind, with Canada, Vietnam, and New Zealand said to be well advanced in the ratification process.

CPTPP members speed up ratification

On the same day that Australia ratified, CPTPP legislation was approved in Canada's House of Commons, and will soon be subject to Senate consideration.

"It's time to diversify and Canada is moving swiftly to ratify the CPTPP. The agreement means free trade with 10 growing Asia-Pacific markets, including Japan and Australia," [said](#) Jim Carr on Twitter. Carr is Canada's Minister of International Trade Diversification, and issued the tweet ahead of a meeting with Canadian senators.

"It would be very helpful, senators, for Canada to be part of this initial group, and we know that the date is fast approaching," he told Canadian lawmakers, according to comments reported by Bloomberg. He also urged them to do so by early next month. Similar entreaties have reportedly been made by farm groups and other CPTPP proponents in Canada, warning that falling behind could mean losing out on key market access benefits for products where the North American country is competitive.

Earlier this year, the Office of the Chief Economist at Global Affairs Canada issued a [report](#) suggesting that "the CPTPP would generate long-term economic gains for Canada totalling C\$4.2 billion," suggesting that this would be better than the gains previously anticipated under the original version of the deal. The report credited this to "improved market access for Canadian business to other CPTPP countries in the absence of US competition."

New Zealand is expected to finalise domestic ratification of the accord after a final parliamentary debate in a matter of weeks. "Early ratification also means an immediate levelling of the playing field for many New Zealand exporters in some crucial markets," [said](#) David Parker, New Zealand Minister for Trade and Export Growth, at the country's parliament last week during a "second reading" of the CPTPP Amendment Bill.

Meanwhile, Vietnamese Prime Minister Nguyễn Xuân Phúc told the Nikkei Asian Review that the southeast Asian country also hopes to ratify in the near-term, potentially next month, as it will "draw out [Vietnam's] maximum possible latent economic and trade potential."

As for other CPTPP signatories, some are also making strides in the ratification process. In Chile, the accord is also being considered by the domestic legislature, and Foreign Minister Roberto Ampuero [said last month](#) that he expects the South American nation to approve the deal shortly. Peruvian officials have made similar statements on their side. It is not yet clear what the timelines are for Brunei and Malaysia.

However, Malaysia, which has a new government in place, has previously expressed some wariness about the CPTPP and other accords inked under the previous government.

Recently, Prime Minister Mahathir Mohamad said that Malaysia was "still looking at the pros and cons" of ratifying the CPTPP. "I am opposed to the trade pact because it was not a fair kind of fair trade agreement as it gave companies the power to sue governments for loss of future profits, and things like that," the prime minister said last month, according to comments reported by local media.

Potential new members

With entry into force potentially imminent, many trade watchers are looking to see which other countries may later ask to accede to the CPTPP. For example, UK government officials have indicated interest in joining the CPTPP post-Brexit, a prospect that Japanese Prime Minister Shinzo Abe welcomed publicly just weeks ago. (See Bridges Weekly, [11 October 2018](#))

Several other economies are also reportedly considering requesting accession to the CPTPP, such as Colombia, South Korea, Taiwan, and Thailand.

Nearly two years after withdrawing the US from the initial TPP agreement, conflicting reports have repeatedly emerged over whether US President Donald Trump would request to re-join the accord. Washington would need to renegotiate its re-entry and receive the approval of existing signatories to be back in, however.

Growing momentum on the regional integration front?

The past several months have seen concerted efforts on multiple fronts, including in the Asia-Pacific, to advance the negotiation, ratification, and implementation of new trade accords, particularly given some of the challenges that have emerged on the global trade landscape. Tensions between the US and China, which have not yet abated, have been named repeatedly as a cause for concern by other economies, which worry about supply chain disruptions and other consequences.

The CPTPP, as well as a separate Asia-Pacific accord still under negotiation known as the Regional Comprehensive Economic Partnership (RCEP), have long been considered as possible pathways towards a larger deal that could encompass much of the region. They differ somewhat in objectives and scope, however, along with size, given that the latter accord has 16 members, structured around the Association of Southeast Asian Nations (ASEAN) and its six free trade agreement partners.

RCEP participants are hoping to clinch a "package" of deliverables before the end of the year, ostensibly in time for major regional summits planned for November. (See Bridges Weekly, [13 September 2018](#))

ICTSD reporting; "Minister Urges Canadian Senate to Pass Pacific Trade Deal Quickly," BLOOMBERG, 18 October 2018; "New Zealand sees TPP 11 as antidote for 'turbulent times,'" NIKKEI, 11 June 2018; "Peru expects to ratify CPTPP this year," ANDINA, 22 August 2018; "Dr M: Malaysia still looking at pros and cons of CPTPP," THE STAR, 27 September 2018; "Decision on CPTPP by year-end," THE NATION, 18 September 2018; "Trump May Join The New TPP, But Only Because The Old One Was Guttled," FORBES, 13 April 2018; "Beijing looking at joining Japan-led Pacific trade pact," MENAFN, 11 October 2018; "The pressure is on for Senate to pass a massive Asia-Pacific trade deal quickly," CBC NEWS, 18 October 2018.

GOVERNMENT PROCUREMENT

Australia Set to Join WTO's Government Procurement Agreement

Australia has been accepted as member of the WTO's plurilateral Government Procurement Agreement (GPA), capping three years of negotiations with existing parties to join the accord. The Oceanic nation's bid was endorsed by GPA parties last week, with Canberra now due to complete its domestic procedures and submit the necessary documentation to the global trade club within the next year for its GPA participation to take effect.

By being admitted into the agreement, Australian goods and services providers bidding for foreign government contracts of GPA parties will have access on par with that offered to domestic companies, though this depends on the sectors and levels of government covered. Canberra will also benefit from the rules framework of the GPA, which sets out legal provisions aimed at ensuring transparency and due process, tackling potential cronyism and discrimination, and preventing possible protectionism.

The GPA has 47 parties when counting the EU and its 28 member states individually, with [WTO estimates](#) placing its current value at US\$1.7 trillion. That number could increase dramatically if and when China and Russia are admitted into the accord. Both are negotiating with GPA parties their accession, with Beijing first applying to join in 2007 and Russia applying in 2016.

The Chinese procurement market alone is worth an estimated US\$1.5 trillion, according to Australia's Department of Foreign Affairs and Trade. Analysts and officials alike suggest that Australia's accession could also increase the attractiveness of GPA participation to potential new parties.

"This is a major achievement for Australia, for the GPA Committee, and for the WTO. It adds value to and strengthens the GPA, while also sending a strong signal to current accession candidates," said Carlos Vanderloo of Canada, who currently chairs the WTO's Government Procurement Committee, in a [statement](#).

Other possible GPA accessions in the pipeline include Macedonia and Tajikistan, among others, while the UK government is also negotiating the terms for its continued GPA participation after Brexit. (See Bridges Weekly, [18 October 2018](#))

A [media release](#) from Australian Trade Minister Simon Birmingham, meanwhile, highlighted the various industries where Australian companies would now have better options for bidding for foreign government contracts.

"It's expected the GPA will provide opportunities for Australian businesses to bid for government procurement contracts in a variety of industries offered by the governments of GPA members including healthcare, pharmaceuticals, construction, and financial services," the statement said.

Revised GPA, upcoming accessions key drivers

The GPA is one of the WTO's plurilateral accords, and is a "closed" plurilateral in the sense that its commitments are binding on the parties involved, and that concessions do not have to be extended beyond that group.

The latest revision of the GPA, which has been in force since 2014, was cited as an essential factor in sparking the Australian government's willingness to sign on to the accord, according to the country's [Department of Foreign Affairs and Trade](#), with Canberra requesting to start talks on GPA accession in 2015. (See Bridges Daily Update, [16 December 2011](#), and Bridges Weekly, [10 April 2014](#))

For example, DFAT cites the revised GPA's changes to incorporate "the expansion of electronic procurement and the often reduced timelines and increased efficiency of government procurement practices," together with notable improvements in market access coverage. When negotiations for the GPA wrapped up in December 2011, proponents noted that the updated version could ostensibly liberalise an additional US\$100 billion in public contracts.

Coming up

Going forward, Australian DFAT officials [note](#) that GPA participation will involve "several modest changes to existing practices at the time of implementation, including to procedures for pre-qualification and limited tendering," as well as setting up "appropriate review procedures" where needed.

According to the global trade club, Canberra, which has a one-year window for moving GPA participation through its domestic ratification processes, will formally become a party to the plurilateral accord 30 days after submitting the relevant WTO documentation.

ICTSD reporting; "Australia accepted into WTO government procurement agreement," MANUFACTURERS' MONTHLY, 19 October 2018.

EVENTS & RESOURCES

Events

Coming Soon

27 October, Beijing, China. 17TH ANNUAL CONFERENCE ON WTO AND CHINA. This event is being co-hosted by the University of International Business and Economics (UIBE), the China Society for World Trade Organization Studies (CWTO), and the International Centre for Trade and Sustainable Development (ICTSD), and organised by the UIBE's China Institute for WTO Studies. The annual gathering will review China's role in the World Trade Organization, along with its economic policy approaches more broadly. To learn more, visit the ICTSD [website](#).

29-30 October, Bali, Indonesia. OUR OCEAN CONFERENCE. Hosted by the Indonesian government, this conference will convene attendees from the public and private sectors, among other stakeholders with an interest in marine sustainability. The event aims to generate commitments involving the conservation and preservation of marine resources, ocean health, sustainable fisheries, and related topics. The conference will feature plenaries, exhibitions, youth summits, and side events. To read more about the conference, please see the Our Ocean Conference 2018 [website](#).

29-31 October, Geneva, Switzerland. FOSTERING ENGAGEMENT OF THE AGRI-FOOD SECTOR IN RESILIENCE TO CLIMATE CHANGE. This conference is organised by the International Trade Centre (ITC) and UN Framework Convention on Climate Change (UNFCCC) secretariat. It will focus on building capacity of small and medium enterprises (SMEs) in the agri-food sector to adapt to climate change. It aims to foster dialogue and knowledge sharing among researchers, practitioners, and other experts, with a focus on three main themes: assessing climate risk and adaptation strategies; implementing adaptation strategies; and enhancing private sector investment in adaptation. The three plenary sessions organised around these themes will be accompanied by "Mini Workshops" and "Open Labs." For more information, visit the ITC's event [webpage](#).

30 October, London, United Kingdom. BIG DATA AND THE ECONOMY. This panel, hosted by Chatham House, seeks to answer some of the questions emerging about how big data can be used in the private sector. The event will consider how large-scale data collection and analysis can be used to promote industrial development and open new markets for businesses, while also examining the challenges of using data safely, effectively, and responsibly. The panel is open to corporate members only. To learn more and register, please visit the Chatham House [website](#).

1 November, Geneva, Switzerland. GENDERING SPS AND TBT RULES FOR DEVELOPMENT. The International Centre for Trade and Sustainable Development (ICTSD), with the support of the Australian government, will host this event to share ongoing research work examining the linkage between gender and sanitary and phytosanitary (SPS) measures, aiming to enhance the knowledge base in this area. Please note that attendance is by invitation only. For more information, visit ICTSD's [webpage](#) for the event.

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.

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

26 October: Working Group on Trade and Transfer of Technology

29 October: Committee on Trade in Civil Aircraft

29 October: Dispute Settlement Body

30 October: SPS Committee Thematic Session

30 October: Sub-Committee on Least-Developed Countries

30 October: Committee of Participants on the Expansion of Trade in Information Technology Products

31 October: Informal Committee on Sanitary and Phytosanitary Measures

1-2 November: Committee on Sanitary and Phytosanitary Measures

1 November: Committee on Trade and Development – Dedicated Session on Small Economies

Other Upcoming Events

5-6 November, London, United Kingdom, and online. AFRICA'S RISING DEBT. This event, which will be held both in person and streamed live online, is being organised by the Overseas Development Institute (ODI). The event will examine the current debt situation in many sub-Saharan African nations, as well as the potential implications and ways forward. Expected participants include leaders from government, development agencies, the private sector, and academia. To read more about the event and view the schedule, visit ODI's event [webpage](#).

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, academia, and NGO communities in order to implement carbon pricing policies more effectively and reduce global emissions. To learn more, visit the CPLC [website](#).

Resources

SME COMPETITIVENESS OUTLOOK 2018: BUSINESS ECOSYSTEMS IN THE DIGITAL AGE. Published by the International Trade Centre (ITC) (September 2018). This report is the ITC's flagship publication, with this year's edition focusing on how technological evolution is changing business practices, along with examining ways to ensure these changes can support small and medium-sized enterprises. The report is available for download on the ITC's [website](#).

INVESTMENT TRENDS MONITOR OCTOBER 2018. Published by the United Nations Conference on Trade and Development (UNCTAD) (October 2018). The Investment Trends Monitor Report provides an overview of recent developments, issues, and trends in foreign direct investment (FDI), with this latest edition covering the first half of 2018. The report notes a significant drop in global FDI flows, among other findings. The report is available at the UNCTAD [website](#).

EFFECTIVE CARBON RATES 2018: PRICING CARBON EMISSIONS THROUGH TAX AND EMISSIONS TRADING. Published by the Organisation for Economic Co-operation and Development (OECD) (September 2018). This report looks at the state of play in the carbon pricing landscape among over 40 countries, while examining the size of the "carbon pricing gap" and whether countries are sufficiently taking advantage of the possibilities provided by these tools. The report is accessible through the OECD [iLibrary](#).

ALIGNING INVESTMENTS WITH THE PARIS AGREEMENT TEMPERATURE GOAL: CHALLENGES AND OPPORTUNITIES FOR MULTILATERAL DEVELOPMENT BANKS. Published by Germanwatch and NewClimate Institute (September 2018). This working paper examines the role of multilateral development banks (MDBs) in supporting the implementation of the UN's Paris Agreement on climate change, along with featuring related recommendations to consider in the area of climate finance and investment. The working paper is available at the Germanwatch [website](#).

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