

# BRIDGES WEEKLY

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## GLOBAL ECONOMY

### US Trading Partners Weigh Next Steps After Steel, Aluminium Tariff Announcements

The state of the global steel and aluminium sectors has come under renewed focus in recent weeks, as various major exporters have been holding talks with US officials following Washington's confirmation last week that it would be setting hefty tariffs on [steel](#) and [aluminium](#) later this month.

The announcement, along with the broader challenges that face these industrial sectors, has also prompted calls for additional cooperation among major producers and exporters. Meetings of international committees and forums devoted to the steel sector are already planned for the coming months, with that objective in mind.

#### US tariffs confirmed; countries discuss exemptions

The new US tariffs have been set up under Section 232 of a 1960s era trade law, known as the Trade Expansion Act. Section 232 refers to the provision under which the US Commerce Department can conduct trade probes on whether imports are negatively affecting the country's national security, with the US president then being able to act on the agency's recommendations if they choose.

The steel and aluminium tariffs are due to take effect from 23 March, lasting for an unspecified period of time. According to the proclamations, the Secretary of Commerce is due to release details on how countries may request exemptions within 10 days of the proclamation being signed – in other words, by the end of this weekend.

In response to US President Donald Trump's decision to sign off on the tariffs, Secretary of Commerce Wilbur Ross [said](#) that these were "the result of a long and well-thought-out process" undertaken by his agency.

One week prior to the signing, news of Trump's intention to impose a 25 percent tariff on imported steel and a 10 percent tariff on imported aluminium had already prompted intense pushback, including by US lawmakers, manufacturers, and major trading partners. It has drawn tentative support from some lawmakers, as well as producers of US steel. (See Bridges Weekly, [8 March 2018](#))

The presidential proclamations refer to the possibility of specific exemptions for countries, subject to certain conditions. Specifically, Trump has called on countries to pitch "alternative ways" to address the alleged national security risk from imported steel and aluminium from that country.

Should Trump "determine that imports from [specific] country no longer threaten to impair the national security," the proclamations allow for the White House to exempt a country from those tariffs, or revise them.

Argentina, Australia, Brazil, the EU, Japan, and South Korea are among those countries which have indicated an interest in discussing other ways to address US national security concerns and potentially avoid the new duties.

The proclamations currently exclude Canada and Mexico, which are the US' partners in the North American Free Trade Agreement (NAFTA), from the tariffs. The documents reaffirmed that Canada, Mexico and the US have a "shared commitment to supporting each other in addressing national security concerns," along with citing other factors such as the deeply integrated nature of the North American market.

Meanwhile, China's Commerce Minister Zhong Shan told reporters in Beijing on Sunday that "China does not want a trade war, nor will it actively initiate a trade war." The Asian economy is the world's top steel producer, though only making up a small portion of steel imports entering the US. China has previously indicated that it is looking at ways to respond in coordination with other partners, should it be affected by the new tariffs.

"However, we are capable of handling any challenge, and we resolutely defend the interest of the country and the people," the Chinese official continued, according to comments reported by CNN.

### **US, EU, Japan trilateral meet**

Industrial overcapacity also topped the agenda during a meeting this weekend between EU Trade Commissioner Cecilia Malmström, Japanese Minister for Economy and Industry Hiroshige Seko, and US Trade Representative Robert Lighthizer.

Trade ministers from the EU, Japan, and US had met last December on the margins of the WTO's ministerial conference in Buenos Aires, Argentina, and subsequently issued a brief statement promising to pursue "trilateral cooperation" to address industrial overcapacity, referring to a list of "unfair market distorting and protectionist practices by third countries." (See Bridges Daily Update, [13 December 2017](#))

At this weekend's meeting, which was billed as a follow-up to the Buenos Aires talks, ministers endorsed various [initial joint actions](#) "to address non market-oriented policies and practices that lead to severe overcapacity, create unfair competitive conditions for our workers and businesses, hinder the development and use of innovative technologies, and undermine the proper functioning of international trade."

The actions include collaboration on WTO disputes and within the global trade body's committees; improving the sharing of relevant information; working together on investment screening; and otherwise collaborating in various steering bodies and coalitions, naming among these the OECD, G7 and G20, and the Global Steel Forum on Excess Capacity.

The EU-US-Japan meeting also served as an opportunity for the EU and Japan to discuss the issue of tariffs with the US, with both [advocating](#) for exemptions. Officials are due to continue talks on the tariff issue this week.

"As a close security and trade partner of the US, the EU must be excluded from the announced measures. No immediate clarity on the exact US procedure for exemption however, so discussions will continue next week," said Malmström on social media site [Twitter](#) on Saturday after the meeting.

The EU has previously made clear that, should it face negative ramifications from the US tariffs, it will pursue three tracks of work. This include WTO dispute settlement consultations in coordination with other trading partners; "WTO-compatible" safeguard measures to protect against a potential surge in imported steel into the EU; and the potential enactment of duties on a list of US products to "rebalance benefits" given to the US in the past, and thus compensate the EU for the economic loss caused by the US tariffs.

The last of these would be conducted in line with WTO safeguard rules on compensation, according to EU officials.

The WTO's Agreement on Safeguards outlines how countries can apply safeguard measures, including the obligation that members have to "endeavour to maintain a substantially equivalent level of concessions and other obligations to that existing under [the General Agreement on Tariffs on Trade, or GATT] 1994 and the exporting members which would be affected by such a measure."

WTO rules also outline terms for consultations on compensation, as well as the timeframe for affected exporting members to then suspend concessions if no agreement is reached. (See Bridges Weekly, [8 March 2018](#))

"The EU is entitled use the WTO Safeguards Agreement to rebalance the benefits we have granted to the US in the past," [said](#) Malmström this week in remarks to the European Parliament.

### **OECD steel committee chair: market improvements, though risks remain**

Shortly before the White House confirmed the steel and aluminium tariffs, the Organisation for Economic Co-operation and Development (OECD) Steel Committee met to discuss the state of global steel markets and related trade tensions.

Afterward, committee chair Lieven Top issued a [statement](#) noting a "modest improvement overall" in the state of the global steel market, while noting that production increases at the country level vary.

Top also warned of various risks facing the sector going forward. "A sustained and resilient recovery remains unlikely as megatrends associated with lower steel intensity (e.g. ageing population, digitalisation, climate change, and circular economy) are likely to weigh down on long-term global steel demand."

Another topic that came up in the OECD meeting, according to Top, was that countries must be ready to take "swift and resolute action, and avoidance of major trade disruptions," capitalising on the "improved conditions" seen in the sector.

The statement did not refer specifically to the US, but it did note the continued "trade frictions" involving steel.

"Trade tensions continue to increase including recent announcements by members of the Steel Committee, which are of strong concern given the potential impact and implications," the statement said.

### **Global steel forum: ministers to meet in June**

OECD Secretary-General Ángel Gurría said last week that the Global Forum on Steel Excess Capacity, a mechanism that was set up during the Chinese G20 presidency two years ago, will meet at ministerial level in June.

According to the OECD chief, this meeting would be within the wider context of the current Argentine G20 presidency. He also urged the forum to “accelerate” its efforts to address the problem.

The forum had previously met at ministerial level in late 2017, issuing a report with policy recommendations for members to consider going forward.

### **Busy week in US trade policy**

While the steel and aluminium announcements dominated US trade headlines, other developments have also emerged from Washington in recent days. This includes the swearing in of some new trade officials, including Dennis Shea as the US' WTO ambassador, Greg Doud as Chief Agricultural Negotiator, and C.J. Mahoney as Deputy US Trade Representative for Investment, Services, Labour, Environment, Africa, China, and the Western Hemisphere.

Separately, the US also [confirmed](#) on Wednesday that it had filed a request for consultations with India, referring to specific export subsidy programmes which it claims are not in line with global trade rules and which have implications for products such as steel, chemicals and pharmaceuticals, textiles and apparel, and information technology goods. (More details on the case will be available in the next edition of Bridges.)

ICTSD reporting; “Beijing: ‘No winners’ in any trade war with US,” CNN, 11 March 2018; “China will use Trump’s tariffs to its advantage,” CNN, 2 March 2018; “Brasil decide recorrer aos EUA por isenção de tarifas para aço e alumínio,” O GLOBO, 10 March 2018; “Argentina pedirá a EE.UU. ser eximida de tarifas a acero y aluminio,” REUTERS, 9 March 2018; “China, Japan, South Korea bristle over Trump’s tariffs,” REUTERS, 8 March 2018; “Deal with excess steel capacity in global forum, OECD says,” REUTERS, 6 March 2018.

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## TRADE AGREEMENTS

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### Countries Sign Pacific Rim Trade Deal, Call for "Expeditious" Ratification Process

The 11 countries forming the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) are now beginning their domestic processes to ratify the accord, with the hopes of bringing it into force "expeditiously," possibly even this year or in early 2019.

The CPTPP was signed by ministers in the Chilean capital city of Santiago last week. Its signatories include 11 of the 12 original Trans-Pacific Partnership (TPP) countries, namely Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, and Vietnam, which together make up 13.5 percent of global GDP. The United States withdrew from the TPP over a year ago.

These 11 countries will now need to pass the CPTPP through their respective ratification processes, which will start immediately for most signatories, including New Zealand and Mexico, according to remarks from ministers at the joint [press conference](#) following the signing ceremony.

"The signing of the Agreement enables us to move to the next phase. Ministers expressed their determination to complete their domestic processes to bring the Agreement into force expeditiously," said a [joint ministerial statement](#) issued at the event.

New Zealand Minister for Trade and Export Growth David Parker estimated that his country could ratify the deal by year's end. To enter into force, the agreement will require at least six or at least 50 percent of the number of signatories, whichever is smaller, to ratify the accord and notify the depositary accordingly.

Other nations expressed similar aspirations for the deal's entry into force. "In the name of Peru we are very happy with this agreement. I think it's the most modern, comprehensive agreement, actually, in the world," said Peruvian trade minister Eduardo Ferreyros.

"I hope and believe that this agreement will enter into force this year," Ferreyros added, after outlining the ratification process in his country.

The Malaysian government must amend several of its domestic laws before it can ratify the agreement, according to Dato' Sri Mustapa Mohamed, the country's minister for trade and industry. This will determine the timeframe for CPTPP ratification, though the minister expressed the hope that this could occur by early 2019.

Vietnam also suggested that it would work to push the process forward this year, if possible, while both Brunei and Singapore said they would move to approve the deal "expeditiously."

#### Side letters now released

The CPTPP [document](#) signed on 8 March includes the final list of suspensions, along with updates to the provisions for bringing the deal into force. It also features a preamble affirming the signatory countries' commitment to cooperate on various sustainability issues. The text was already made public in late February by the New Zealand government, in its capacity as the treaty's depositary. (See Bridges [22 February 2018](#))

With the agreement now signed, CPTPP members have released the additional side letters that they had negotiated to finalise the deal. This included, for example, Canada's [side letters](#) with each of its CPTPP members on culture, allowing Ottawa to "adopt or maintain discriminatory requirements on service suppliers or investors to make financial contributions for Canadian content development and may adopt or maintain measures that restrict access to online foreign audio-visual content."

Other side letters endorsed by all CPTPP countries cover topics such as the application of the labour chapter on Vietnam, including dispute settlement and the timeframe for requesting suspension of benefits in that context.

CPTPP members have also released the texts of their side deals with individual signatories. For instance, one side letter confirms that investor-state dispute settlement (ISDS) will not be available for Australian investors in New Zealand, and vice versa. Other side letters touch on topics ranging from beef and agricultural chemical test data to cybersecurity.

### **South Korea to request accession?**

The CPTPP text highlights the ability for others to join the agreement, stating that the parties "welcome the accession of other states or separate customs territories." Several economies have hinted that they might be interested in joining, including [Taiwan](#), the United Kingdom, and South Korea.

Earlier this month, Japan's chief TPP negotiator Kazuyoshi Umemoto told the Financial Times that discussions on accession can begin when the deal enters into force. "TPP is aimed at an open, rule-based, multilateral, liberal trade system so, if any country is interested and willing to abide by the rules, then we can talk about accession."

US officials have also floated the possibility of rejoining the deal, pending more favourable terms. While officials from Japan and Australia have suggested that they would be interested in exploring the possibility, participants have stressed that the US' re-entry would be contingent on current CPTPP members agreeing.

South Korea is also considering asking to join the CPTPP, though officials say that they are continuing to examine the potential benefits for Seoul should it seek accession.

"Within the first half of the year, (the government) will decide whether to join, after discussion among government agencies, and will take steps for domestic procedures, if necessary," South Korean Finance Minister Kim Dong Yeon said earlier this week.

### **Regional economic integration**

The signing of this large Pacific regional agreement comes at a time of increased fears over inward-focused policy approaches by some countries. That trend has, in turn, fuelled a concerted response from many countries across world regions, who have repeatedly pledged to keep trade open and defend the rules-based international trading system.

Proponents of the CPTPP have cited the treaty as a success story that will serve both of those ends, creating a potential template for trade rules that are fit-for-purpose in the 21<sup>st</sup> century global economy.

Speaking at the signing ceremony last week, Chilean Foreign Affairs Minister Hernando Muñoz said that it "is a milestone on the common path of further deepening regional economic integration," while noting that signatories will need to continue their efforts to ensure that "the benefits are shared with all our citizens."

Other trade officials expressed similar sentiments this past week.

"The signing of the CPTPP is a concrete demonstration of the signatories' commitment to the collective goals of greater trade liberalisation, regional economic integration, and better opportunities for our people," [said](#) Lim Hng Kiang, Singapore's Minister of Trade and Industry.

The CPTPP is one amid a series of regional initiatives aimed at reshaping trade rules in the Asia-Pacific, including the separate effort by Pacific Alliance countries to clinch a trade deal with associate members.

Negotiators from Pacific Alliance states and candidates for associated state status wrapped up a third round of trade talks in Santiago, Chile, on 9 March, covering topics such as market access and small and medium-sized enterprises (SMEs).

Candidate countries for associate member status include four CPTPP signatories: Australia, Canada, New Zealand, and Singapore. Negotiations with associate members will continue in Ottawa, Canada in May.

Proponents of bringing on associate members note that this could boost regional trade, along with allowing participants to develop deeper trade rules than what is currently included under the Pacific Alliance framework. Reports suggest other countries are also exploring the possibility of asking to negotiate associate member status, such as South Korea.

The round's close came just days after heads of state from the Pacific Alliance bloc – Chile, Colombia, Mexico, and Peru – met virtually on 6 March to discuss topics such as their "strategic vision" from now through 2030, including in relation to the Sustainable Development Goals (SDGs). They also reviewed their approach to the trade talks with prospective associate members, according to an Alliance [press release](#). Another presidential summit is set for 24-25 July in Mexico.

"The July meeting would be a key opportunity to consolidate and lock-in integration trends and shield them from political changes taking place in the region, and also to set off Pacific Alliance – Mercosur integration dynamics" said Ricardo Meléndez-Ortiz, Chief Executive of the International Centre for Trade and Sustainable Development (ICTSD) at sessions with trade ministers at the regional gathering of the World Economic Forum in São Paulo this week. (*Editor's note: ICTSD is the publisher of Bridges*)

The Pacific Alliance is a deep integration initiative focused on regulatory cooperation, financial integration and slashing trade barriers and moving towards free movement of goods, services, and people. It was formed in 2011, and has since expanded to include Canada, Australia, New Zealand, and Singapore as prospective associate members and several dozen nations as observers.

ICTSD reporting; "South Korea considers joining revamped Pacific trade deal CPTPP," 13 March 2018, THE STRAIT TIMES; "Protests in Chile as 11 countries set to sign new TPP trade agreement," 8 March 2018, THE SANTIAGO TIMES; "Finaliza tercera ronda de negociaciones entre la Alianza del Pacífico y países del Asia-Pacífico," 12 March 2018, PORTAFOLIO; "Finaliza tercera ronda de negociaciones de la Alianza del Pacífico," 13 March 2018, AGENCIA ANADOLU; "Pacific countries seek new members for regional trade deal," FINANCIAL TIMES, 7 March 2018.



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## CLIMATE CHANGE

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# IMO Gears Up to Set Climate-Related Targets for Shipping Sector

Ahead of the 72<sup>nd</sup> session of the International Maritime Organization (IMO)'s Marine Environment Protection Committee (MEPC 72), set to take place in London from 9-13 April, delegates are seeking to build consensus in negotiations for a draft text towards a global agreement to reduce maritime greenhouse gas (GHG) emissions.

The Committee is expected to agree on an initial strategy in April, including a list of possible measures to tackle shipping-related emissions in the near term and targets for longer-term sector-wide decarbonisation, with a final plan due to be elaborated by 2023. Delegates will be tasked with deciding on a timeline for implementation and settling on a baseline year to chart changes in emission levels over time.

The international shipping sector is responsible for about 2.5 percent of global greenhouse gas emissions and rising. Carbon emissions from shipping are projected to be two to five times higher in 2050 than they were in 1990, according to [EU estimates](#). Shipping emissions, like international aviation, are not covered under the UN's Paris Agreement on Climate Change.

Previously, during its 70<sup>th</sup> MEPC session in October 2016, IMO members [agreed](#) on a roadmap towards reducing GHG emissions from maritime transport, tasking a dedicated working group with defining a strategy over a string of intersessional meetings. The working group is scheduled to convene for its third session from 3-6 April, the week preceding MEPC 72, in order to finalise a draft text mapping out an initial IMO GHG strategy.

### Country positions

As countries seek to arrive at a common strategy on GHG emissions reductions, bridging differing levels of ambition across the UN shipping agency's 173 country membership remains a priority.

The Marshall Islands, the second largest shipping registry globally, have been joined by a group of other Pacific Island states as well as New Zealand in pushing for a fully decarbonised shipping sector as soon as 2050.

"It is clear to everyone that before specific measures to reduce emissions are adopted, any disproportionate negative impacts will have to be identified and addressed," said David Paul, Minister of Environment for the Marshall Islands, according to comments reported by Climate Home. "So there is simply no excuse for countries to stand in the way of an ambitious outcome from the IMO in April. Those of us that are truly committed to climate won't accept anything less."

On the other hand, countries pushing for a less ambitious plan have cited concerns about insufficient data, as well as fears about transport cost increases negatively impacting their companies and dampening competitiveness.

A joint submission from Brazil, India, Argentina, and Saudi Arabia proposes a looser timeline for the vision to cut shipping-driven GHG emissions, replacing an earlier target to reach a zero carbon shipping sector by 2075 with a less specific commitment for phasing out emissions "as soon as possible, but no later than in the second half of this century."



EU foreign ministers encouraged the IMO to pursue “swift and appropriate additional actions” for emissions reduction, according to a [statement](#) released by the Council of the EU on 26 February. Doing so, they said, would be needed “in order for international shipping to contribute its fair share to the fight against climate change,” as an industry key to global mitigation efforts. They also called for outreach activities to build political momentum in the lead-up to MEPC 72.

An IMO plan to cut emissions “should be underpinned by an adequate emission reduction objective, consistent with the temperature goals of the Paris Agreement, including a list of candidate short, mid, and long-term measures equally applicable to all ships,” according to the statement.

The EU has announced its intention to integrate shipping into its emissions trading scheme by 2023 if significant advances are not made at the IMO, specifically through the creation of a fund to support maritime emissions reduction measures. Ship owners would either need to contribute to the fund or buy credits under the EU emissions trading scheme. (See Bridges Weekly, [16 February 2017](#))

### **Enhancing data collection**

In related news, amendments to the International Convention for the Prevention of Pollution from Ships (MARPOL) [entered into force](#) on 1 March, enacting a mandatory data collection system aimed at facilitating IMO monitoring of the energy efficiency of ships. The new regulations require ships to collect data on fuel consumption, distance traversed, and number of “services hours” at sea, as well as on design cargo capacity, beginning from 1 January 2019. (See BioRes, [29 April 2016](#))

The requirements apply to vessels of 5,000 gross tonnage and above, covering 85 percent of carbon emissions from international shipping.

The reporting system aims to ensure improved transparency, which would help inform MEPC policy decisions on measures to address shipping-related GHG emissions and boost energy efficiency. The data will be collated for annual reporting to the flag state and transferred to an IMO Ship Fuel Oil Consumption Database. The IMO will use this as a basis for summarising results to the MEPC.

According to an [IMO press briefing](#), “the data collected under the mandatory reporting system will help inform the MEPC when it comes to adopting a revised strategy in 2023.”

The new rules build on earlier commitments taken in the MEPC to reduce the carbon footprint of the shipping sector. In 2011, the IMO adopted a scheme of mandatory requirements intended to improve the energy efficiency of shipping vessels, the first binding global effort to reduce emissions from an international industry sector. (See Bridges Weekly, [20 July 2011](#))

By 2025 new ships built will be a projected 30 percent more energy efficient than those built in 2014, according to IMO estimates. The MEPC 72 [agenda](#) features an item scoping out further technical and operational measures for enhancing the energy efficiency of international shipping.

In the fifth session of the IMO Sub-Committee on Pollution Prevention and Response (PPR), held in February, members also [agreed](#) to a reporting protocol for voluntary measurements to gather black carbon data as well as on methods for data collection for use both by countries and international organisations. The reporting would feed into the UN body's work assessing the impact of shipping-related emissions of black carbon on the Arctic, a climate pollutant produced by incomplete combustion of carbon-based fuels.

### **Seventy Years of IMO**

Last week, a ceremony was held at IMO Headquarters in London to celebrate the 70<sup>th</sup> anniversary of the adoption of the IMO Convention, attended by government representatives, international organisations, non-governmental organisations, and IMO Secretariat officials.

"We are celebrating 70 years of achievement, in which the truly vital industry of shipping has become safer, cleaner and greener, thanks to the work of IMO. We are also looking ahead to the exciting new challenges on the horizon," said IMO Secretary-General Kitack Lim, according to an [IMO press briefing](#).

ICTSD reporting; "Brazil fights emissions cap for shipping, citing cost concerns," CLIMATE HOME, 8 March 2018; "Argentina, Brazil, India, and Saudi Arabia row back on shipping's climate targets," SPLASH 247 NEWS, 12 March 2018; "Climate change: Is shipping finally on board?" OECD OBSERVER, December 2017; "MARPOL amendments enter into force," TANKER OPERATOR, 9 March 2018.

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## FISHERIES

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### **Debate Intensifies over Brexit Implications for EU Common Fisheries Policy**

As Brexit negotiations continue on arrangements for when the United Kingdom leaves the European Union, the future implications for both EU and UK fisheries policy remain in question, with each side putting forward their expectations going forward.

Questions remain on how management of shared fisheries resources will be decided in the UK's future arrangements with EU member states and other countries, how trade in fisheries products between the UK and EU might be affected, and what the final result will mean for the EU given its role as one of the world's largest markets for fish products.

#### **Call for independent British fisheries policy**

In a joint [statement](#) last week, UK Secretary of State for Environment, Food, and Rural Affairs Michael Gove and Scottish Conservative Leader Ruth Davidson called for the UK's withdrawal from the European Union's Common Fisheries Policy (CFP).

The two officials teamed up to demonstrate support for the British fishing industry, saying, that "it is vital that we regain control over our own fisheries management," and suggested that this take effect from March 2019. That date marks the expected UK exit from the EU, as well as the start of the "transition period" before a new trade deal takes effect.

"We want to use the opportunity of Brexit to secure a sustainable marine environment for the next generation. As proud Scots, we feel a particular debt to fishing communities who are looking to government to deliver a better deal for them," the two officials said.

They also suggested that the UK should be able to negotiate on its own behalf when it comes to access to fisheries resources, stating that there must be a "fairer allocation for the British fleet in our own waters." They further noted that UK Prime Minister Theresa May has publicly supported the March 2019 timeframe for exiting the Common Fisheries Policy.

The Scottish Fishermen's Federation [welcomed](#) the commitment by Davidson and Gove, having previously set industry red lines for the fisheries negotiation that include the UK's immediate exit from the CFP. Without it, they warn, the UK could be subject to the CFP's requirements without input into its terms.

#### **Reciprocal access in future FTA?**

The statement came days after the UK Chancellor Philip Hammond appeared to suggest that reciprocal access to UK and EU waters could be up for negotiation as part of a broader UK-EU trade deal.

[Speaking](#) at HSBC's London headquarters, the Chancellor said that London would be willing to negotiate with Brussels on "the appropriate arrangements for reciprocal access for our fishermen to EU waters and for EU fishermen to our waters."

"We would have to negotiate the basis on which such an arrangement could be fair and appropriate for us," he added.

The EU solidified its position on the issue with the release of draft guidelines on that future agreement with the UK. In [discussing](#) the guidelines, European Council President Donald Tusk said last week that the two sides should aim for a trade deal with full sectoral coverage, zero tariffs on goods, and provisions on services trade.

He also called for keeping in place “reciprocal access to fishing waters and resources.” The draft EU guidelines are set for adoption at a Council meeting later this month.

### **UK's role in Common Fisheries Policy**

The EU's [Common Fisheries Policy](#), first introduced in the 1970s, currently governs the access to and management of the Exclusive Economic Zones (EEZ) of all EU member countries.

In seeking to promote the sustainability of its own EU stocks, the CFP dictates that the EU Council of Ministers determine the annual Total Allowable Catch (TAC) for each stock based on scientific advice from select advisory bodies. Country-specific proportions of those TACs are then allocated based on historical national quotas, as agreed by member states when quotas were first introduced for each stock.

Importantly, the CFP guarantees equal access for all EU fleets to all EU waters, a crucial point for UK fishermen in the Brexit negotiations. In 2015, 58 percent of fish and shellfish caught in the UK's EEZ was landed by boats from other EU countries, while only 16 percent of all fish and shellfish landed by the UK vessels was caught in the EEZs of other EU countries, according to a UK government [report](#).

Currently, the British fishing industry relies heavily on [exports](#) to the rest of the EU, sending salmon, mackerel, and herring to France, the Netherlands and Spain. At the same time, the UK remains a net importer of fish, with significant imports of cod, haddock, tuna, and shrimp coming from Germany, Denmark, and Spain, among others. These transactions currently enjoy zero tariffs under EU law.

The relative economic importance of the UK's fishing industry has been steadily declining since the mid-1900s. According to the UK government's annual [report](#) on sea fisheries statistics, the number of fishermen has dropping from nearly 50,000 in 1938 to less than 12,000 as of 2016. Those fishermen that remain are largely divided between England and Wales at 52 percent and Scotland at 41 percent, with Northern Ireland playing a small role.

Nonetheless, the UK's fleet is the second largest in the EU in terms of gross tonnage, and has the second-largest total catch, behind only Spain.

The CFP also has an [international component](#), with the bloc working together on subjects such as how much fish and fish products from outside the bloc should qualify for import under tariff-rate quotas. The bloc works with UN and other international bodies which deal with fisheries management.

### **EU: Growing fish crisis in the Western Mediterranean**

Meanwhile, the EU is also attempting to address a growing crisis involving Western Mediterranean fish stocks. A 2017 [study](#) of the Mediterranean Sea ecosystem concluded that fish stocks were declining at a rapid pace, with 93 percent of assessed fish stocks categorised as overexploited. Thirty-four percent of the total population loss has occurred in the past 50 years, pointing to a need for better management of the collective resource.

In response, the EU has [announced](#) a plan spanning several years to improve regulation of Western Mediterranean fishing and return fish stocks to a sustainable level. The plan, released last week, includes proposals for a consolidation of fisheries management into one

regulatory framework, a temporary reduction of fishing activities, and a seasonal restriction on trawling.

EU Commissioner for the Environment, Maritime Affairs, and Fisheries Karmenu Vella noted that the proposal "is a direct follow-up to the [MedFish4Ever](#) Declaration from 2017." That declaration and related campaign involves a commitment to addressing the problems that the Mediterranean's fish stocks face.

Vella added that the plan "aims to reach a healthy level of fish stocks needed to prevent a loss of jobs and to sustain important economic sectors that depend on fisheries," and that "it brings us one step closer to making Mediterranean fisheries more sustainable."

ICTSD reporting; "Gore and Davidson in fisheries control call," BBC, 11 March 2018; "EU fishermen could still have access to British waters after Brexit Chancellor Philip Hammond admits," MIRROR, 7 March 2018; "EU to hold Britain to fishing quotas during Brexit transition," THE GUARDIAN, 11 January 2018.

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## GENDER

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### WTO Member Coalition Begins Work to Support Implementation of Gender Declaration

Countries that have signed onto a high-level declaration on trade and gender are preparing to put their programme of work into action, having set the WTO's Twelfth Ministerial Conference (MC12) in late 2019 as their target date for delivery.

In late December, a coalition of 121 WTO members and observers endorsed the "[Buenos Aires Declaration on Trade and Women's Economic Empowerment](#)" during the global trade body's Eleventh Ministerial Conference (MC11) in the Argentine capital city. (See Bridges Daily Update, [13 December 2017](#))

The declaration, while non-binding, sets out a series of areas where this group intends to work together over the coming two years.

This includes steps towards sharing information and best practices; voluntary inclusion of gender-related information in WTO Trade Policy Reviews; taking steps in the WTO context to lower barriers for women in trade; and using the Aid for Trade initiative to help develop the tools and expertise for crafting "gender-responsive" trade policies, among others.

The gender declaration is a notable first in the WTO context, and supporters say it is a promising sign towards the development of a reinvigorated approach to trade policymaking that could ensure more inclusive, sustainable economic growth across the board.

#### **Workshops, TPRs, agenda items**

One of the first steps in implementing the Buenos Aires declaration involves a [workshop](#) on gender-based analysis and trade, which is set for Friday 16 March at WTO headquarters. The meeting is being hosted by the WTO and the government of Canada, and is open to policymakers and influencers, experts, and other stakeholders.

The workshop is the first of six seminars that has been announced by the International Gender Champions (IGC) Trade Impact Group (TIG), the partnership which worked to galvanise support for the Buenos Aires declaration. The TIG is led by the governments of Iceland and Sierra Leone, as well as the International Trade Centre (ITC), a joint UN-WTO agency.

Along with the Friday workshop, seminars are also planned for June, September, and November of this year. These will address the relationship between women entrepreneurs and public procurement; the relationship between women entrepreneurs and international value chains; and the improvement of women's financial inclusion, respectively.

Two more seminars have already been announced for March and July 2019, addressing the relationship between women and trade agreements, as well as the role of women in digital trade, respectively.

According to Ambassador Harald Aspelund of Iceland, who spoke at the WTO on 8 March for an International Women's Day event on the Buenos Aires declaration, the results of these seminars are meant to foster discussions, support the development of more inclusive trade policy agenda, and feed into a related publication that would be released in time for the WTO's next ministerial conference.

Aside from the seminars, some other agenda items from the Buenos Aires declaration are already in the process of implementation. According to the WTO, a few members have already begun addressing specific policies that are geared towards addressing gender equality, examining these within the context of their Trade Policy Reviews (TPRs).

These reviews are required exercises under the WTO's trade monitoring function, involving reports by the member involved and the secretariat regarding macroeconomic and trade policy developments during the time period under scrutiny. The TPR mechanism also provides a platform for other members to ask questions. The frequency of these reviews depends on the size of the trader involved.

Those which have voluntarily addressed gender issues in their recent TPRs include the European Union, Iceland, and the Gambia, [according to](#) the Geneva-based organisation.

### **Economic imperative**

High-level trade officials were on hand during various events in Geneva organised around International Women's Day, discussing the various facets of trade policy in relation to gender equality and women's empowerment. This includes at the above-mentioned WTO meeting on 8 March regarding the Buenos Aires declaration.

At the WTO event, Director-General Roberto Azevêdo cited World Bank and McKinsey data which looked at how tackling gender disparities and discrimination could yield massive increases in global GDP and per capita productivity.

He also noted that women face a host of challenges, such as legal and regulatory hurdles, adverse or harmful working conditions, limitations in terms of educational access, and in some cases difficulties in being "taken seriously" by men in their respective professional fields.

"Trade certainly has a role to play. It can help to create job opportunities and provide better salaries, encourage education and skills development, and increase financial independence. But the benefits of trade in tackling these issues are not automatic," he said, calling for a multi-pronged approach going forward.

Various ambassadors whose countries have signed on to the declaration also described why the subject of women's economic empowerment is a crucial one for the growth of their respective economies, while also noting the myriad challenges that remain in this field.

Women are an essential resource for the Japanese workforce, said Ambassador Junichi Ihara of Japan, noting that his country is facing urgent demographic challenges, such as a declining population, that will hit its productivity.

"The empowerment of women is a type of survival subject for Japan," he said at the WTO event last week.

Ambassador Syed Tauqir Shah of Pakistan similarly referred to the economic empowerment of women as "a fundamental issue," noting that women often face additional challenges relative to their male counterparts both inside and outside the workplace. Regarding the former, he noted the challenges many women face of harassment in the workplace; in the case of the latter, these burdens often involve having to manage the additional and uneven demands of the care economy and household labour.

A few countries have, however, questioned whether gender should be considered a "new issue" in the WTO context, and thus be looked at only in an exploratory manner given the lack of consensus across the full WTO membership. Some countries which are not



signatories to the Buenos Aires declaration, for example India, have also questioned whether the subject of gender should be addressed at the global trade club at all.

The push to implement the Buenos Aires declaration also comes as various other initiatives across the international trade community are also looking more actively at how to mainstream gender considerations into their work.

This includes a growing effort by some countries to use a gender lens when negotiating trade deals, including but not limited to the inclusion of specific gender chapters. There are also a series of efforts underway by intergovernmental and non-governmental organisations to support women entrepreneurs and consumers through research, outreach, technical assistance, and other steps.

The Sustainable Development Goals (SDGs) have been credited for providing part of the political momentum behind the growing interest and sense of urgency in the international trade community on addressing gender equality. While there is a specific SDG devoted to gender equality and empowering women and girls, known as SDG 5, various other SDGs relating to subjects such as poverty reduction and education also address gender disparities.

Those SDGs fall within the wider umbrella of the UN's 2030 Agenda for Sustainable Development, endorsed by world governments in late 2015. That agenda has both an overall delivery date of 2030 as well as intermediate target dates for certain objectives.

ICTSD reporting.

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## EVENTS & RESOURCES

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# Events

### Coming Soon

16 March, Buenos Aires, Argentina. TOWARDS MORE EQUITABLE AND SUSTAINABLE MARKETS FOR FOOD AND AGRICULTURE: ADVANCING AGENDA 2030 IN THE G20, WTO AND FTAs. This event is being organised jointly by the International Centre for Trade and Sustainable Development (ICTSD) and the UN Food and Agriculture Organization (FAO). The meeting will look at the rules, policies, and frameworks which govern food and agricultural markets, tying this discussion to the achievement of Sustainable Development Goal (SDG) 2 on ending hunger, improving nutrition, achieving food security, and promoting sustainable agriculture. The discussion will look at the role of the G20, the WTO, and free trade agreements in this context. Please note that event attendance is by invitation only. More information is available at the ICTSD [website](#).

16 March, Geneva, Switzerland. WORKSHOP ON GENDER BASED ANALYSIS AND TRADE. This full-day workshop is being co-organised by the World Trade Organization (WTO) and the Canadian government. It will feature a series of panel discussions examining topics related to gender based analysis and trade and is the first in a series of seminars aimed at supporting the implementation of the Buenos Aires Declaration on Trade and Women's Economic Empowerment. To learn more about the event, visit the WTO [website](#).

16 March, Buenos Aires, Argentina. This event, hosted by LSE Consulting, will involve a half-day roundtable aimed at building awareness on the EU-Mercosur negotiations, along with discussing potential benefits and trade-offs. The meeting builds on a previous event held in São Paulo on the same subjects. To learn more, visit the LSE Consulting [event page](#), which has details in English, Spanish, and Portuguese.

19-23 March, Geneva, Switzerland. INTERGOVERNMENTAL COMMITTEE ON INTELLECTUAL PROPERTY AND GENETIC RESOURCES, TRADITIONAL KNOWLEDGE AND FOLKLORE. During the 35<sup>th</sup> session of this World Intellectual Property Organization (WIPO) intergovernmental committee, the group will prepare reports and recommendations focusing on genetic resources and will aim to advance negotiations in this subject area. To register, watch the webcast, or view relevant documents, visit the event [website](#).

21 March, online. WHERE BUSINESS ENVIRONMENT REFORM MEETS GREEN GROWTH. This webinar by the Green Growth Knowledge Platform (GGKP) will involve a detailed discussion on the topics of business environment reform and green growth, looking at how they interact, along with the potential benefits and challenges involved. For a list of speakers and to register, visit the GGKP [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.

16 Friday: Workshop on Gender Based Analysis and Trade

20 March: Informal Committee on Technical Barriers to Trade

21-22 March: Committee on Technical Barriers to Trade

21 March: Informal Open-ended Committee on Trade and Development

### **Other Upcoming Events**

26 March, Geneva, Switzerland. WORKSHOP ON ENHANCING THE DEVELOPMENT POTENTIAL OF TRADE IN SERVICES FOR THE LEAST DEVELOPED COUNTRIES THROUGH PREFERENTIAL TREATMENT. During this UN Conference on Trade and Development (UNCTAD) workshop, the importance of preferential treatment in terms of services and service suppliers for least developed countries (LDCs) will be discussed. Case studies from four LDCs will be presented to review the implementation of the LDC services waiver under the WTO and identify domestic capacity constraints faced by LDCs. For more information and to register as a delegate, visit the event [website](#).

26 March, Tokyo, Japan. SEMINAR, THE INNOVATION PARADOX: DEVELOPING-COUNTRY CAPABILITIES AND THE UNREALISED PROMISE OF TECHNOLOGICAL CATCH-UP. Co-organised by the World Bank Group and the Japan International Cooperation Agency (JICA) Institute, this seminar will examine the challenges that emerge in many developing countries when trying to harness technology to upgrade their products and processes. For more information and to register, visit the seminar [website](#).

27 March, London, UK. HOW NATIONS CAN COPE WITH DIGITAL TRANSFORMATION. This Chatham House event will feature Estonian President Kersti Kaljulaid and will focus on his country's track record in undertaking a digital transformation across both government services and the private sector. It will also examine what challenges have emerged in this context and what may come next for this process. For more information and to register, visit the event [website](#).

27-18 March, Paris, France. OECD GLOBAL ANTI-CORRUPTION & INTEGRITY FORUM. This event is being hosted by the Organisation for Economic Co-operation and Development (OECD) under the theme "Planet Integrity." It will examine various facets of the globalisation debate, along with the role that globalisation can play in tackling corruption in areas such as development cooperation and trade. For more information and to register, visit the event [website](#).

30 March, Addis Ababa, Ethiopia. CLIMATE, LAND, ENERGY AND WATER STRATEGIES (CLEWS) TO SUPPORT THE IMPLEMENTATION OF NATIONALLY DETERMINED CONTRIBUTIONS (NDCS) TO CLIMATE ACTION. This meeting, hosted by the UN Economic Commission for Africa (UNECA), examines the strategies needed in fields such as energy and water in order for African countries to fulfil their national commitments under the UN's Paris Agreement on climate change. This meeting also aims to review potential tools for meeting these pledges. For more information, visit the event [website](#).

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

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## Resources

RESEARCH HANDBOOK ON EU ENERGY LAW AND POLICY. Edited by Rafael Leal-Arcas and Jan Wouters. This new handbook reviews developments and trends in energy law and policy within the European Union, examining social, legal, environmental, and technological issues, among others. Additional information, along with a book preview and information on ordering a copy, are available at the Edward Elgar Publishing [website](#).

ISDS NAVIGATOR: UPDATED EDITION. Published by the UN Conference on Trade and Development (UNCTAD). This update to UNCTAD's Investment Dispute Settlement Navigator provides an overview of the investor-state disputes tabled under international investment agreements (IIAs) throughout last year, along with including additional data from 2016. The navigator allows for searching under topics such as subject matter, case status, and outcomes. The tool is available on the UNCTAD [website](#).

GENDER EQUALITY AND SOCIAL INCLUSION ASSESSMENT OF THE ENERGY SECTOR: ENHANCING SOCIAL SUSTAINABILITY OF ENERGY DEVELOPMENT IN NEPAL. By the Asian Development Bank (February 2018). This report, published in time for International Women's Day on 8 March, looks at the challenges in Nepalese society that cause women, the poor, and excluded populations to experience uneven access to energy resources. The authors also include related recommendations. This study is available for download from the ADB [website](#).

THE GLOBAL FUTURE COUNCIL ON ENERGY: POLICY RECOMMENDATIONS. By the World Economic Forum (WEF) Global Future Council on Energy 2016-18 (March 2018). Despite investments amounting to over US\$333 billion last year, the authors find that the transition towards cleaner energy sources is not moving fast enough. The report recommends policies to accelerate this transition, given its additional benefits for economic growth and development. The full report is available for download on the World Economic Forum [website](#).

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