



# Bridges Weekly Trade News Digest

*Weekly trade news from a sustainable development perspective*

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## LEAD STORIES

### 2012 Should Not be a “Wasted Year,” Lamy Urges WTO Members

“2012 cannot and should not be a wasted year,” WTO Director-General Pascal Lamy told delegates in Geneva on Tuesday 14 February. Instead, WTO members should use this year to try taking “small steps” in their efforts to move the Doha talks out of their current stalemate, and avoid setting “unattainable targets or packages.”

After over ten years of negotiations, the eleventh year of the Doha Round seems unlikely to see major movement at the global trade body, with members recognising that 2012 will be a year of small advances and managed expectations rather than a repeat of previous large-scale pushes to finish the trade talks.

Reporting on meetings with individual ministers and business representatives – along with the informal meeting of trade ministers at last month’s World Economic Forum in Davos – the trade chief stressed at Tuesday’s meeting of the WTO General Council that there was a collective sense among members to use 2012 to focus on “issues where consensus exists.”

Given the economic crisis, Lamy cautioned members not to expect “any major breakthrough any time soon, whether on trade, on climate change, or on macroeconomic co-ordination.”

“The current political environment dictates that the most realistic and practical way forward is to move in small steps, gradually moving forward the parts of the Doha Round which are mature, and re-thinking those where greater differences remain,” he added.

The WTO chief has repeatedly made clear that concluding a Doha deal in 2012 will not be

possible, [telling](#) audience members at last month's Davos meet that members lack "the necessary political energy to compromise." The tone marks a sharp turn-around from last year's push to make 2011 a "make or break year" for the Doha talks, which failed to lead either to a full Doha deal or to a smaller mini-package.

The Doha Round talks have hit repeated snags over their ten-year run, with the talks stalled over disagreements on agricultural support policies and industrial sector liberalisation. At December's ministerial conference – the WTO's highest decision-making body – members acknowledged openly that the talks had reached an impasse.

Summing up the general "wait and see" plan, 2012 will be a "cool, calm, and pragmatic year," Singapore predicted at the General Council meeting.

### **US industry pushing to sideline Doha?**

Given the limited movement in the Doha negotiations, the US is reportedly discussing the idea of a plurilateral services pact with Canada, Chile, Colombia, the EU, Japan, and about a dozen other nations. However, Assistant US Trade Representative Carol Guthrie told Reuters last week, there is "no timeline set for negotiation."

"There is a broad and growing interest in this concept among a group of developed and developing country WTO members," Guthrie said.

The proposed services pact has been backed by US business groups, notably the National Foreign Trade Council (NFTC) and the Coalition of Services Industries.

"After more than a decade of negotiations that have not led global trade negotiators to an outcome, it's time for fresh ideas to break the diplomatic logjam and find ways to move global trade liberalisation forward," [said](#) NFTC Vice President for Global Trade Issues Jake Colvin in making the plug for the services agreement.

However, trade sources note, a number of members are comfortable with the idea of

countries moving toward plurilateral agreements in the absence of a multilateral deal.

### **Agriculture, trade facilitation**

A couple of areas that could see movement this year are trade facilitation and least developed country issues, the Director-General told members, noting that there seems to be an "emerging consensus" in this area. The Negotiating Group on Trade Facilitation has already met once this year.

Prior to the General Council meeting, one developing country delegate argued that moving trade facilitation forward would be a "win-win" for all members. "There is no reason to leave it back on the drawing board when it benefits everyone," the delegate told Bridges.

However, the ensuing three-hour discussion at Tuesday's meeting on what "new negotiating approaches" could be pursued this year led some country groupings to remind members that the focus should not shift away from the topic that had helped launch the Doha Round – agriculture.

Brazil, speaking on its own behalf at the General Council meeting, stressed that, while there has been progress in the area of trade facilitation, the area should not be a "self-balancing pillar." Rather, progress must also be made elsewhere, specifically with agriculture.

The G-33, which supports granting developing countries' greater market access flexibilities, the G-20, which favours reforming developed country agriculture, and the Cairns Group of developed and developing country net agricultural exporters, also stressed that, while they agreed with the Director-General's call for pragmatism, members must still make sure that agriculture remains one of the main issues on the table.

Without solutions in agriculture, pursuing solutions in other areas will not lead anywhere, they added.

The Cairns Group is reportedly interested in pursuing an 'early harvest' on the export competition pillar of the Doha agriculture talks –

the most advanced of the three areas affecting farm products that are under negotiation.

According to the current draft text, developed countries are due to eliminate agriculture export subsidies by 2013, with developing countries doing the same three years later. With discussions on the EU's post-2013 Common Agricultural Policy and the US Farm Bill currently under way, many countries are keen to capture the progress in this area to date.

The next meeting of the WTO's General Council is slated for early May of this year.

ICTSD reporting; "U.S. businesses urge new agenda at World Trade Organization," REUTERS, 8 February 2012.

## OTHER NEWS

### Lamy Takes Aim at "Starve-thy-Neighbour" Food Export Restrictions

"Starve-thy-neighbour" food export restrictions can bring importing countries to their knees "to plead for food security," WTO Director-General Pascal Lamy told an international conference in Geneva last week.

The "catastrophic" policies were at the heart of food price spikes in 2008, Lamy [said](#) at a conference on 'feeding the world' that was organised on 8 February by the Economist newspaper.

Lamy told participants that government restrictions on exports were particularly damaging for products like rice, "where only seven percent of global production gets traded." Constraining exports in 'thin' international markets can quickly prompt copycat measures "through the panic buying and hoarding of food," he warned.

#### Political energy tank "empty"

"Necessary revisions" of the global rule-book on trade were being held back by poor policies, Lamy

argued, giving as examples high trade-distorting subsidies and "some extraordinary" tariff peaks. Both areas were due to be disciplined under the Doha Round of trade talks, which are currently at an impasse.

No deal on Doha was likely this year, as "the political energy tank is empty," Lamy said in comments reported by Bloomberg.

"It's not going to be the big package, all or nothing, at least for the moment," the trade chief added (for more on the Doha talks, see related story, this issue).

#### Cutting waste, boosting yields

José Graziano da Silva, head of the UN Food and Agriculture Organisation, [told](#) the meeting that changing production and consumption patterns was critical to feeding the world's population.

"We lose or waste one third of all the food produced each year," said da Silva, "roughly, 1.3 billion tonnes." Food is lost during the production, post-harvest and food processing stages, but also at the retail and consumption end of the chain.

Nestle's chief executive officer Paul Bulcke [said](#) that it will be increasingly difficult to feed the world's population in the years ahead. "We're going to have to feed 2.3 billion additional people in the world, and they'll be increasingly affluent," he warned.

#### Access and inequality

However, FAO head da Silva said that unequal access to food – rather than inadequate production at the global level – was the root cause of hunger. "We have the resources to guarantee food security for all, today and in four decades from now," he said.

By 2050, even if total farm output expanded by 60 percent globally, it could still leave undernourished four percent of people in developing countries, da Silva argued. "As today, these people would not have the access to the food they need, either because they are unable to

produce it for themselves or because they don't have the necessary income to buy it.”

Noting that around 75 percent of the world's food insecure people live in rural areas, da Silva said that boosting productivity in these parts of the world was critical to overcoming hunger, along with action to ensure the most needy people are able to access food.

### **Africa “may hold the key”**

Africa is seen as a food security problem today, but “may very well hold the key to global food security tomorrow,” Lamy observed, saying that the continent was the one with the greatest amount of arable land left uncultivated.

It also was one of the world regions with particularly low levels of intra-regional trade, he noted. “When Africa needs food, only 10 percent of it comes from other African countries, and the rest has to be brought in from elsewhere.”

Nigerian Agriculture Minister Akinwumi Ayo Adesina [argued](#) that “we must begin to take agriculture in Africa as a business.” Transactional costs for traders could be lowered if the “huge infrastructure gap” on the continent could be tackled, he said.

A host of factors had contributed to stagnating yields, Lamy warned: “policies to tax farmers, to split the land, limited access to credit, a wanting infrastructure, and rich world agricultural subsidies.” African maize yields average 1.8 tonnes per hectare, lagging well behind the 5 tonnes achieved globally, he added.

### **‘Romanticising’ farming?**

His comments were [echoed](#) by Louise Fresco, a professor at the University of Amsterdam and former FAO deputy director-general, who told the meeting that African sorghum yields were “the same as they were for cereals in the Middle Ages in Europe.”

Matin Qaim, professor at the University of Goettingen in Germany, cautioned against ‘romanticising’ subsistence farming, and [argued](#) that agrochemicals and genetically-modified seeds

had a role to play in “overcoming subsistence farming.”

“No small farmer wants to remain a small farmer,” claimed Fresco.

She warned that farmers were being “squeezed in the middle” between the retail and food industries, which are “engaged in a battle for cheap ingredients.”

### **Business-heavy focus**

However, one participant at the meeting told Bridges that “there was no voice from the small-scale farmers or growers” at the meeting. “It was just businesses,” she said.

With a 1200 euro ticket price for civil society groups, plus a thirty percent discount for early bookings, the skewed participation was perhaps not surprising. The full ticket price was 1500 euros, a spokesperson for ‘Economist Conferences’ confirmed.

One panellist from a French wheat-growers association even asked how many farmers were in the room. “Only three or four people put up their hands,” a source told Bridges.

The business-heavy focus also drew comment from FAO chief da Silva, who concluded his remarks by suggesting “that in future meetings we also have the participation of representatives of civil society and farmers organisations among the panelists.”

### **Food prices up again**

Meanwhile, the FAO [reported](#) that its food price index had risen by nearly two percent, or four points, from December to January – the first such increase since last July. Prices were nonetheless still [lower](#) than peaks reached last year and in 2008.

Prices of all commodity groups in the index registered gains. However, oils increased the most, followed closely by cereals, sugar, dairy products, and meat, the FAO said.

Abdolreza Abbassian, the organisation's senior grains economist, said that although different factors were at play in each commodity group, the new price rise "highlights the unpredictability prevailing in global food markets."

### Prices and food security

At the conference, Lamy argued that the decline in prices which followed their 2008 peak should not foster false complacency.

"Does it mean that food security has been attained?" he asked. "It has not."

"If our goal is to get to the causes of food insecurity, if our goal is to ensure that we have agricultural systems that are able to generate safe and sufficient food, feed, and fibre, then we will need to ask broader questions," he said.

ICTSD reporting; "WTO Chief Pascal Lamy Expects No Doha Round Agreement This Year," BLOOMBERG, 8 February 2012; "Farm Productivity Slide Can Be Reversed, Researcher Fresco Says," BLOOMBERG, 9 February 2012; "African Farming Needs Business Approach, Nigeria's Adesina Says," BLOOMBERG, 9 February 2012; "Farm Debate May Hinder Progress, Goettingen Researcher Qaim Says," BLOOMBERG, 9 February 2012; "Feeding the World Will Be More Difficult, Nestle's Bulcke Says," BLOOMBERG, 9 February 2012.

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## Uncertainty Looms over EU Ratification of Anti-Counterfeiting Pact

Amplified protests and delays in the domestic procedures of several European Union member states have cast doubts on the future EU ratification of the controversial Anti-Counterfeiting Trade Agreement (ACTA), which was signed by the EU and 22 of its member states in Tokyo last month.

The EU's signature prompted the resignation of the previous ACTA rapporteur to the European Parliament Committee on International Trade

(INTA), Kader Arif (see Bridges Weekly, [1 February 2012](#)).

Arif was replaced in this role by David Martin, a British Member of the European Parliament, last week amid rising tension over the pact's provisions.

ACTA is a plurilateral trade pact aimed at combating intellectual property rights (IPRs) infringement through the establishment of new international standards of IPRs enforcement. ACTA detractors fear that some of the provisions contained in the final text, which go beyond the standards set by the WTO's Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS), may have a detrimental effect on access to medicines and fundamental freedoms in the digital environment.

Other ACTA signatories include Australia, Canada, Japan, South Korea, Morocco, New Zealand, Singapore, and the United States (see Bridges Weekly, [5 October 2011](#)). However, the agreement will enter into legal force only after it has been ratified by six negotiating parties.

### Protests gain momentum in EU countries

Last Saturday, demonstrations against ACTA erupted across several European cities in countries such as Germany, Bulgaria, Poland, Estonia, the Czech Republic, and the United Kingdom.

In a [statement](#) to AFP, Mantas Kondratavicius, one of the rally organisers in Vilnius, Lithuania, said that "some provisions of the treaty are too ambiguous and allow different interpretations," and that these provisions should "not come at the expense of privacy or freedom of speech."

ACTA has also become the subject of political controversy in the European Parliament (EP). In an interview to the German television station ARD, EU Parliament President Martin Schulz expressed his concerns over the pact's imbalances between copyright protection and the freedoms of Internet users.

"I don't find it good in its current form," Schulz said.

To quell concerns about the agreement, newly-appointed ACTA rapporteur Martin emphasised that “ACTA is meant to be about better enforcement of existing copyright and intellectual property rights through international co-operation” and that modifications to the existing EU laws on intellectual property should not be necessary.

These debates have prompted concerns by officials over a supposed lack of evidence-based discussions on the ACTA subject, with the European Commissioner for Trade Karel De Gucht addressing a letter to the INTA asking the MEPs to “take a position based on full information.”

In the same vein, more than 50 industry associations circulated another letter last Friday urging MEPs and national ministries to conduct a “calm and reasoned assessment of the facts.”

For his part, David Martin underscored his intention to hold a facts-based discussion on ACTA in the parliament.

### **Roadblocks still ahead on the road to EU ratification**

Protests are not the only factor troubling ACTA’s EU ratification. The EU Commission has noted that ACTA needs to be both signed and ratified by all EU countries because the treaty contains criminal enforcement provisions, an area of shared competence between the EU and its member states.

In recent weeks, many EU member states – such as Germany, Poland, the Czech Republic, and Slovakia – have delayed their domestic procedures in order to hold more extensive discussions on ACTA.

Specifically, Germany and Slovakia have delayed their signature, while Poland and the Czech Republic have delayed their ratification of the pact.

Germany said the delay is needed “to leave room for discussion” and could perhaps postpone its signature until after the EU Parliament votes on the matter.

Finally, the Dutch Parliament yesterday adopted a motion asking the government not to sign the treaty until it is conclusively proven that ACTA does not conflict with fundamental rights.

The EU Parliament’s express consent is needed before the Council of Ministers can decide to adopt the agreement; the parliamentary plenary session vote on ACTA is scheduled take place in the summer.

ICTSD reporting; “Germany stalls on Internet copyright law treaty,” ASSOCIATED PRESS, 10 February 2012; “Europeans protest controversial Internet pact,” AFP, 12 February 2012; “ACTA Doubts Rampant in Europe; Industry call for “Reasoned Assessment”,” IPWATCH, 13 February 2012; “EU Parliament president criticizes disputed copyright treaty, says it lacks balance,” WASHINGTON POST, 12 February 2012; “Dutch Parliament asks government not to sign ACTA,” FFII, 14 February 2012.

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## **Obama Proposes Billions in Subsidy Cuts as Farm Bill Process Kicks Off**

The US Congress is set to start hearings on Wednesday 15 February concerning the US Farm Bill – the omnibus legislation on US agricultural policy that is up for renewal this year. The hearings begin just two days after US President Barack Obama announced a federal budget proposal for the 2013 fiscal year that would cut farm subsidies by over US\$30 billion over the next decade.

Congressional budget negotiations in late 2011 had shown Congressional agriculture committees willing to agree to a US\$23 billion cut over 10 years. Those budget negotiations failed, however, putting the farm bill process temporarily on hold. Under the proposed 2013 budget, however, the President has made clear that he would like to see greater cuts over the same ten-year period, in the order of US\$32 billion in spending.

The budget puts US\$5 billion of politically unpalatable direct payments on the chopping block and trims crop insurance programmes by US\$7.6 billion. Farm Bill activity is traditionally

the domain of Congressional agriculture committees, and similar proposals from the administration were largely ignored in last year's 'Super Committee' negotiations on federal spending. (See Bridges Weekly, [23 November 2011](#))

### Farm committee chairs respond

Discussions on the farm bill have gotten off to a shaky start during the early months of 2012. In recent weeks farm groups have met and been unable to coordinate compromises between competing interests – such as Northern versus Southern farm commodities. Nonetheless, the Chairs of the House and Senate agriculture committees have both reacted strongly to the President's budget proposal.

Debbie Stabenow, a Democrat from the US state of Michigan who chairs the Senate committee, said in a [statement](#) that she could not “agree with further cuts to crop insurance.” From the House side, Frank Lucas, the Republican Chair from the US state of Oklahoma, was more critical, [arguing](#) that “neither rural America nor fiscal discipline is a priority for this administration.” Both committee chairs agreed that direct payments needed to be cut but that crop insurance should not be touched.

Farm bill discussions in 2011 focused largely on the tradeoffs between “shallow loss” crop and revenue insurance schemes – which cover 80 to 90 percent of losses caused by falling prices or other events – and money targeted directly towards specific commodities.

On the Administration's part, US Secretary of Agriculture Tom Vilsack attempted to [cushion](#) the political blow from the cuts, using language that emphasised the record-breaking farm revenue from exports in recent years. High farm incomes have made support for subsidies a political liability, due to the impacts of the ongoing recession.

He added that the US would seek to “reduce trade barriers” for its farm goods to ensure that rural incomes continue to grow. Under the proposed budget, the US Department of Agriculture will see its own discretionary budget trimmed by three percent and will achieve the savings by

streamlining operations, reducing costs, and closing offices.

### New farm bill in 2012 unlikely, some say

For many observers, it's still unclear whether or not there will even be a farm bill in 2012 – estimates have ranged from 15 to 50 percent on chances that any version of the legislation will pass. In the absence of a new Farm Bill, it is likely that Congress will authorise farm expenditures based on current legislation for another year.

With this context in mind, agriculture lobbyists – ranging from the National Sustainable Agriculture Council to the American Farm Bureau Federation – sent a [letter](#) to Congressional committee chairs on Friday 10 February calling for a new bill this year.

Followers of the farm bill process have indicated that the environment for funding could be very different next year and that much hangs in the balance on budget projections and the hoped-for economic recovery in the US. Speaking to Bridges, an official commented that the “real question is - will the budget be better in June or January.” Given their call for a farm bill this year, the farm lobbies may not have been convinced by improving economic indicators to bet on better days ahead.

ICTSD reporting; “Farm bill challenges,” AG WEEK, 13 February 2012; “UPDATE 1- Obama reiterates call for U.S. farm subsidy cuts,” REUTERS, 13 February 2012.

**IN BRIEF****Months After Ratification, Sparring in Seoul Continues over US FTA**

The recently ratified trade pact between the US and Korea could soon face a new setback, with opposition parties in Seoul warning that they might repeal the bilateral deal unless various provisions of the pact are renegotiated.

“If we become the majority party in the upcoming general elections as expected, we will take every measure possible to repeal the Korea-US FTA,” the Democratic United Party (DUP) – South Korea’s main opposition party – said in a letter to US officials, including US President Barack Obama.

South Korea is set to hold elections in April of this year; recent polls indicate that the Democratic United Party will likely win the election by a wide margin.

In response to the opposition parties’ threat to repeal the pact, ruling party leader Park Geun-hye said on Monday: “[The DUP] claimed it was pushing for the FTA for national interests when it was in power, but it is now making the exact opposite argument after it became an opposition party.”

“I cannot let those who claim they will scrap the FTA if they win the elections lead the country,” Park continued.

The FTA was ratified by the US Congress and signed into law in October of last year; the pact was then ratified a month later in the South Korean parliament in a chaotic plenary session that saw one opposition lawmaker release a tear gas canister in protest as the ruling Grand National Party pushed the pact through. (See Bridges Weekly, [23 November 2011](#))

The pact has not yet been implemented, however, with discussions between Seoul and Washington on scheduling continuing.

Bilateral trade in goods between the two countries totalled US\$88 billion in 2010, according to the Office of the US Trade Representative. The US-Korea pact is expected to increase US goods exports by approximately US\$12 billion, according to estimates from the US International Trade Commission.

**Investor-state dispute clause, automobile market access questioned**

The DUP, together with the United Progressive Party – also an opposition party – have called for the renegotiation of ten clauses that they have deemed “poisonous,” including an investor-state dispute clause in the trade pact’s chapter on foreign investments that allows either party to bypass domestic courts and refer investor-state disputes to an international arbitration panel.

Critics argue that this provision would give US investors undue right to sue the Korean government; proponents note that the clause has already appeared in past Korean FTAs and has yet to lead to Seoul being sued.

The US-Korea trade pact was signed in 2007 under then-US President George W. Bush and then-Korean President Roh Moo-hyun. At the time of signature, the DUP was still in power in Seoul. The agreement was then renegotiated in 2010 in order to resolve differences between the two countries on automobiles and beef trade (see Bridges Weekly, [9 December 2010](#)).

The 2010 changes to allow US automakers greater access to the Korean market – specifically a special safeguard clause – are also among the provisions being challenged by the DUP lawmakers.

A special safeguard measure for surges in auto trade was included in the 2010 renegotiation in order to respond to the concerns of US automakers. Under the measure, increased duties through the “special auto safeguard” will be available for a decade following the US’s elimination of tariffs on Korean auto products. (See Bridges Weekly, [9 December 2010](#)).

ICTSD reporting; “Opposition Parties Warn US They’ll Scrap FTA,” THE CHOSUN ILBO, 9

February 2012; “DUP takes election gamble on Korea-US FTA renegotiations,” THE KOREA HERALD, 12 February 2012; “South Korea opposition party says it will repeal US trade deal,” REUTERS, 8 February 2012; “Park Geun-hye denounces opposition’s move to scrap US FTA,” YONHAP NEWS AGENCY, 13 February 2012.

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## New Delhi, Brussels Expect Autumn Trade Deal, Barroso Says

India and the EU hope to finalise negotiations for a free trade pact serving 1.7 billion people by this autumn, European Commission President José Manuel Barroso said last week after a bilateral summit.

The India-EU summit, held on 10 February in New Delhi, had previously been set as the deadline for concluding the trade talks, after officials from both sides confirmed that the discussions were moving at “full steam ahead.” (See Bridges Weekly, [23 November 2011](#))

However, reports later emerged that, despite progress having been made, the two sides were unlikely to meet their self-imposed February deadline. (See Bridges Weekly, [1 February 2012](#)). Negotiations toward an India-EU trade pact have been underway since 2007, with differences over services and automobile tariffs among the key issues preventing the two sides from reaching an agreement.

Barroso, speaking on 13 February at an event in Mumbai, noted that some stumbling blocks still remain in the areas of procurement and services. However, in the area of tariffs – a long-standing issue between Brussels and New Delhi, particularly with regards to automobiles and wine – “basically the work is done,” he continued.

“The negotiations have progressed steadily and I am happy to report that we have made a significant step forward,” Barroso said in a [statement](#) following Friday’s summit.

“Our positions are now closer in all areas and the contours of the final agreement are emerging. We have therefore committed to intensify these

negotiations. I expect the finalisation of these negotiations in autumn.”

EU-India trade has more than doubled, from €28.6 billion in 2003 to over €67.9 billion in 2010, according to European Trade Commission official data. Trade in commercial services has tripled from €5.2 billion in 2002 to €17.9 billion in 2010.

European Trade Commission estimates indicate that India would gain €5 billion and the EU over €4 billion in the short run alone, should the pact be finalised.

Earlier this year, at the annual World Economic Forum in Davos, Switzerland, British Prime Minister David Cameron made a strong call for finalising the New Delhi-Brussels talks by the end of this year, as part of a broader push for the EU to focus on bilateral deals in the absence of a multilateral Doha agreement at the WTO (see Bridges Weekly, [1 February 2012](#)).

Officials from New Delhi and Brussels also [inked](#) declarations on areas such as energy, research, and innovation co-operation. In the energy declaration, the EU and India agreed to work together “to improve energy security, safety, sustainability, access and energy technologies,” with efforts focusing on areas such as the development of low carbon sources and increased energy efficiency.

### Access to medicines

The subject of access to medicines drew particular notice in the days preceding the forum, with some non-governmental organisations – including Oxfam and Médecins sans Frontières (MSF) – making public calls for negotiators to avoid including intellectual property provisions in the pact that go beyond those in the WTO’s Trade-Related Aspects of Intellectual Property Rights (TRIPS) Agreement.

“We have watched too many people die in places where we work because the medicines they need are too expensive,” Unni Karunakara, International President of MSF [said](#). “We cannot allow this trade deal to shut down the pharmacy of the developing world.”

India currently supplies over 80 percent of HIV and AIDS medicine currently used in developing countries. Critics fear that including strict IP provisions in the pact could hinder India's ability to provide affordable, high-quality generics to developing country consumers.

ICTSD reporting.

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## US Probe into China, Vietnam Wind Tower Imports Moves Forward

Cheap wind tower imports from China and Vietnam are putting US manufacturers at risk, the US International Trade Commission (ITC) preliminarily found on 10 February; the finding is a first step toward Washington potentially imposing tariffs on these imports.

There is a "reasonable indication" that US wind turbine manufacturers are being threatened with material injury by these imports, the ITC found in an early assessment. The finding comes in response to a December petition filed by the Wind Tower Trade Coalition – a group of four US wind tower companies – which alleges that Chinese imports are being subsidised.

The petition also claims that both Chinese and Vietnamese imports are being exported at prices lower than those charged in their home markets – a practice known as dumping.

The panel's decision means that the US Department of Commerce will continue its investigations regarding these products. The agency is expected to announce its preliminary countervailing duty determination on Chinese imports by 23 March; this will be followed by a determination regarding anti-dumping duties for both Chinese and Vietnamese imports by 6 June.

The US currently imports US\$223.3 million in utility scale wind towers; nearly half, or US\$103.6 million, comes from China, according to Commerce Department estimates. Vietnam, meanwhile, accounts for US\$51.9 million of US wind tower imports.

## China responds

Prior to the ITC finding, Beijing quickly made clear its concerns regarding the US probe.

"The anti-dumping and anti-subsidy investigation initiated by the US is neither in the interests of Sino-US co-operation in new energy, nor in the interests of the US new energy industry," read a 31 January statement from the Ministry of Commerce (MOFCOM)'s Bureau of Fair Trade.

"It is also not in line with the trend of international co-operation in coping with the global climate change and energy security challenges."

The investigation on Chinese wind tower imports is just the latest development in an ongoing row between Washington and Beijing over renewable energy policies. Just last year, China ended a controversial public fund for wind power manufacturing that had been the subject of a formal WTO dispute between the two trading partners, with the US challenging a local content provision in the fund.

In that case, the Beijing decision to end the fund was hailed by Washington as a trade victory; however, Chinese wind energy firms stressed that the subsidies were terminated mainly because the industry was strong enough to compete without them. (See Bridges Weekly, 8 June 2011)

The US Department of Commerce is also investigating a separate complaint regarding Chinese solar panel imports, which was filed by SolarWorld AG and six other US manufacturers. Commerce is expected to reach a preliminary decision in March on whether to impose countervailing and anti-dumping duties on Chinese solar panels (see Bridges Weekly, 8 February 2012).

The sparring over renewable energy products come at a time of heightened trade tensions between the US and China, with the two countries clashing repeatedly over a broad range of issues, ranging from China's valuation of its currency to both countries' support of their renewable energy sectors.

ICTSD reporting; “US to continue probes into wind tower imports,” CHINA DAILY, 11 February 2012; “Wind Tower Makers in US Hurt by China Imports, Panel Finds,” BLOOMBERG, 13 February 2012.

## EVENTS & RESOURCES

### Events

#### Coming soon

16-17 February, Paris, France. ELEVENTH GLOBAL FORUM ON COMPETITION. Sponsored by the Organisation for Economic Co-operation and Development (OECD), this event will focus on commodities and price volatility, improving international co-operation in cartel investigations, and state-owned enterprises and competitive neutrality. Speakers at the forum will include WTO Director-General Pascal Lamy and OECD Secretary-General Angel Gurría, among others. The forum will consist of four topic-specific sessions, focusing on subjects such as price volatility, how to improve existing frameworks for international co-operation in cartel investigations, and more. Please note that forum participation is by invitation only and restricted to government representatives or selected invitees. For more information about this event, please click [here](#).

18-19 February, Nairobi, Kenya. THIRTEENTH GLOBAL MAJOR GROUPS AND STAKEHOLDERS FORUM. Organised by the UN Environment Programme (UNEP), this event is scheduled in preparation for the twelfth special session of the UNEP Governing Council/Global Ministerial Environment Forum (GC/GMEF), which will convene from 20-22 February 2012. This forum is meant to facilitate major groups' and civil society's participation in the UNEP Governing Council and its associated meetings. GMGSF-13 will also provide a platform and one of the last opportunities for major groups, stakeholders, and governments to conduct an exchange on their respective positions for Rio +20 and strategise for the conference itself. The event will include six informative discussion-based sessions that will include Rio +20 related topics.

For more details regarding this event, please visit UNEP's [website](#).

20 February, Geneva, Switzerland. THINKING DEVELOPMENT: THREE DECADES OF THE TRADE AND DEVELOPMENT REPORT. This event precedes the UNCTAD XIII Panel Discussion and will focus on the key issues in the global economy and the design of development strategies that have been addressed in the trade and development report (TDR) over the past three decades. Topics to be discussed will include origins and evolving ideas of the report, the TDR approach to development strategies, the macroeconomic reasoning in the TDR, and evolving issues in international economic governance. The discussions will aim to highlight how ideas, opinions, proposals, and the analytical approaches used in the TDR differed from those of “the mainstream.” The pre-panel discussion event will also include an array of presentations from various speakers that range from members of academia, the private sector, and government representatives. For more information about his event, please visit UNCTAD's [website](#).

21-22 February, Basel, Switzerland. GLOBAL ENERGY BASEL (GEB) SUMMIT: THE SECOND SUSTAINABLE INFRASTRUCTURE FINANCING SUMMIT. The GEB founders and their network partners, which include ICTSD, believe that sustainable infrastructure is key to answering four of the major challenges of the 21<sup>st</sup> century: climate change, resource scarcity, population growth, and urbanisation. This two-day conference will bring together high-profile representatives from governments, the private sector, and civil society to address the financing of sustainable urban infrastructure. The goal of the conference is to enable investment in modern cities, while proposing solutions to urban ecological challenges, including resource scarcity, energy security, and global warming. GEB also provides international organisations and industry representatives with a forum to discuss innovative financing of sustainable urban infrastructure projects. To register for the Summit or for more information, please visit the event's [website](#).

21-23 February, Johannesburg, South Africa. AFRICA ENERGY INDABA. Hosted by the

South African National Energy Association (SANEA) and in association with the World Energy Council (WEC), this event will focus on possible solutions for enabling adequate energy generation across Africa. This event receives global recognition as the foremost event for energy professionals from across the globe and is rapidly gaining momentum as the energy business forum in Africa. It aims to create a forum and business networking opportunity for decision-makers and leading role-players planning and developing Africa's energy future. The conference and its participants will focus on subjects such as African power suppliers; alternative and renewable energies; oil and gas; the legal and regulatory framework; and investment opportunities in African energy projects, among others. Event participants will include government and municipality representatives, African Ministers of energy, project developers, environmental sector representatives, and many others. For more information, please visit the event's [website](#).

21-23 February, Rome, Italy. SECOND GLOBAL MINOR USE SUMMIT. Coming five years after the first Global Minor Use conference, GMUS-2 will continue the progress on highlighting the many issues and obstacles that growers of minor or specialty crops face. Held at the UN Food and Agriculture Organization headquarters in Italy, this event will focus on global agreements for pesticide policy, procedure, and methodology to help deal with minor use issues while providing growers with access to safe tools to grow their crops and to promote free and fair trade. The purpose of the summit is to provide a forum for the international exchange of information on current activities that address minor use issues and to identify future opportunities and challenges in the area of technical and cooperative areas and in policy considerations. The conference is expected to attract nearly 300 participants from more than 60 countries, including government pesticide regulators and FAO/WTO members, agricultural producers, pesticide industry representatives, and environmental group members. For more information, please visit the event's [website](#).

22 February, online. EARTH DEBATE: BEYOND GDP – HOW CAN WE MEASURE PROGRESS? Organised by the UK's Natural

History Museum, in partnership with the Stakeholder Forum for a Sustainable Future and the British Council, discussions at this event will centre on ways to measure economic and developmental progress so that businesses and governments can invest in a green economy. A panel of leading experts chaired by Richard Black, the BBC's environment correspondent, will tackle key issues at the heart of the green economy agenda of the UN Conference on Sustainable Development (UNCSD, or Rio +20). The debate will be webcast live from the Museum. Noting that, although gross domestic product (GDP) remains the most important measure for international financing, alternative measures are needed for sustainable development, this debate will focus on alternatives to account for the wellbeing of the environment and local people. Panellists will include representatives from the Green Economy Coalition, the UK Department for International Development (DFID), the New Economics Foundation, and the Carbon Disclosure Project. For more information, please visit the event's [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 WTO 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.

21 + 23 February: Trade Policy Review Body – Turkey

22 February: Dispute Settlement Body

24 February: Working Party on the Accession of Azerbaijan

28-29 February: Council for Trade-Related Aspects of Intellectual Property Rights

## Other Upcoming Events

23-24 February, Casablanca, Morocco. MOROCCO INVESTORS' SUMMIT 2012: THE ULTIMATE GATEWAY TO DOING BUSINESS AND INVEST IN THE MAGHREB COUNTRIES. Hosted by the European Finance Convention, this event seeks to provide a forum and dialogue space for business professionals to share and discuss information related to doing business and/or investing in the Maghreb region. Topics to be considered at this event will include the Agadir Agreement and MENA markets integration; business opportunities in the Moroccan regions; agribusiness and fisheries, renewable energy and mining; large infrastructure projects; real estate and tourism; and banking, insurance, and other financial services. To learn more about the summit, please visit the event's [website](#).

16-18 April, Puerto Vallarta, Mexico. WORLD ECONOMIC FORUM ON LATIN AMERICA 2012. Latin America is notable for its stability and innovative social, agriculture, and renewable energy achievements. As such, the region is providing new models to address the future course of world affairs. This event will address the region's role and contribution to the governance of the global economy, the creation of innovative models for a sustainable future, and the improvement of capabilities for a regional transformation. A meeting of the Latin American Ministers of Economy and anti-corruption officials from the G-20 group of major economies will take place immediately following this meeting. Sponsored by the Government of Mexico and the Forum's key Strategic Partners, the meeting will convene key decision-makers from government, industry, civil society and academic. Under the theme "Regional Transformation in a New Global Context," leaders will shape a strategic vision for the region's growth, gain understanding of its global potential, and align stakeholders around that vision to inspire its realisation. For more information, please visit the event's [here](#).

23 April, Doha, Qatar. HIGH-LEVEL EVENT ON WOMEN IN DEVELOPMENT. Gender inequalities persist in all countries and take the form of labour segregation, gender wage gaps, gaps in asset ownership and in access to

technology and information, and huge differences in responsibility for house and care works. As a main event occurring during the UNCTAD XIII Conference, this event aims to promote policies that empower women to be full participants in economic and political life. Its purpose is threefold: to take the gender issue to a new level of political prominence; to yield new insights into the relationship between macroeconomic policies, development, and gender; and to launch a number of institutional initiatives to further the above objectives. The event will be divided into four thematic sessions, focusing on subjects such as trade, poverty, and gender; agriculture, food security, intellectual property, and gender considerations; and more. The gathering will bring together multiple stakeholders, ranging from policy leaders, UN agencies, academia, the private sector, and civil society. For more information, please visit the event's [website](#).

21-26 April, Doha, Qatar. THIRTEENTH SESSION OF THE UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT (UNCTAD XIII) AND CIVIL SOCIETY FORUM. This Conference will convene under the theme "Development-centred globalization: Towards inclusive and sustainable growth and development." The Conference's aim is to enhance the understanding of specific trade and development issues, especially after the fallout of the economic crisis. In parallel with the Conference, UNCTAD has also partnered with the United Nations Non-Government Liaison Service and the Qatari National Human Rights Committee to organise a Civil Society Forum, where representatives from the private sector and civil society will explore different ways to strengthen partnerships with UNCTAD to boost the effectiveness of trade and development efforts. The Civil Society Forum will begin its work on 17 April. For more information on the UNCTAD XIII Conference and the Civil Society Forum, please visit the UNCTAD XIII [website](#).

29-31 May, Tucson, US. ADAPTATION FUTURES: THE 2012 INTERNATIONAL CONFERENCE ON CLIMATE ADAPTATION. This conference, the second in a planned bi-annual series, is co-hosted by the UN Environment Programme's (UNEP) Programme of Research on Climate Change Vulnerability,

Impacts and Adaptation (PROVIA) and the University of Arizona. It will focus on adaptation to climate variability and change and will bring together researchers, policymakers, and practitioners from developed and developing countries to share insights into the challenges and opportunities that adaptation presents. It will showcase cutting-edge research from around the world, focusing on themes of equity and risk, learning, capacity building, methodology, adaptation finance and investment, and ecosystem-based adaptation approaches. It will also explore practical adaptation policies and approaches, and share strategies for decision-making from the international to the local scale. As a special reminder, the deadline to submit abstracts of related papers to the conference has been extended until 15 February. For more details, please visit the event's [website](#).

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## Resources

STRUCTURAL CHANGE IN COMMODITY MARKETS: HAVE AGRICULTURAL MARKETS BECOME THINNER? By Pete Liapis for the Organisation for Economic Co-operation and Development (OECD) (January 2012). In the current context of high food and agricultural prices, there is a widespread view that international prices are more volatile because agricultural markets are thin. This working paper uses a particular notion of market thinness relevant for internationally traded goods – exports as a share of production – to examine whether selected agricultural markets have indeed become thinner. The results of this study suggest that for most of the commodities examined from 1970 to 2010, markets have not become thinner. The results also indicate that production grew at a slower pace since 1995 for many of the products examined. Faster productivity growth can help mitigate price rises for products with strong demand growth. Government policies suddenly blocking or restricting the free flow of goods to international markets can contribute to higher and more volatile world prices. Thus, the author concludes that trade can help moderate price swings by balancing global demand and supply. This study is available for download [here](#).

DE-FRAGMENTING AFRICA: DEEPENING REGIONAL TRADE INTEGRATION IN GOODS AND SERVICES. Released by the World Bank (February 2012). African leaders are currently calling for a continental free trade area by 2017 to boost trade within the continent. In light of this effort, this new World Bank report shows how African countries are currently losing out on billions of dollars in potential trade earnings every year because of high trade barriers with neighbouring countries, and that it is easier for Africa to trade with the rest of the world than with itself. The authors argue that enormous opportunities for cross-border trade within Africa remain unexploited in food products, basic manufactures, and services. The report also states that this situation deprives the continent of new sources of economic growth, new jobs, and sharply falling poverty, factors which accompanied significant trade integration in East Asia and other regions. For more details about this resource, please click [here](#).

MANAGING FORESTS FOR CLIMATE CHANGE. Released by the United Nations Food and Agriculture Organization (FAO) (February 2011). This recently released report examines the role of sustainable forest management with regards to climate change mitigation and adaptation. It describes the FAO's integrated approach to sustainable forest management and outlines the ways forest management can help tackle climate change, including through carbon sequestration, strengthening adaptive capacity of trees, forest and forest-dependent communities, and conserving forest carbon stocks. This report also lists a number of sources for financing forests' contribution to climate change mitigation and adaptation. In addition, it outlines FAO's support to activities such as afforestation, reforestation, forest restoration, conservation, and sustainable practices of forest management and use. For access to this publication in its entirety, please click [here](#).

AGRICULTURE GREENHOUSE EMISSIONS IN LATIN AMERICA AND THE CARIBBEAN – CURRENT SITUATION, FUTURE TRENDS AND ONE POLICY EXPERIMENT. Presented by the Inter-American Development Bank (IDB) (January 2011). This

paper describes the implications of a hypothetical complete ban on land clearing for agriculture in tropical areas of Latin America and the Caribbean, which underscores that the carbon market will not be sufficient to compensate the rural poor for lost income. The paper argues that given the value of greenhouse gas (GHG) emissions in the marketplace, compensating farmers for refraining from land clearing may only offset over half of the total agricultural losses associated with the ban. This study is a part of an ongoing effort by the IDB to improve information on and understanding of the potential income costs and benefits of policies seeking to mitigate and adapt to climate change. This publication can be accessed [here](#).

GLOBAL TRADE IN SERVICES: FEAR, FACTS, AND OFFSHORING. By J. Bradford Jensen for the Peterson Institute for International Economics (September 2011). Both the services sector and international trade in services are growing rapidly. Yet, there is a lack of empirical research on the size, scope, and potential impact of services trade. In this book, the author conducts primary research using a range of data sources to produce a detailed and robust portrait on the size, scope, and potential impact of trade in services on the US economy. The book presents new evidence on the prevalence of service firm participation in international trade. The author finds that, in spite of the US' comparative advantage in service activities, service firms' export participation lags manufacturing firms. He suggests that there is considerable room for liberalisation, especially among the large, fast-growing developing countries. For more information, or to purchase the book, please visit the [website](#).

A LIFE FREE FROM HUNGER: TACKLING CHILD MALNUTRITION. By Kathryn Rawe, Daphne Jayasinghe, and others for Save the Children UK (February 2012). There is a hunger and malnutrition crisis affecting millions of children across the globe today that has long gone unchecked. Progress on reducing malnutrition has been slow for the past two decades. However, a combination of global trends – climate change, volatile food prices, economic uncertainty, and demographic shifts – is putting future progress on tackling malnutrition at risk. This newly released

report seeks to encourage action to be taken now to prevent this hunger and malnutrition crisis. The authors provide six steps to tackling malnutrition, which include making malnutrition visible, investing in direct interventions, filling the health worker gap, and others. The authors call for national and international action on these key six steps in order to tackle the global malnutrition crisis and widen the discussion on international food security and development. To access this publication, please click [here](#).