Dear readers,

Welcome to the new issue of the GIZ Trade Newsletter! The newsletter aims to provide you with quick and regular information on key debates, activities and events related to international trade relations. Moreover, it gives you an overview of upcoming events and recent publications and keeps you updated on news from German development cooperation in the field of trade.
We hope you enjoy reading this newsletter and appreciate any feedback.

Heike Hoeffler  
Corinna Heineke  
Stefan Weyler

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News from German development cooperation

Rethinking International Investment Governance
Publication launched at the CCSI Annual Conference and the UNCTAD World Investment Forum


The book sets out guiding principles to better align international investment law with sustainable development: transparency, participation, reciprocity, accountability, and subsidiarity.

The book was launched at two events: The CCSI Annual Conference in New York and the UNCTAD World Investment Forum in Geneva. Various participants in those events, including investment policy makers, academics, and civil society representatives, praised the book for making an important contribution to the international debate around sustainable investment policy and for providing a useful practical resource. In her welcome remarks at the World Investment Forum, the head of the BMZ Trade Division, Heike Litzinger, made clear, that sustainable investment is a key priority of German development policy and that contributions such as this book are important to achieve this goal.

For more information please contact Xaver Keller.

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Second Meeting on the Establishment of a Joint M&E System for the CARIFORUM-EU EPA

Opening spaces for dialogue and consensus

The global project “Supporting sustainability aspects in the implementation of EU Economic Partnership Agreements (NEW)” has continued its efforts to support the establishment of a joint monitoring system for the CARIFORUM-EU EPA. Recently, NEW helped organise a meeting of CARIFORUM Senior Officials with the aim of reaching an agreement about a common CARIFORUM position on the Joint Monitoring System and of passing on recommendations to the CARIFORUM Council of Ministers.

The workshop took place from October 8 – 9 in Guyana and was the third meeting held on this topic. Participants included representatives from all CARIFORUM member states and from various other regional organisations. The workshop encompassed a review of the rules and requirements for monitoring set out in the EPA and a detailed examination of the now 3rd version of the framework for a joint CARIFORUM-EU monitoring system. Some particular topics under discussion were the proposed indicators, the methodology of data collection and analysis, the question of responsibilities and roles in the monitoring process at national and regional levels as well as the financial and human resources required. The workshop ended with an agreement on the way forward.

For more information please contact Maria Krause.

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World Trade Organization

(WTO) DG Azevêdo: Debate on WTO reform should reflect all perspectives

WTO reform

At a meeting of the full WTO membership […], Director-General Roberto Azevêdo noted the emerging debate on ‘WTO reform’ and highlighted the importance that this discussion is inclusive. He said: “The state of this organization is an issue in which everyone has an interest, so it is important for all members to engage — whatever your perspectives may be.” DG Azevêdo pointed to the links between this debate and efforts to solve the rising trade tensions between some major trading partners.

Continue reading here.

(ICTSD) WTO Public Forum: Trade, Tech, and Sustainability

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Take Centre Stage at Annual Outreach Event

Public Forum

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

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

Access the article here.

(WTO) WTO joins with IFC, regional development banks and IMF to boost financial inclusion in trade

Financial inclusion

The World Trade Organization and six other international organizations pledged [...] to deliver greater financial inclusion in trade.

At a special session during the Annual Meetings of the World Bank and the International Monetary Fund (IMF) in Nusa Dua, Bali, Indonesia, the organizations committed themselves to finding ways to close the gaps in trade finance provision.

Continue reading here.

(EIF) WTO’s Aid for Trade programme putting a spotlight on LDCs

Aid for Trade

Aid for Trade means building the capacities of developing countries to trade. At the 6th WTO Ministerial Conference in 2006, Ministers agreed that, “Aid for Trade should aim to help developing countries, particularly LDCs, to build the supply-side capacity and trade-related infrastructure that they need to assist them to implement and benefit from WTO Agreements and more broadly to expand their trade.”

The WTO Aid for Trade Initiative was established to operationalize Aid for Trade. Activities are carried out through a Work Programme that is developed every two years, and LDCs have been a special focus of the Initiative since its launch.

The process of developing the 2018-2019 Aid for Trade Work Programme generated a vibrant debate. The result is an Aid for Trade agenda that emphasizes economic diversification and economic empowerment objectives for youth, women and micro, small and medium-sized enterprises (MSMEs).

Continue reading here.
EU Trade Policy

(EU Commission) Commission presents EU-Vietnam trade and investment agreements for signature and conclusion

EU-Vietnam trade agreement

The European Commission [...] adopted the EU-Vietnam trade and investment agreements, paving the way for their signature and conclusion. Through this adoption, the Commission is demonstrating its commitment to putting these agreements in place as soon as possible.

The trade agreement will eliminate virtually all tariffs on goods traded between the two sides. The agreement also includes a strong, legally binding commitment to sustainable development, including the respect of human rights, labour rights, environmental protection and the fight against climate change, with an explicit reference to the Paris Agreement.

Access the article here.

(Politico) EU trade action on Cambodia looms after unsuccessful talks

Preferential trade terms

Brussels is threatening to end preferential terms over poor human rights record.

Cambodia is moving closer to losing its preferential trade terms with the European Union after the bloc's foreign policy chief Federica Mogherini said [...] that talks with Cambodian leader Hun Sen failed to assuage the EU's human rights concerns. Speaking at the close of the Asia-Europe Summit in Brussels, Mogherini said she had met with Hun Sen on Thursday evening and had raised Europe's worries about the rapid deterioration of human rights in the Southeast Asian nation, including a steady erosion of the main opposition party.

Continue reading here.

(Euractiv) EU spearheads multilateralism at ASEM summit

Multilateralism

European leaders sought to build support from Asia on Thursday (18 October) in defence of free trade and the fight against climate change, to counter the growing protectionism of President Donald Trump's America.

The 28 EU states were joined at a summit in Brussels by more than 20 Asian leaders including Chinese Premier Li Keqiang, Japan's Shinzo Abe and South Korean President Moon Jae-in. The ASEM summit is the biggest international gathering in which the EU is represented by all its heads of state and government plus the Council and Commission chiefs. Europe is additionally represented by Norway and Switzerland. This is the 12th such summit since the process started in 1996.

Find out more.
(tralac) Pan-African MPs pledge to support AfCFTA ratification

AfCFTA

Members of the Pan-African Parliament (PAP) have backed Rwandan President Paul Kagame’s call for the August House to throw their weight behind the speedy ratification of the African Continental Free Trade Agreement (AfCFTA).

Opening the two-week session of the legislative body of the African Union in Kigali on Monday, the Chairperson of the AU sought the support of the House in the speedy ratification of the AfCFTA, the protocol on the free movement of persons, and other key pillars of Agenda 2063.

Access the full article here.

(ITC) How can the new African free trade agreement unlock Africa’s potential?

AfCFTA

Africa has an opportunity to show leadership on the world stage through strength in unity, as the rest of the world retreats from multilateralism and increases protectionism. For the first time in recent history, with the African Continental Free Trade Area (AfCFTA), Africa could wholly embrace intra-African relations, global trade, structural transformation and sustainable development. But for the agreement to succeed, businesses, which make up the backbone of the deal, need to be aware of their potential gains and be actively involved in its implementation, working alongside governments and regional institutions that are ultimately responsible for speeding up the process.

Access the full article here.

(Brookings) COMESA welcomes SA’s ratification of the Tripartite FTA

Tripartite FTA

South Africa has ratified the Tripartite Free Trade Agreement, becoming the fourth country to do so after Egypt, Uganda and Kenya. This is according to a notification sent by the South African Government to the Chair of the Tripartite Task Force, Ms. Chileshe Kapwepwe, who is the Secretary General of COMESA.

“This is excellent news,” said the Secretary General. “This development moves the tripartite process to near operationalization.”

Click here to read the article.
(Spore CTA) Food safety: Aligning Africa’s regulations with global markets

Food safety

Poor food safety regulations hamper Africa’s ability to engage in international food markets. But harmonised regulations, tailored infrastructure and increased public and private sector investment have been identified as interventions that could bolster the continent’s food safety capacity, and ignite its food export market.

Despite the economic importance of agriculture in Africa, food commodities account for only 4% of the continent’s total exports – a predicament that is partly explained by its poor food safety record. To boost the competitive edge of agriculture in ACP countries in order to enhance regional and global trade, it is essential to align food quality standards with the rest of the world, while improving the efficiency of value chains

You can read the whole article here.

(ICTSD) Facilitating trade and building inclusive agricultural supply chains with blockchain

Trade facilitation

Distributed ledger technologies (DLTs) and smart contracts can be a key component of trade facilitation, bringing greater transparency, accountability, efficiency, and traceability to the exchange of value and information in agricultural supply chains. These technologies have the potential to simplify transactions in agricultural supply chains, enhance food safety, facilitate access to trade finance and other financial services, improve market transparency, and strengthen compliance with trade agreements. Proactive engagement and cooperation among all stakeholders in the trade and agri-food ecosystem are necessary for an effective and smooth transition to new DLT-enabled practices that better facilitate international trade and build more inclusive and sustainable supply chains.

To continue reading click here.

(CAP Reform.eu) Recent trends in EU WTO domestic support notifications

WTO

The EU submitted its latest domestic support notification to the WTO for the 2015/16 marketing year on 23 August last. This notification is interesting because it covers the first full year of operation of the new CAP in 2015, as the new direct payments architecture was first implemented in that year. This post examines the trends in domestic support in this and recent notifications, and speculates on how the figures might be affected by the Commission’s legislative proposals for the CAP announced on 1 June last.

To read the whole article click here.
(UNCTAD) Fair trade movement and UNCTAD join forces

Fair trade

The two organizations have agreed to work hand-in-hand in their efforts to ensure all workers and farmers get a fair share of the benefits of trade.

The Brussels-based Fair Trade Advocacy Office and UNCTAD are joining forces to improve the living and working conditions of artisans, workers and smallholder farmers and producers in Africa, Asia and Latin America.

The two organizations, which have both been calling for a more equitable trading system for decades, signed a Memorandum of Understanding (MoU) on 19 October in Madrid.

Access the article here.

(Intracen) ITC to support 100 MSMEs from 20 countries to attend China International Import Expo

Enterprises from Africa, Asia and Latin America to showcase products and services at Shanghai Expo

Shanghai Expo

The International Trade Centre (ITC) will provide support to 100 companies from 20 least developed countries and developing countries in Africa, Asia and Latin America to participate in the China International Import Expo (CIIE), to be held in Shanghai on 5-10 November 2018.

The micro, small and medium-sized enterprises (MSMEs) going to China have been selected from a variety of sectors, including food, textiles and apparel, and services. In Shanghai, the ITC-supported companies will be showcasing their products and services, establishing new contacts with potential business partners and exploring how to tap into the Chinese market.

Continue reading here.

(UN News) Overseas investment falling, developing countries largely unscathed: UN trade agency

Foreign direct investment

Foreign direct investment (FDI) has dropped 40 per cent year-on-year so far, the UN Conference on Trade and Development (UNCTAD) said on Monday, but the $470 million decline is happening mainly in wealthy, industrialized nations, especially in North America and Western Europe.

Overall, the global financial picture is “gloomy”, said UNCTAD’s James Zhan, Director, Division on Investment and Enterprise. He explained that foreign direct investment is important because it gives countries access to external capital, technology, market access and tax contributions.

According to UNCTAD, the development is mainly owing to recent tax reforms in the U.S. which have encouraged big firms there to bring home earnings from abroad – principally from Western European countries.
Events

ECIPE: ECIPE Seminar: Healing Global Trade Rifts – What can be Done?
14 November 2018, Brussels

Global trade policy is under stress. The Trump Administration has broken with economic orthodoxy, ushered new protectionism into US trade policy, and threatened to slap more tariffs on old trade partners. Much as the Trump Administration is a disruptor, the health of global trade policy was weak already before President Trump was elected. Failures to conclude new global trade agreement at the WTO and the growth of new protectionism – not least on the heels of the financial crisis – have led to frictions and problems of making trade policy to reflect core developments in the world economy. What can be done to heal the trade rifts and address concerns – old and new – about growing protectionism?

See event details here.

E-commerce and Development: Policy, Negotiations, and a Fresh Look into Special and Differential Treatment
14 November 2018, Geneva

E-commerce discussions in Geneva, in regional capitals, and beyond are grappling with the challenges of formulating appropriate policy responses to the digital transformation of trade. The literature is clear, e-commerce has the potential to bring significant development benefits, but these will not be automatic. Moreover, significant gaps in capacity, capital and skills could imperil the equitable distribution of the benefits of digital transformation and prevent them reaching the world’s poor.

[...]
This workshop will look at the relationship between e-commerce and development both from a policy and a trade negotiations perspective. In doing so, we will address questions around the nature of special and differential treatment and its evolution, the relevance of competition policy in the context of the digital economy, and the shaping of trade negotiations, particularly at the WTO.

Find out more about the workshop here.

First African Forum for National Trade Facilitation Committees
27-29 November 2018, Addis Abeba

The first ever African Forum for National Trade Facilitation Committees: Empowering Public-Private partnership for trade facilitation will be held at UNECA's Conference Center, Addis Ababa from 27 to 29 November 2018.

More than 300 participants from the public sector, business community, donors, and regional and international organizations are expected to attend.
The Forum will offer a platform where stakeholders from the public and private sector, can boost together their capacities towards the implementation of trade facilitation reforms, including the WTO Trade Facilitation Agreement (TFA).

Learn more and register here.

Publications

**(ecdpm) Working with the grain of African integration**

*Briefing notes*

This Briefing Note gives an overview of the complexities and challenges facing efforts at regional integration in Africa. Although frustration with progress in regional integration is widespread, ambitions continue to grow with the recent signing of the African Continental Free Trade Area.

Engagement with regional processes should be based on a very explicit understanding of the political economy of regional processes. This means taking account of political interests and incentives both within and between states to gauge where there is genuine traction for regional initiatives and therefore where external support might be effective. As part of thinking about furthering the regional agenda, this Briefing Note also points to the importance of effective monitoring, meaning not only following outcomes, but also tracking commitments made towards regional efforts.

Continue reading and download the publication here.

**(WTO) World Trade Report 2018: The future of world trade - How digital technologies are transforming global commerce**

*Report*

Trade has always been shaped by technology but the rapid development of digital technologies in recent times has the potential to transform international trade profoundly in the years to come. The World Trade Report 2018 examines how digital technologies – and in particular the Internet of Things, artificial intelligence, 3D printing and Blockchain – affect trade costs, the nature of what is traded and the composition of trade. It estimates how global trade may be affected by these technologies over the next 15 years.

Download the report here.

**(UNEP/WTO) Making trade work for the environment, prosperity and resilience**

*Report*

International trade offers unique opportunities to help tackle mounting environmental challenges while fostering economic and social prosperity. This new co-publication by the World Trade Organization and UN Environment illustrates how trade can support action by governments, companies, innovators and
consumers to improve economies and protect the environment at the same time.

Access the publication here
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