

# ECONOMIQUITY

October-December 2015

## Trading blows, war continues *How India fares at WTO yet to be decided*

After five days of intense negotiations, 162 members of the WTO came to a deal in Nairobi to push the agenda, and crucially reassert its relevance. The Indian delegation, led by Commerce and Industry Minister of India Nirmala Sitharaman, succeeded in getting a balanced deal, which will protect the interests of developing country farmers, as well as advance the quest for global equity.

The fact that a multilaterally agreed trade deal came soon after the adoption of the Sustainable Development Goals agenda in New York and a Climate Change deal in Paris augurs well. They underline the virtues of arriving at negotiated deals, howsoever imperfect they may appear.

With Nairobi, trade multilateralism is back in its new avatar. As a trade minister observed, "Happiness and unhappiness were evenly distributed in Nairobi." Other than decisions on electronic commerce, implementation of the WTO Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPs), and a work programme for the advancement of small economies, three major decisions were taken on agriculture. India was steadfast in pursuing the interest of its poor farmers despite the lack of interest from many rich countries.

On the contentious issue of a permanent solution on public stockholding of food grain for food security purposes, India successfully delinked it from other issues of the Doha Round of negotiations. It was agreed that negotiations on this should be concluded swiftly. This means the G-33 group — comprising India, Indonesia et al — could push for such a permanent solution even if there is no progress in other areas of the Doha Round.

On the special safeguard mechanism to protect the interest of farmers from sudden import surges, despite considerable differences with a number of developed countries and some agriculture-exporting developing countries, India maintained its position of not explicitly linking it to market access on agriculture.

The third decision was on export competition in agriculture. Here as well, India gained extra time to phase out its subsidies for agricultural exports which could be trade distorting. Only in the case of subsidies to cotton export, which has been dealt separately in another decision, was India's concern not addressed fully, which it did raise in the closing session.

Another contentious subject was the introduction of so-called 'new issues'. While India was not in favour of them as it would have put severe pressure on its negotiating capital, it was left open-ended — but with the caveat that negotiations, if any, would need to be agreed by the explicit consensus of all members. This has given the poor countries the necessary flexibility to take part in the discussions on those issues which will help in future in furthering the interests of farmers as well as industries.

Overall, the Nairobi Ministerial witnessed the continuation of the battle on various fronts of the international trading system. Given the compromise language in the Nairobi Ministerial Declaration, one may say that India has drawn its battle with the rich as well as with some emerging powers. However, the war game, started in 2008 following the collapse of the WTO talks, is expected to intensify.

*Excerpts from The Economic Times, December 22, 2015. The writer is Secretary General, CUTS International. Bipul Chatterjee of CUTS contributed to this article.*



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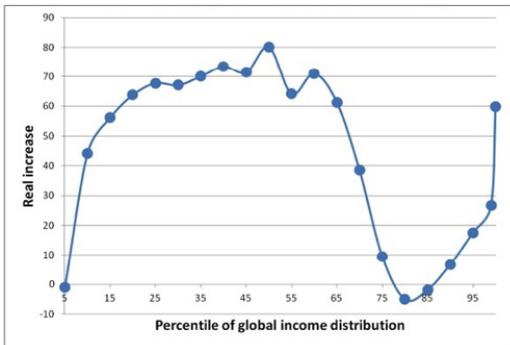
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# Four Charts Show the World is Getting Better

Noah Smith\*

Chart 1: The Great Compression



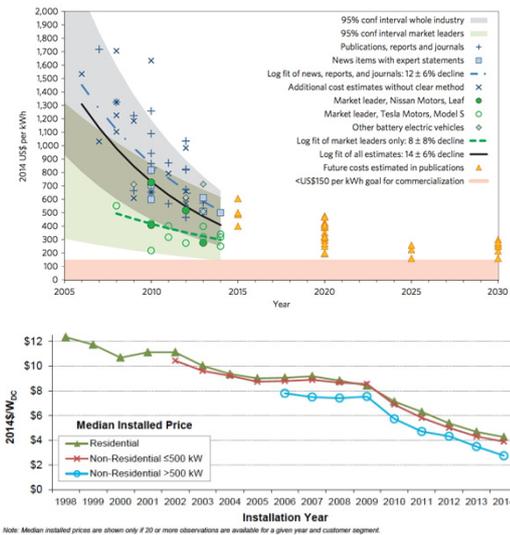
The new year is always a time for reflecting on what happened in the past year. But I think it's worth stepping back and taking a look at the bigger trends shaping our world. I believe that most of what's going on can be traced back to a few underlying processes.

This chart is from a paper by economist Branko Milanovic. It shows how income has grown or shrunk for people at various rungs on the global income distribution, during the past two or three decades. You can adjust the beginning and ending years, but the same basic pattern will emerge.

Basically, most of the world has experienced absolutely huge gains. Except for the very poorest countries the world's poor have become a lot less poor. This is true of people in middle-income countries such as Russia, Malaysia and Brazil, and of people in most impoverished African countries as well. And nowhere is it more true than in the newly industrialised China.

The first of these charts, showing the drop in the cost of batteries, is from a study in *Nature Climate Change* by Bjorn Nykvist and Mans Nilsson. The second, showing the fall in the cost of installing solar panels for electricity generation, is from a report by Lawrence Berkeley National Laboratories.

Charts 2 and 3: The Rise of Renewables

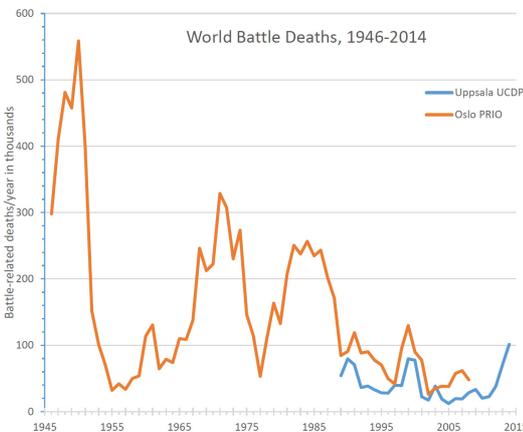


These are the two pieces to the global energy revolution. Solar power, after decades of being much too expensive to replace conventional electricity sources, has fallen exponentially in cost. That will allow countries to build solar farms instead of new coal- and gas-burning power plants. At first, the change will come in sunny locales, and in poor countries where energy is expensive. Eventually, though, almost every country will start building solar on a mass scale. The shift is already happening.

Importantly, both of these technologies are experiencing relatively steady cost reductions. That implies that progress is due not to huge new breakthrough technologies, but to learning curves. The more solar and batteries we build, the better we get at building them. That means that we don't have to hope and pray for big breakthroughs — we just have to wait for the costs to fall enough.

Cheap renewable energy is a true revolution. It is as important as the tech revolution or the Green Revolution in agriculture. It will allow us to escape the yoke of scarce fossil fuels, and help us limit and contain the damage of climate change. Instead of having to choose between limiting our economies and protecting our environment, we are innovating our way out of our problems once again. The importance of this human triumph is difficult to understate.

Chart 4: Peace on Earth



This chart, from the University of Uppsala's Department of Peace and Conflict Research, shows how war has decreased since the end of World War II. The fall hasn't been steady — conflicts in Korea, Southeast Asia, the Middle East and Africa have temporarily reversed the trend. Beyond saving lives, falling conflict yields huge benefits for the world. Countries in Africa and Southeast Asia are now free to develop economically.

So our world today is getting better and better in several critical ways. Conflict, poverty and global inequality are falling, while technology is helping us defeat our biggest environmental threats. The only major blight on the global picture is income stagnation of the rich-country middle classes. That stagnation, if it continues, may well destabilise the world's most powerful nations, threatening the other positive trends.

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**Boost for China as it joins IMF elite**

The International Monetary Fund (IMF) gave a major vote of confidence to China and its reform efforts, giving the renminbi greater weighting than the yen or pound as it included the currency in its elite basket of reserve currencies.

The vote by the board to make the renminbi the fifth currency in the basket used to value the IMF's own *de facto* currency followed months of deliberation at the fund and years of lobbying by a Beijing eager for the recognition.

"The Rmb's elevation to the club of elite global reserve currencies is a big step for China and a significant one for the international monetary system," said Eswar Prasad, Professor of Economics at Cornell University and a former IMF China Mission Chief.

(FT, 01.12.15)

**Capital Drought in Emerging Markets**

A sudden capital drought in emerging markets could undermine the fragile global expansion, World Bank economists said in a report that questions whether the international lender's main poverty-reduction target is achievable given the bleaker outlook.

Now in its sixth year, the slowdown in developing economies is the broadest since the 1980s, World Bank economists said in a research paper.

While emerging nations are better prepared for shocks than they were in the 1980s and 1990s, the recent 'rough patch' could signal a new era of slow growth, according to the Washington-based development bank. (BS, 09.12.15)

**MEA Seeks Chilean Investment in India**

In a bid to increase its foothold in South America, India is working towards a comprehensive Preferential Trade Agreement (PTA) which could be in place as early as next year. As negotiations are underway, the agreement will include both goods and services.

"We hope to see that the PTA with Chile is expanded and will work together closely so that this becomes a reality," Ashok Das, Joint Secretary (Latin America & the Caribbean), MEA stated.

Outlining major programmes of the NDA government, Das said that there are opportunities for the 'businesses from Chile to take part in India's several programmes including 'Make in India and Digital India'. (FE, 08.12.15)

**China Pledges Support to Economy**

China will make its monetary policy more flexible and expand its budget deficit in 2016 to support a slowing economy, state media said, citing top leaders who wrapped up an important meeting and vowed to push forward 'supply-side reform'.

The annual Central Economic Work Conference is keenly watched by investors for clues on policy priorities and main economic targets for the year ahead.

"The pro-active fiscal policy needs to be more forceful and the prudent monetary policy needs to be more flexible," state radio said, citing a statement after the conference. The

government aims to keep economic growth within a 'reasonable range' in 2016. (FT, 22.12.15)

**Uruguay's Chinese Cars Boom Ends**

Chinese passenger vehicle sales tumbled almost 34 per cent year-on-year during the first 10 months of 2015, compared to a nine per cent decline in the total market, according to data from Uruguayan automotive trade group ACAU.

China's market share in Uruguay, once the highest in Spanish-speaking South America, has plunged with sales. Brands such as BYD, Geely and Chery represented 17 per cent of new passenger vehicle sales in 2015, down from 23 per cent in 2014.

The devaluation of the Brazilian real, which has helped Volkswagen and Fiat factories in Brazil, and Suzuki imports from India have forced dealerships to cut prices on Chinese vehicles. (Mint, 13.11.15)

## Hike in US Visa Fee Not to Impact Indian IT

Infosys Founder N R Narayana Murthy said the move by the US Congress to increase the fee on popular H-1B and L-1 visas will not impact the growth of the Indian IT sector even as the industry body Nasscom has stated that the move could cost the IT industry US\$400mn annually.



"I do not think it is an issue... US\$2,000 or US\$4,000 that does not matter, because the important thing is that you have to provide excellent value to customers. And I believe the Indian IT industry is providing already," Murthy said.

The US Congress has imposed a special fee of up to US\$4,500 on certain categories of the H-1B and L-1 visas that are popular among Indian IT companies to fund a 9/11 Healthcare Act and Biometric Tracking System.

(TH, 18.12.15)

## OECD Warns of Global Trade Slowdown

Global trade flows have fallen dangerously close to levels usually associated with a global recession, although actions taken by China and others should ensure a pick-up in 2016, the Organisation for Economic Co-operation and Development (OECD) said in a report.

The Paris-based OECD, a think tank funded by wealthy countries, also cut its 2015 growth forecast



to 2.9 per cent in its bi-annual economic outlook from the 3.0 per cent it forecast in September. It has repeatedly cut its 2015 growth outlook from the 3.7 per cent it initially forecast in November 2014.

The OECD said US Federal Reserve should nevertheless go ahead with its first rate hike since the financial crisis as a recovery gains steam in the US and Europe, despite a slowdown mostly centred on emerging markets and China.

It said global trade would grow by only 2 per cent in 2015, a level it has fallen to only five times in the past five decades and that coincided with downturns: 1975, 1982-83, 2001 and 2009.

(FE, 09.11.15)

### India's Exports to Outpace China

India's exports will likely to grow at an average of six per cent annually between 2025 and 2050, outpacing an almost five per cent expansion in China's during this period, according to a report by HSBC.

"Led by a burst of intra-Asian trade that will lift the region's share of global exports to 27 per cent by 2050 from 17 per cent at present, the surge will mark a third wave of globalisation anchored by new technologies and increasing economic integration," said the report, commissioned by HSBC Commercial Banking and compiled by Oxford Economics.

Asia-Pacific's share of global exports is forecast to rise from around a third in 2015 to 46 per cent in 2050, while Western Europe's share is projected to drop to 22 per cent from 34 per cent, and North America's to fall from 11 to 9 per cent, it added.

(FE, 24.11.15)

### China's 2016 Growth May Slow

China's economic growth will slow in 2016 to between 6.6 and 6.8 per cent and the central bank should continue to apply 'structurally loose' monetary policy, according to the country's top government-backed research organisation.

The Chinese Academy of Social Sciences forecast consumer-price inflation would accelerate to 2.1 per cent in 2016, a level last seen in mid-2014, while factory-gate deflation would extend its record stretch to more than four years, according to a statement released in Beijing.

The think tank in 2014 projected 2015 growth of 7 per cent, then cut the estimate to 6.9 per cent in the middle of 2015.

(FE, 16.12.15)

### Global Agri Prices to Rise

Triggered by weather concerns and a rising dollar, prices of agricultural commodities are likely to remain volatile in 2016, says Rabobank, the Dutch multinational financial services company.

With a rise in the first half of the calendar year, before erasing its entire gain by the end of the year, it forecasts agri commodity prices in the world

market to rise up to 12 per cent by the end of June 2016.

This would reflect a strong dollar's pressure, crude oil price weakness and potential for considerable weather-related production risks. The forecast indicates that excess supply of agri commodities due to record production in past years might not prevent a price rise but the gains could be capped.

(BS, 27.11.15)

### EU-style Economic Bloc Launched

Association of Southeast Asian Nations (ASEAN) leaders declared the establishment of an EU-style regional economic bloc, ASEAN Economic Community (AEC), a single market with a free flow of goods, capital and skilled labour in the region.

The Kuala Lumpur declaration on the establishment of the AEC was signed by the leaders of 10-nation grouping in front of world leaders including Prime Minister Narendra Modi and UN Secretary General Ban Ki-moon.

The AEC envisages a single market with a free flow of goods, capital and skilled labour across borders in the highly competitive economic region. It will integrate Southeast Asia's diverse economies, a region with 620 million people and a combined gross domestic product (GDP) of US\$2.4tn.

(BS, 22.11.15)

### VW to Recall 324,000 Cars in India

Volkswagen is planning to recall 324,000 diesel cars in India to remove devices linked to emissions cheating in other countries, marking the largest such exercise in the country's automotive history and a further blow for the German carmaker.

The recall, described by VW as voluntary, is the latest aftershock in the group's global scandal, in which it has admitted rigging emissions tests in the US, triggering investigations by regulators across the world. South Korea fined VW US\$12mn for tampering with tests, and ordered a recall of more than 125,000 diesel vehicles.

VW reported a near 25 per cent drop in US sales as it stopped selling certain models amid the emissions-rigging scandal. The group sold 23,882 units in November compared to the same period in 2014.

(FT, 02.12.15)

**Global Tax Deal to Raise US\$250bn**

The world's leading finance ministers agreed to change the rules on taxing profits, and warned multinational companies they could no longer use their size and international presence to dodge taxes.

Under the rules, companies such as Starbucks, Amazon and Google will find it harder to concentrate their profits in low-tax countries and tax havens – a shift that promises to raise up to US\$250bn a year in extra tax revenues, according to the OECD.

Angel Gurría, Head of the OECD, the club of mostly rich nations that has drawn up the rules, said it was time 'to recover the trust of our citizens' and 'move to the next phase which consists of a well-defined trilogy: implementation, implementation, implementation'. (FT, 10.10.15)

**Iran-India to Seal Gas Pipeline Pact**

With the lifting of Western sanctions, hydrocarbon-rich Iran is positive on finalising an agreement with India for setting up a US\$4.5bn undersea gas pipeline.

Iran state-owned National Iranian Gas Export Company's (NIGEC's) Managing Director Alireza Kameli said the 1,400-km pipeline would transport natural gas via the Oman Sea and Arabian Sea, and was among the four major contracts under negotiation by the Iran's state-owned firm.

South Asia Gas Enterprise's (SAGE) proposed pipeline would bypass

Pakistan's exclusive economic zone and transport up to 31.1 million standard cubic metres per day of gas from Chabahar in Iran and Ra's al Jifan in Oman to Porbandar in Gujarat, with a possible extension to Mumbai later.

(BS, 07.12.15)

**ASEAN Opts for New Roadmap**

Leaders from the Association of Southeast Asian Nations (Asean) unveiled with fanfare another road map to a common community for the next decade even as the bloc missed targets for economic integration in 2015.

The 10 leaders signed a document declaring the establishment of an Asean Community entitled 'Asean 2025: Forging Together Ahead' that laid out the vision for the next 10 years. It aims to create a community that is 'politically cohesive, economically integrated, and socially responsible.'

Less was said about the end-2015 targets for AEC, whose goal was to allow free movement of goods, services and skilled labour as part of a EU-style integration plan, without a common currency.

Asean will now attempt to complete measures unfinished in an eight-year plan by the end of 2016 after missing the end-2015 goal. (Mint, 23.11.15)

**Oil Slips after OPEC Update**

Oil fell below US\$45 a barrel for the first time in three months after Organisation for Petroleum Exporting

Countries (OPEC) said the oil overhang had grown even bigger than during the financial crisis.

North Sea Brent, the international benchmark, fell three per cent to US\$44.33 a barrel, the lowest since August, while US benchmark West Texas Intermediate slumped 2.9 per cent to US\$41.69 a barrel. Opec, which pumps a third of the world's oil, said that inventories of crude oil in advanced economies were more than 210m barrels above the five-year average, outstripping the build-up in 2009.

"The build in global inventories is mainly the result of the increase in total supply outpacing growth in world oil demand over the first nine months of this year," Opec's analysts said.

(FT, 13.11.15)

**75% Real Estate Projects Non-Starter**

Over 75 per cent of the total 3,540 live projects, with total outstanding investments worth over ₹14 lakh crore attracted by the real estate sector across India, remained non-starter as of financial year 2014-15, noted a study by apex industry body – Associated Chambers of Commerce and Industry of India (Assocham).

"While over 2,300 projects in the realty sector remained non-starter, over 1,000 on-going projects have registered significant delay in completion," highlighted the study titled 'Real estate investment: State-level analysis,' conducted by Assocham. (TH, 23.10.15)

**What is the Economic Cost of Terrorism?**

It feels frivolous to ask about the cost of terror after the horrific Paris attacks, but it is one of the central issues with which policymakers and investors are grappling. The conventional wisdom is that an act of terrorism accounts for a mere blip in economic damage.

Economists often point to research showing that after the Madrid train bombings in 2004 and the London subway bombings in 2005, GDP in those countries barely budged and showed little direct correlation to the attacks. But that reaction may belie the true cost of terrorism and, more important, underestimate the potential cost of the Paris killings.

"The aftermath of the November 13 Paris attacks may not in itself prompt extensive market-based volatility," Citigroup wrote, suggesting that financial markets 'treat such developments as idiosyncratic and the unfortunate reality of a world where large-scale carnage has become an almost daily, if sickening, development.'

(TH, 18.11.15)



## Rapid Warming to Affect Food Security

Rapid warming of the Indian Ocean may potentially turn this biologically productive region into an ecological desert, according to a new study authored by Roxy Mathew Koll, Scientist at the Indian Institute of Tropical Meteorology, and others.

The study points to significant decline in the marine phytoplankton in the Indian Ocean microscopic plants in the ocean which



sustain the aquatic food web and drive the marine ecosystem.

In addition, they absorb the solar radiation and modulate the upper ocean heat flux, thereby influencing climate processes and biogeochemical cycles, particularly the carbon cycle.

The authors suggest that the rapid warming in the Indian Ocean is playing an important role in reducing the phytoplankton up to 20 per cent during the past six decades.

(*BL*, 24.12.15 & *FP*, 21.12.15)

### India-France to Raise Cheap Solar Power

India and France unveiled a plan to mobilise more than US\$1tn to make solar energy affordable in sun-rich developing countries, on the first new global climate change accord in 18 years.

Negotiations from nearly 200 countries have converged on Paris to tackle a problem which US President Barack Obama said could “define the contours of this century more dramatically than any other”.

French President Francois Hollande warned his fellow leaders that a failure to reach agreement on cutting carbon emissions would lead to famine, mass migrations and wars. “Your presence raises a great hope which we do not have the right to disappoint”, he said, adding that “billions of people are counting on us”. (*FT*, 01.12.15)

### China on Pollution ‘Red Alert’

China issued a ‘red alert’ for pollution, hard on the heels of its first-ever such warning, as its leadership vowed to crack down on often hazardous levels of smog.

Authorities in Beijing warned the city would be shrouded by heavy pollution, prompting the highest-level warning that leads to emergency responses such as limiting car use and closing schools.

After decades of unbridled economic growth, China’s leadership has vowed to tackle heavy air, water and soil pollution, including the thick smog that often blankets major cities.

The Environmental Protection Minister, Chen Jining, vowed to punish agencies and officials for any failure to implement a pollution emergency response plan quickly. (*TG*, 18.12.15)

### World’s Richest Produce More Emissions

As the rich countries of the West lock horns with the developing world at Paris on the question of who will cut how much carbon emissions, a new study by Oxfam shows the jaw dropping chasm between emissions of the two sides.

The richest 10 per cent people of the world are responsible for almost half of all global carbon emissions while the poorest 50 per cent of the world cause just 10 per cent of it in one year.

Here’s another way of looking at this: a person belonging to the poorest half of the world emits just 1.57 tonnes of carbon dioxide per year while a person belonging to the richest 10 per cent emits 17.6 tonnes – over 11 times more.

If you compare the richest 10 per cent with the poorest 10 per cent, the gap is mind boggling. The carbon footprint of the richest is 60 times larger than that of the poorest at a global level. (*Tol*, 10.12.15)

### Japan to Increase Climate Financing

Gearing up for global warming talks in Paris, Japan said that it plans to provide US\$10.6bn in climate financing a year for developing countries from 2020, including public and private funds.

Prime Minister Shinzo Abe made the announcement as he prepared to join more than 100 world leaders who will assemble in Paris to try to negotiate an agreement to limit climate change. He said the financing was meant to help developing countries fully join in the effort to fight climate change.

“Our country attaches importance to the participation of all countries in a new international framework,” he said, referring to the effort to replace the 1997 Kyoto Protocol on reducing emissions of greenhouse gases that contribute to global warming.

(*BL*, 26.11.15)

### China-India Choke on Smog

China and India have greeted the start of climate change talks in Paris with their capitals enshrouded in thick brown smog, a product of runaway economic growth. Both plagued by smog for much, children have been kept indoors at schools and sales of air filter and face masks have boomed.

High levels of vehicle and industrial emissions have combined with smoke from heating in north China, and in northern India with agricultural waste burning.

The Indian Institute of Technology Kanpur, which has completed a study on Delhi’s air pollution, has called for urgent measures to upgrade fuel standards. The government, however, appears reluctant to confront India’s powerful automotive industry.

(*FT*, 30.11.15)

**India-China to Combat Climate Disaster**

India and China are among the countries most affected by weather-related disasters with the two nations accounting for more than three billion disaster-affected people between 1995 and 2015, a new UN report has said ahead of the crucial Paris climate conference.

The report titled '*The Human Cost of Weather Related Disasters by the United Nations Office for Disaster Risk Reduction*' said the five countries hit by the highest number of disasters are the US, China, India, the Philippines, and Indonesia.

"Asian population giants China and India dominate the league table of countries most affected by weather-related disasters. Together these two nations account for more than 3 billion disaster-affected people between 1995 and 2015. That is 75 per cent of the global total of 4.1 billion people," the report said. (BL, 24.11.15 & BS, 21.11.15)

**Climate Risk on Islands to Increase**

All that is visible of Toguorū's graveyard are the tops of three headstones poking out from under the turquoise blue water of Fiji's coral coast.

South Pacific island nations such as Fiji, Kiribati and the Marshall Islands are on the climate front line, with hundreds of thousands of people living on coasts prone to flooding and violent storms, such as Cyclone Pam, which devastated Vanuatu in 2015.

The Intergovernmental Panel on Climate forecasts that sea levels could rise by almost a metre by 2100 due to melting polar ice and thermal expansion of the oceans.

This is a key concern of scientists and world leaders, who begin talks in Paris to try to agree the first accord to cut global greenhouse gas emission in 18 years. (FT, 23.11.15)

**Price Rise in World Food**

World food prices rose in October, spurred by weather-driver concerns about sugar and palm oil supplies, but remained well below their equivalent level a year ago.

The Food and Agriculture Organisation's (FAO) food price index,

which measures monthly changes for a basket of cereals, oilseeds, dairy, meat and sugar, averaged 162 points in October against 155.9 the month before.

The FAO cut its forecast for world cereal output in 2015 to 2.530 billion tonne-some 1.1 per cent below in 2014's record-from a previous estimate of 2.534 billion tonne given in October 2015. (FT, 05.11.15)

**Warming to Affect Coffee Production**

The coffee-drinking world needs another Brazil, the world's top grower and exporter of the beans, if it's to avoid a shortage.

Rising consumption, especially in emerging markets, means global production will have to rise by an extra 40-50 million bags of coffee in the next decade, said Andrea Illy, the Chairman and CEO of Illycafe SpA, a roaster based in Trieste, Italy. That's more than the entire crop of Brazil.

Throw in the looming threat of climate change, as well as low prices that are discouraging farmers from increasing output, and you have got a potential problem. It's something

producers, government officials and industry representatives tried tackling this at the Global Coffee Forum in Milan. (Mint, 02.10.15)

**Climate Finance Questioned**

A recent report from the OECD claiming US\$62 billion has been mobilised as climate finance in 2014-15 against the developed countries' commitments of annual US\$100bn by 2020 has caused a storm at the UN climate change negotiations in Bonn.

Developing countries, including India, have collectively questioned the veracity of the contents, suggesting creative accounting and green-washing of existing global fund flows to paint a more rosy rather a real picture. They have also questioned the timing and purpose of the report weeks ahead of the Paris agreement.

In contrast, the US special envoy on climate change, Todd Stern has said the report has likely underestimated the fund flow as it has not accounted for fresh commitment of funds, which would take climate finance to nearly US\$80bn. (BS, 22.10.15)

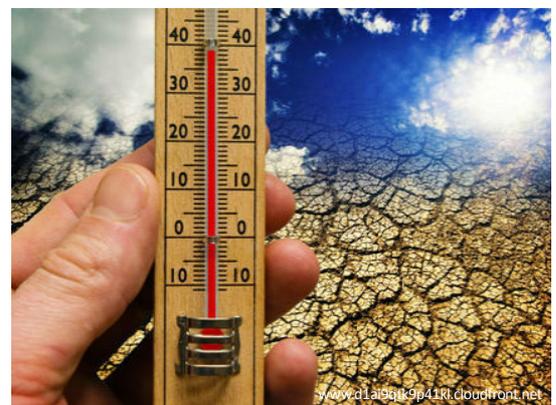
**2015 Recorded as the Hottest Year**

The World Meteorological Organisation (WMO) said 2015 is likely to be the warmest year on record, thanks largely to El Niño, but also on account of human-induced global warming.

A few days ahead of the UN climate change conference in Paris, WMO said the global average surface temperature in 2015 may even reach the significant milestone of 1 degree Celsius above the pre-industrial era. The 2011-15 period has been the warmest five-year period on record, with many extreme weather events-especially heat waves-influenced by climate change, said WMO.

"The state of global climate in 2015 will make history for a number of reasons," said WMO Secretary-General Michel Jarraud.

"Levels of greenhouse gases in atmosphere reached new highs and in the northern hemisphere, (during) spring 2015, the three month global average concentration of carbon dioxide crossed the 400 parts per million barriers for the first time. (Mint, 25.11.15)



# Some Shortfalls of the Paris Climate Change Deal

Vanessa C. Burbano\*



*The agreement is huge but there's still a lot to do.*

This year has been a milestone year for commerce and climate agreements. Two of the biggest are the Trans-Pacific Partnership (TPP), and the recently completed Paris Climate Compact.

The TPP struck by the US and 11 other Pacific nations defines commercial rules for two-fifths of the global economy. The Paris Climate Compact will reduce global greenhouse gas emissions, slowing the effects of climate change.

These agreements may point us in the right direction, but there is still much to be done. As US companies expand their businesses abroad under these agreements, many will be operating in new political and regulatory environments, making it easier for corporations to sue governments that seek to bolster environmental, workplace safety and compliance standards.

## Agreements Difficult to Measure & Enforce

Indeed, it's highly unlikely that this dilemma will be solved in the short term because individual countries are unlikely to give up their legislative autonomy. No single organisation will be created to monitor environmental, labor or safety standards across the globe.

While we know it takes years to incorporate meaningful regulation and performance metrics in global treaties, there is a way to get there faster.

How? Simply by demanding that global businesses comply with non-financial reporting standards.

Despite the enormous amount of financial information published by companies in annual reports financial disclosure alone fails to tell the complete story about a company's health or its prospects for growth and success in a global economy.

Reporting non-financial information provides a more complete picture that helps investors and other

stakeholders better understand how value is created, managed and sustained.

## Transparency on Environmental Performance

Greater transparency on environmental performance, including voluntary disclosure by firms, will have a strong effect on creating change in global business practices while providing transparency on measuring global emissions reductions.

And it's not just environmental protections that matter. Issues of corporate governance, accounting integrity and social impact are all business metrics that matter to corporate stakeholders – employees, investors, consumers and regulators alike.

Over the past 20 years, the Federal Trade Commission (FTC) has pursued action against corporations for false or misleading statements about environmental performance a mere 41 times.

One could argue there needs to be more action, but it's difficult for the government to make a case against corporations when they are not currently required to share information on non-financial practices or performance.

## TPP and the Paris Climate Compact

The TPP and the Paris Climate Compact each represent milestones in global economic and environmental progress. These agreements write the rules for global trade and environmental sustainability—rules that will help grow the American economy, all while slowing the severity of climate change.

While these agreements are significant wins for everyone, they are of little value unless *the agreement is huge but there's still a lot to do.* We can measure our progress against our goals and set new standards for global business leadership.

\* Assistant Professor of Management at Columbia Business School; Excerpts from an article appeared in *Fortune*, on December 17, 2015.

# The WTO Struggles in Nairobi

Greg Rushford\*

The WTO Ministerial conference in Nairobi brought one bit of good news. After five days of wrangling, the 164 member countries agreed to phase out export subsidies for agricultural products. That's a small but worthy accomplishment that had eluded the global trading system for five decades.

While the Americans, Europeans and Japanese succeeded in killing off the economically outdated Doha negotiations that date to 2001, they offered no new road map. In the past 20 years, the WTO has completed one multilateral trade negotiation.

## Bali Meeting

At the 2013 Bali meeting, members agreed to give the world's poor nations something called trade-facilitation assistance. That aimed at smoothing the flows of goods across presently clogged borders: modernising inefficient customs procedures by introducing electronic payments and tracing, and so forth. As Hong Kong's chief representative to the WTO, Irene Young, reminded everyone in Nairobi that deal "is expected to reduce average trade costs by more than 14 per cent, an impact possibly greater than the elimination of all remaining global tariffs."

But the Bali deal has not yet been implemented, as only 63 of the 108 necessary WTO members have ratified it. As WTO Director General Roberto Azevêdo told reporters in Nairobi, one successful multilateral negotiation in 20 years "is not good enough." At the WTO's closing ceremonies at the Kenyatta International Convention Center, Azevêdo referred to the continuing impasse between the rich and poor countries, noting "the world must decide what path this organisation should take."

## GATT morphing into WTO

The fundamental problem is weak political leadership that is mired in parochial protectionist politics,

*The deep divide between rich and poor countries on trade persists. There is serious doubt that the WTO will ever again be able to negotiate meaningful multilateral trade liberalisation*



especially in capitals such as Beijing, New Delhi, Pretoria and Washington. In 1948, when the WTO's predecessor organisation, the General Agreement on Tariffs and Trade (GATT), was launched, there was a shared consensus that the gradual dismantling of trade barriers was the goal.

From 1948 to 1995, when the GATT morphed into the WTO, seven rounds of multilateral trade liberalisation slashed tariffs to an average of 5 from 40 per cent. But now-a-days, the GATT/WTO could more aptly be dubbed the General Disagreement on Tariffs and Trade. Few still believe in the WTO's core multilateral negotiation function.

Some poor countries such as India never really believed. In Nairobi, India's main goal was the opposite: demanding that the rich countries slash their trade barriers, while raising its own. India already has authority to raise its average agriculture tariffs to more than 100 per cent, yet still demands an additional 'special safeguard mechanism' rights.

## WTO Ministerial Meetings

India was unable to play its customary role as a wrecker, as spoiling the only WTO ministerial meetings ever held on African soil would have been unthinkable. Besides, India lost the support of traditional allies like Brazil, who demanded more access to protected Indian markets.

The Chinese also were focussed almost exclusively on restricting

agriculture imports and on continuing the Doha negotiations as planned in 2001. That's because back then, China was promised preferential treatment as a poor country.

Other examples of economic short-sightedness are depressingly petty. Pakistan came to Nairobi angry that a South African cement cartel has persuaded Pretoria to slap more than 60 per cent tariffs on Pakistani cement imports. Meanwhile, the Pakistanis were against a proposal to give Bangladesh duty-free treatment for Dacca's clothing exports. African countries like Lesotho, which have been granted preferential tariff-free treatments on their clothing exports to the US, also piled on Bangladesh.

So did the Americans, who remain in thrall to their own protectionist textile lobby. Meanwhile, South Africans came to Nairobi with assurances they would stop blocking American poultry imports — hoping that would persuade US President Barack Obama from denying them preferential access to American markets.

Even sadder, when the Philippines offered an excellent idea to streamline export opportunities for small entrepreneurs, the usual nay-sayers — including Bolivia, Cuba, India, and South Africa — shot it down. Don't give the capitalists anything until our demands for additional protection are met, they insisted.

\* Editor of the Rushford Report, an online journal on the politics of trade; Excerpts from an article appeared in Wall Street Journal, on December 21, 2015

### India to Sign Trade Pact with Iran

India has evinced interest in signing a PTA with Iran once international sanctions on the Persian Gulf nation are lifted. This will be India's first trade agreement with a country in West Asia and offer it a foothold to tap other markets in the region.

This is a logical step forward in India's trade relations with Tehran, which has accorded India priority status for trade and investment in acknowledgement of its support during the hard times when the country was reeling under tough US and EU-imposed economic and military sanctions on it.

Iran is looking at cooperation in agro-processing, IT, steel and hotels tourism with India, while India plans to invest ₹2 lakh crore in Iran's Chabahar port and develop a gas-based urea manufacturing plant there.

(ET, 01.12.15)

### Germany Pushes EU-Russia Deal

Germany is piling pressure on the European Commission to cut a deal with Russia to avert a flare-up when an EU trade deal with Ukraine comes into force in January 2016.

In a bid to resolve the dispute, Germany has proposed a joint declaration between the EU and Russia offering Russia prospect of long-sought investment and energy concessions to create a more integrated economic area from the Atlantic to the Pacific.

Germany's initiative underlines the continued political sensitivity of the EU-Ukraine trade deal for Moscow. The

decision by Viktor Yanukovich, former Ukrainian President, to pull out of signing the deal under pressure from Russia two years ago triggered the protest that ousted him. (FT, 02.12.15)

### IT Tariffs Slashed in WTO Deal

More than 50 members of the WTO concluded the biggest tariff-reduction deal in almost two decades, eliminating restrictions on the US\$1.3tn trade of 201 IT products.

The expansion of the 1996 Information Technology Agreement will increase global GDP by US\$190bn a year, according to IT experts, as the costs are cut in trading goods from GPS devices and video game consoles to next-generation semiconductors.

Barriers will be eliminated in three stages under the expanded ITA. 65 per cent of the new tariff lines representing 88 per cent of imports will be cut immediately on implementation of the deal in July 2016.

Three years later, additional cuts will mean 89 per cent of tariff lines representing 95 per cent of imports will have been cut. The remaining tariffs will be eliminated by January 2024.

(FT, 16.12.15)

### India-Russia to Boost Trade Ties

India and Russia discussed ways to boost their economic ties to achieve the target of US\$30bn in bilateral trade in the next 10 years.

External Affairs Minister Sushma Swaraj and Russia's Deputy Prime Minister Dmitry Rogozin, chairing the

21<sup>st</sup> India-Russia Inter-Governmental Consultations, also looked at ways to enhance the mutual direct investment to US\$15bn by 2025.

Agriculture, pharmaceutical and infrastructure were some of the areas identified by both sides to strengthen their economic engagement.

Bilateral trade during in 2014 amounted to US\$9.51bn, with Indian export touching US\$3.17bn and imports from Russia US\$6.34bn. (BS, 20.10.15)

### India among Four to Sign Trade Pact

Sri Lanka, India, Malta and Mauritius have come together to establish a Commonwealth Trade Finance Facility to boost trade and investment flows, particularly for developing nations of the Commonwealth.

The four countries have inked the document, Declaration of Intent, as anchor investors at the ongoing Commonwealth Summit in Malta. The facility, structured as a guarantee fund, will cover risk for providers of trade credit in financial institutions of Commonwealth countries. It seeks to stimulate lending by major banks to smaller banks in member states and reduce risk.

The fund, voluntary in nature, hopes to attract start-up capital of US\$20mn. It will provide member countries facing trade challenges with the funds. It is estimated for every dollar invested, the fund will generate US\$20, according to a release issued by the Ministry of Foreign Affairs of the Sri Lanka government. (TH, 29.11.15)

## G-20 Nations to Boost Trade

A new report has revealed that the G-20 nations have taken fewer steps to remove trade barriers in recent months than earlier, although the growth in restrictive measures imposed by them has remained stable.

Only 62 measures aimed at facilitating trade were initiated by the G-20 nations between mid-May and mid-October, with a monthly average of just over 12, the slowest pace since November 2013, according to the WTO report.

The G20, accounting for more than 85 per cent of the world's GDP, imposed 86 new trade-restrictive measures between mid-May and mid-October, with a monthly average of just over 17, the same pace at which the group had slapped curbs between mid-October 2014 and mid-May 2015, as noted in the previous report of the WTO.

(FE, 16.12.15)



### India Biggest Exporter of Doctors

More than a third of National Health Service (NHS) doctors, some 35 per cent, in the UK alone were born abroad, the OECD said.

India and the Philippines were the largest exporters of doctors and nurses to OECD countries, by a 'spectacular' margin', the report yet-to-be-published quoted.

The report also shows that the UK is the second highest exporter of medics, second only to Germany with 17,000 British doctors working abroad. 17,000 UK doctors now work in other European health systems, behind India, China and Germany.

More than 50,000 British nurses now work in healthcare systems in the other OECD nations, behind only the Philippines and India. *(ToI, 29.12.15)*

### Will the TPP Impact Indian Pharma?

Global opinion is sharply divided about the ramifications of the recently concluded TPP. A part of US President Barack Obama's 'pivot to Asia', the TPP does not include India, nor China, and could threaten its pharmaceutical and biologics industry due to strict intellectual property rights (IPRs).

A recent study by C. Fred Bergsten of the Peterson Institute for International Economics, a US-based think tank, estimated that India could increase its exports by US\$500bn a year, by joining the next stage of the TPP trade agreement.

The TPP is also viewed in India as a deal that can potentially affect the Regional Comprehensive Economic Partnership (RCEP), which India is currently negotiating. Activists have warned about the possibility of TPP's standards on IPR creeping into the RCEP negotiations. *(DNA, 04.11.15)*

### India, EU to Resume FTA Talks

After suspending talks for a bilateral trade agreement with the EU, India is set to return to the negotiating table to discuss lower import duty for European cars and wines in return for pushing some of its farm products, garments and IT services into the trading bloc.

## The Trans Pacific Threat to Trade

The TPP pushes the envelope on contentious subjects such as IPRs and the freedom of multinationals to sue governments. Multinational corporations can cramp and even hinder the sovereign right of governments to frame regulations in the interest of citizens when they foresee a threat to their profits.

The signing of the TPP is a major challenge to India's trade interests. It comes at a time when the country is grappling with issues relating to subsidies on food procurement and storage at the WTO.

For India, the crucial point to note is that among the signatories to the TPP are its important trading partners such as Japan, Australia, Singapore and Canada, in addition to the US. According to a DBS Bank report, the US and Asean together account for almost a quarter of India's merchandise exports with Latin America accounting for about four per cent. *(BL, 13.10.15)*



Indian Commerce and Industry Minister Nirmala Sitharaman stated that the dates for resuming the dialogue are being discussed and the government was trying to push the pedal with the EU trade pact, along with those with Australia and Canada.

The government had ordered a review of all proposed trade agreements and it was only later that it decided to restart negotiations.

India and EU have been working on Broad Based Trade and Investment Agreement, which has been in the pipeline for close to a decade and there are some gaps that need to be filled for the deal to be clinched. *(ToI, 17.11.15)*

### Trade to Touch US\$200bn by 2025

The Prime Minister of India Narendra Modi has said the trade between India and the ASEAN should increase to US\$100bn by 2020 and to US\$200bn by 2025. During 2014-15, after a temporary decline, the trade stood at US\$76.5bn.

Modi pointed out that much of the potential for economic partnership remained untapped and expressed the confidence that trade and investment

would expand. He said India would soon extend electronic visa facility to all 10 Asean members.

The Prime Minister also intends to set up an Asean-India innovation platform to facilitate commercialisation of low-cost technologies, technology transfer and collaborative research and development projects. *(TH, 22.11.15)*

### Pacific Rim Ink Landmark Deal

Pacific trade ministers have reached a deal on the most sweeping trade liberalisation pact in a generation that will cut trade barriers and set common standards for 12 countries, an official familiar with the talks said.

Leaders from a dozen Pacific Rim nations are poised to announce the pact. The deal could reshape industries and influence everything from the price of cheese to the cost of cancer treatments.

The TPP would affect 40 per cent of the world economy and would stand as a legacy-defining achievement for US President Barack Obama, if it is ratified by Congress. *(Mint, 05.10.15)*

## Basmati Unites India-Pak in 'Joint Heritage'

India's *basmati* rice exporters could soon get the coveted geographical indication (GI) tag and resultant premium for the long-grained aromatic rice in global markets, with India and Pakistan resolving to share commercial gains from the grain's exclusive traits.

Official sources opine that Pakistan has agreed not to contest India's move to include *basmati* rice grown in its part of the Indo-Gangetic plain in its GI Registry, with the condition that when that country puts in place a similar IPR platform, it would also get the rice grown in its Punjab province registered under a GI system. India commands 85 per cent share in global *basmati* trade at present.

A GI tag for a product distinguishes itself for its geographic origin and, under a multilateral framework, prevents traders from attributing its name and traits for products from other geographies.

GI protection in India would lead to similar recognition in other countries, including the European Union and the US, which implies that India's competitors would be barred from using the '*basmati*' tag. (FE, 06.12.15)



### India to Boast Latin America Ties

India has sought investments from Latin American nations while emphasising upon the need to strengthen the existing trade pacts to boost economic ties between the two regions.

India has entered into a preferential trade agreement with MERCOSUR bloc (comprising Brazil, Argentina, Uruguay and Paraguay) and Chile, and is in talks to widen the base of these pacts. Commerce Secretary Rita Teotia said, India and MERCOSUR bloc have already entered into an agreement but that pact is very limited.

Further she pointed that Indian pharmaceutical companies are facing problems in that region. India is recognised as a pharmacy of the world in terms of high quality and affordable generic medicines which help to reduce health cost. (DNA, 08.10.15)

### India to Unveil New IPR Policy

India was going to unveil a comprehensive IPRs policy to address the concerns of foreign industries operating here and those looking to invest in the country, Department of Industrial Policy and Promotion (DIPP) Secretary Amitabh Kant confirmed in New Delhi.

Addressing a joint Indo-German business roundtable, attended by Chief Executives of companies from both countries, Kant said the government was doing all it could to bring out the IPR policy; it would be made public in two months' time. (BS, 05.10.15)

### India to be Included in APTTA

India has urged Pakistan to make it a member in the Afghanistan Pakistan Transit and Trade Agreement (APTTA) that was signed in 2011. This would allow the entry of containers from Afghanistan into Attari through the Wagah border land station.

This will help India expand trade ties with Afghanistan through seamless connectivity and enable New Delhi have a greater say in the trading system of the region.

At present, trucks and containers from Afghanistan are not able to send their exports seamlessly to India through the land border.

They have to drop the goods, meant for India, at the last checkpoint at the Wagah border which is then picked up by the Indian authorities. But, India is not able to send any goods to Afghanistan, a senior official said. (BL, 21.12.15)

### Oil Price Slump hits Gulf Economy

An oil price rout has halved the price of crude over 18 months and wiped US\$360bn off export earnings just this in 2014.

State contractors, the property sector and even foreign investors have all felt the pain as the slump pushes governments to cut back spending.

Swingeing spending cuts have unnerved private businesses in Saudi Arabia, the region's largest economy, and elsewhere — as well as undermining the policy of government largesse long used to defuse social tensions.

Faced with the oil price slump, a costly war in Yemen and rising US interest rates, Gulf governments have little option but to tighten their belts. Gulf governments are now contemplating the introduction of sale and corporate taxes to produce new, non-oil sources of revenues for state coffers.

Such moves are viewed with suspicion by populations accustomed to government support and are set to usher in a more difficult era for business. (FT, 24.12.15)

### Good News on Global Poverty

The World Bank has released new estimates that show that fewer than one in 10 people are now living in extreme poverty. That is an important achievement considering the fact that more than one in three were living on the edge of desperation in 1990.

In other words, more than 1.2 billion people have risen above the global poverty line over the past 25 years. This is the first time in human history that the worst type of poverty looks under control in most parts of the world, except for some parts of Africa. The world seems to be on course to ending extreme poverty by 2030.

The sharp decline in extreme poverty since 1990 is most clearly linked to the increase in global growth following the liberalisation of most economies. The lesson is clear: rapid economic growth is still the most effective antidote to mass poverty.

*(Mint, 06.10.15)*

### China Officially Ends One Child Policy

China officially ended its controversial one child policy, allowing couples to have a second child amid deepening demographic crisis of shrinking workforce and ageing population in the world's second largest economy.

Chinese lawmakers passed a historic decision allowing all couples to have two children from January 01, 2016 ending its over three and half decades old policy that prevented over 400 million births in the country.

The NPC approval was a formality as the ruling Communist Party of China headed by President Xi Jinping has approved it earlier as China, world's most populous country with 1.37 billion people, faced grim demographic crisis under which China is expected to face severe labour shortages due to rapid increase in ageing population. *(ET, 27.12.15)*

### UNSC Adopts Historic Resolution

The United Nations Security Council has adopted a resolution on youth, peace and security that urges greater representation by young men and women in the prevention and resolution of conflict amid "the rise of radicalisation to violence and violent

extremism amongst youth, which can be conducive to terrorism."

The Resolution outlines the duty of governments to protect young people during conflict and in post-conflict societies, promote their participation in peace building and peacekeeping, include youth participation at all levels of decision-making, and invest in youth's educational and professional capabilities to disengage and reintegrate the minority of the world's youth population involved in violence.

Search for Common Ground (SFCG), in collaboration with UNOY, World Vision, UN entities and other civil society organizations, has played a lead role in initiating and advocating for Resolution 2250 since 2011.

*(KP, 12.12.15)*

### Agribusiness Digs into Ethical Investing

When Japan's Mitsubishi Corporation acquired a fifth of agricultural trader Olam in August, it was widely viewed as another Asian company looking for a way to tap into rising incomes and growing populations in emerging markets.

But Mitsubishi says its US\$1.1bn investment was not just driven by growing demand for food, but demand for food grown sustainably, with the Japanese group hoping to access Singapore-based Olam's expertise and

engagement with smallholder farmers and producers in remote regions in Asia and Africa. Mitsubishi believes demand for sustainable products will 'gather momentum in emerging markets'.

With leading food groups such as Nestlé, Unilever and Mondelez pledging to increase sustainable sourcing on commodities including coffee, cocoa, and palm oil, having access to sustainable production is crucial for trading companies and producers looking to secure supply contracts, say sustainability experts. *(FT, 28.10.15)*

### G20 to Address Uneven Growth

The G20 backed India on the issue of quota reforms of the International Monetary Fund (IMF) and called for early reforms, and expressed disappointment with the delay.

The communique out of the G20 showed deep disappointment with continued delays in IMF reform implementation and urged the United States to ratify these reforms.

Prime Minister Modi told the G20 leaders at the working session on resilience, "IMF should remain a quota based institution and not depend on borrowed resources. I hope that the ratification of the reforms of 2010 in the US would be completed at the earliest." *(FE, 18.11.15)*

## Victory for the World's Children

The United Nations brought in a new development agenda for the world, which is a charter of our collective vision of the next 15 years. Over 200 world leaders descended upon New York to pledge to achieve 17 goals, called the United Nations Sustainable Development Goals (SDGs), in unison.



While the erstwhile Millennium Development Goals (MDGs) tackled poverty, hunger, among other problems, this is the first time when crucial child issues have gained spotlight. It is a clear victory for millions of children reeling under various forms of abuse. The world has finally recognised that if child labour, slavery, trafficking, and violence against children continue, we will fail to accomplish any of the other goals. *(TH, 12.10.15)*

## China to Invest in Africa

Chinese President Xi Jinping told African leaders that his country would pump US\$60bn into development projects, cancel some debt and boost agriculture under a three-year plan that will extend Beijing's influence in the continent.

Xi said China would not interfere in African countries' internal affairs, a stance that drew applause from leaders such as Zimbabwe's Robert Mugabe who have faced Western criticism of their human rights record.

But China too has irked some Africans in the past for using Chinese firms and labour to build state-funded roads and railways in Africa while buying up commodities and leaving little for local economies, an image Xi is keen to change during a two-day conference in South Africa that ends on December 05, 2015.

"To ensure the successful implementation of these 10 cooperation plans, China has decided to provide a total of US\$60bn of funding support," Xi stated during the summit of the Forum on China-Africa Cooperation.

(BL & Reuters, 04.12.15)

CHINA-AFRICA



Canadians before long and contribute to the country'. He said his country's policy was 'a good example to the rest of the world'.

McCallum pointed to the large influx of Hungarian refugees in the 1950s and the Ugandan Asians in the 1970s welcomed to Canada after being expelled by Idi Amin, as evidence that the country had long experience of integrating vulnerable groups.

(FT, 14.12.15)

### New Medical Policy to be Announced

The Gujarat government would soon announce a new medical policy to develop the state as a medical hub, State Health Minister Nitin Patel said.

Patel said "Our aim is to increase various medical facilities, such as hospitals, nursing homes, clinics, medical colleges and super-speciality hospitals, for which the new policy would be discussed in a meeting. The meeting would discuss it for enhancing the medical sector in the state, as part of the success achieved in the Gujarat model of development.

He said that Prime Minister Narendra Modi, who is the former Chief Minister of the state, was the first to introduce Gujarat as a model state.

(BS, 26.12.15)

### OECD Publishes Figures for 2014

According to the findings, in 2014, final figures for net official development assistance (ODA) flows from OECD Development Assistance Committee (DAC) member countries totalled US\$137.2bn, marking an increase of 1.2 per cent in real terms over 2013 and surpassing the all-time high in 2013.

In the past 15 years, net ODA has been rising steadily and has increased by nearly 70 per cent since 2000, however aid going to the poorest nations fell by almost US\$2bn. The largest DAC donor countries by volume were the US, the UK, Germany, France and Japan. Denmark, Luxembourg, Norway, Sweden and the UK continued to exceed the United Nations' ODA target of 0.7 per cent of GNI.

G7 countries provided 71 per cent of total net DAC ODA in 2014, and the DAC-EU countries 55 per cent. Net ODA disbursements by EU Institutions were US\$16.5bn.

(TG, 07.01.16)

### Refugees to Impact Economic Growth

As political debates about Syrian refugees rage on both sides of the Atlantic, initial assessments of their

economic impact on receiving countries are coming in: The influx is good for growth.

A new Bloomberg survey of economists predicts that Germany, the biggest recipient of Syrian asylum seekers in the Western world, will get a 0.2 per cent boost to its economic output next year if it takes in 800,000 refugees in 2015; that would be 12.5 per cent of Germany's expected 2016 growth.

The number of refugees and migrants arriving by land and sea in the European Union has passed 1 million in 2015.

(ET, 27.11.15 & HT, 23.12.15)

### 'Warm Welcome' for Syrian Refugees

Canada has boasted its plans to take in 25,000 Syrian refugees as a 'sharp contrast to its neighbour to the south', declaring as refugees began to arrive in larger numbers that its approach would bring long-term economic benefits.

John McCallum, Immigration, Refugees and Citizenship Minister who has been charged with hitting the target by the end of February, stated that 'refugees would become hardworking

### BRICS to Set-up Uniform Visa Policy

The BRICS nations will soon allow free movement of 'skilled professionals' among members by setting up a liberalised visa regime, Union Minister of State for Home Affairs of India, Kiren Rijiju stated.

He said the liberalised visa regime would further improve ties with China. It was in May 2015, during Prime Minister Narendra Modi's visit, that Chinese tourists were extended the facility of electronic visa on arrival, against the concerns of intelligence agencies.

India might be home to a considerable number of refugees, but it has decided not to be a signatory to a uniform migration policy. India will also push for a liberalised visa regime for 'skilled workers' among BRICS nations to promote business and economic interests.

(TH, 08.10.15)

# Public Health and the UN's Sustainable Development Goals

Linda P Fried

*The United Nations General Assembly recently adopted its 2030 Agenda for Sustainable Development: 17 goals and 169 targets to eradicate poverty, eliminate inequality, and fight climate change over the next 15 years. It is an extraordinarily ambitious agenda for the world community, which closely aligns with the mission and responsibilities of public health*

The 17 Sustainable Development Goals (SDGs) build on the eight Millennium Development Goals (MDGs) ratified by the United Nations in 2000; the world's work to accomplish the MDGs has helped the global community make significant progress toward reducing poverty, childhood mortality, and deaths from AIDS and malaria over the past 15 years.

## MDGs, too narrow

Despite this success, the Millennium Development Goals were seen by many as too narrow and not representative of a true world view. As Liz Ford wrote, "Unlike the MDGs...the UN has conducted the largest consultation programme in its history to gauge opinion on what the SDGs should include."

While the MDGs focussed more specifically on health issues, the SDGs, which address underlying structural problems, confront the drivers of the public's health more expansively. Half of the eight MDGs focused directly on health concerns: Eradicate Extreme Hunger and Poverty; Reduce Child Mortality; Improve Maternal Health; Combat HIV/AIDS, Malaria and other Diseases. The other four were less direct: Achieve Universal Primary Education; Promote Gender Equality and Empower Women; Ensure Environmental Sustainability; Develop a Global Partnership for Development.

## SDGs and public health

In contrast, none of the SDGs mention a specific disease or medical

condition, and only one is focused on health. But together they offer a broader framework to address public health concerns in a more holistic way — recognising the evidence that we can no longer separate poor health from climate change, inadequate housing, gender disparities, and economic privation. Even peace, whose absence has forced millions to become refugees in recent months, finds its way to the SDGs as one avenue towards improved



population health.

Every one of the 17 SDGs has significant public health implications too numerous to mention here. Economic growth is vital to reducing poverty and hunger, for instance; infrastructure is crucial to creating settings where healthy living can take place; sustainable cities are essential, given the World Health Organisation's estimate that "by 2017, even in less developed countries, a majority of people will be living in urban areas."

The SDGs are, therefore, an agenda for public health — for creating the conditions in which people can be

healthy, to paraphrase the US National Academy of Medicine. This is a framework through which public health professionals can conduct their work and the broader global community can better understand the field's multifaceted roles.

A central lesson of public health is that more than 70 per cent of health is created by factors that are not fully in the control of the individual. That's what the SDGs address: the widespread factors that so significantly influence health but are not directly focused on health itself.

## Ratification of SDGs

UN Secretary-General Ban Ki-moon recognised that fact as he opened the 2015 General Assembly session, where the SDGs were ratified. "The Agenda you are adopting today," he stated, "...embodies the aspirations of people

everywhere for lives of peace, security and dignity on a healthy planet. Let us today pledge to light the path to this transformative vision."

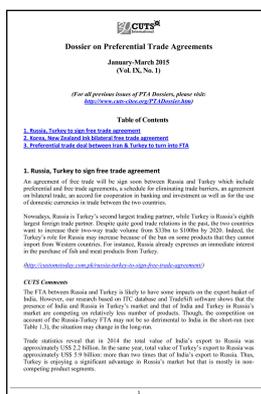
That vision is one of public health, and the Sustainable Development Goals light its path impressively. Now, it is up to all of us to step up and make these ambitious global commitments a reality. That work began with the global meeting in Paris to create agreements to slow climate change, which is already harming human health. The results these historic efforts will determine the opportunity for health in our lifetime, but even more for the health of our children and grandchildren.

\* Dean and DeLamar Professor of Public Health, Columbia University Mailman School of Public Health; Excerpts from an article appeared in *The Huffington Post*, on October 12, 2015.

# Trade Buzz

Trade Buzz is a quarterly e-newsletter of the SAARC Trade Promotion Network Secretariat and jointly produced with CUTS International. SAARC TPN is a network on business associations of South Asian countries. It is an initiative of the Federal Ministry of Economic Cooperation and Development (BMZ), Germany and the German Cooperation Agency (GIZ).

[www.cuts-citee.org/pdf/Trade\\_Buzz-Sep-Nov2014.pdf](http://www.cuts-citee.org/pdf/Trade_Buzz-Sep-Nov2014.pdf)



# Dossier on Preferential Trade Agreements & India

One of the most interesting trends in today's global trade is the emergence of bilateral and regional trade arrangements, collectively known as preferential trade agreements. This Quarterly Dossier does shallow analysis of potential impacts (on the Indian economy) of those preferential trade agreements of which India is not a party.

[www.cuts-citee.org/PTADossier.htm](http://www.cuts-citee.org/PTADossier.htm)

# BRICS TERNewsletter

BRICS Trade & Economics Research Network (BRICS TERN) has been established as a platform of nongovernmental groups from among Brazil, Russia, India, China and South Africa. Its purpose is to assist the on-going cooperation between and among the BRICS countries with network-based policy research and advocacy on contemporary developmental issues.

[www.cuts-international.org/BRICS-TERN/publications.htm](http://www.cuts-international.org/BRICS-TERN/publications.htm)



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