



CALL FOR PAPERS

TRADE IMPACTS OF FOSSIL FUEL SUBSIDIES

Deadline for abstract submission: 31 May 2018

Notice of Acceptance: 20 June 2018

Deadline for full paper submission: 31 August 2018

Conference date (Geneva): Friday, 5 October 2018, 09:00 to 17:00

Pre-conference High-Level Policy Panel: Thursday 04 October 2018, 18h30-20:00

The Geneva-based Global Subsidies Initiative (GSI) of the International Institute for Sustainable Development (IISD) and the Centre for Trade and Economic Integration (CTEI) of the Graduate Institute for International and Development Studies (IHEID) are convening a conference entitled 'Trade Impacts of Fossil Fuel Subsidies' on 05 October 2018.

The goal of the conference is to explore, conceptualize and measure the impacts of various types of fossil fuel consumption and production subsidies on international trade. Besides economic analyses, the conference also invites scholars working on legal and political aspects related to the subject to make a contribution to this cross-disciplinary workshop.

The Global Subsidies Initiative and the Graduate Institute will publish an edited volume or journal issue based on the authors' contributions. The conference and published volume also intend to support the Geneva trade community to define a broader agenda that includes the reform of fossil fuel subsidies. The investigation of trade impacts comes from an explicit call by a number of WTO members.

Submissions & Conference

The conference is open to both junior and senior researchers from economic, legal and political disciplines, as well as from research organizations outside of academia. Papers will be selected based on their quality and capacity to investigate in depth the trade impacts of fossil fuel subsidies. Authors are welcome to contribute both conceptual and empirical work, including specific case studies.

The conference papers will be distributed to the other conference participants in advance to facilitate an in-depth discussion. Papers will be grouped in dedicated sessions. The conference will start on Thursday 04 October at 18h30 with a high-level session on trade impacts of fossil fuel subsidies including representatives of country missions to the WTO, WTO officials and interested NGOs and IOs. Using this context, the conference will then move towards a smaller setting on Friday October 05 in which each author will present his or her paper, followed by notes from a dedicated commenter and group debate.

Abstracts of 500-700 words should be submitted by 25 May 2018. Selected applicants will be informed of their acceptance by 15 June 2018 and will be asked to submit their papers of around 5,000-7,000 words in length by 31 August 2018. Questions should be sent to the conference organizers at tom.moerenhout@graduateinstitute.ch and lsanchez@iisd.org.

Recent Policy Context

2017 was an important year for the linkages between Fossil Fuel Subsidies and Trade. The year concluded with the presentation of a [Ministerial Statement](#) at the WTO's Eleventh Ministerial Conference (MC11) in Buenos Aires, endorsed by 12 Members. The Statement asked to "advance discussion in the World Trade Organization aimed at achieving ambitious and effective disciplines on inefficient fossil fuel subsidies that encourage wasteful consumption".

The declaration was signed by Chile; Costa Rica; Iceland; Liechtenstein; Mexico; the Republic of Moldova; New Zealand; Norway; Samoa; Switzerland; the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu; and Uruguay.

These economies indicate that there is an opportunity for trade to support the reform of fossil fuel subsidies. The trade community is more and more interested in understanding the linkages between trade and fossil fuel subsidies. Several [studies](#) address the options to tackle fossil fuel subsidies under the trade regime. However, little is known about how fossil fuel subsidies affect trade. Qualitative and quantitative analysis is needed to provide the international community with evidence to support the case for reform.

Besides the Ministerial Statement, fossil fuel subsidy reform has already been recognised as a trade issue, for example in the [EU-Singapore Free-Trade Agreement](#), in [France's Action Plan](#) supporting the Comprehensive Economic and Trade Agreement (CETA) between Canada and the EU, and in the Fisheries Subsidies negotiations. "Rationalizing inefficient fossil-fuel subsidies that encourage wasteful consumption by removing market distortions" was also included as a target of the Sustainable Development Goals under [SDG 12.C](#). SDG Article 17 specifically recognized trade as an enabling force.

General Policy Context

Fossil fuel subsidies lower the price of the production and consumption of fossil fuels. As a consequence, these subsidies distort markets and hold us back from sustainable development. In addition, they encourage wasteful consumption, aggravate local pollution, contribute to climate change, disadvantage clean energy technologies, and drain scarce public resources that could be better directed to other sustainable development goals

The scale of fossil fuel subsidies is massive: in [2016](#), their value was estimated at USD 360 billion globally, including USD 260 billion of subsidies to the consumption of fossil fuels (expected to grow together with the international oil price) and an estimated [USD 100 billion](#) to production. This represents [over 24%](#) of the value of internationally traded fuels in 2016, more than 10 times the subsidies to fisheries (estimated at USD 35 billion) and are around 2,5 times higher than subsidies to renewable energy ([USD 140 billion](#) in 2016).

Fossil fuel subsidies have economic, social and environmental impacts. The impact trade by affecting prices and distorting global markets, creating inefficiencies and unfair competition, including stunting the growth in renewable energy. Fuel subsidies also encourage illicit trade flows, fuel smuggling and adulteration that can each result in significant losses of domestic revenue.

Fossil Fuel Subsidy Types and Guiding Questions

This conference is open to an assessment of the trade impacts of various consumer and producer subsidy types, including but not limited to:

- Fossil fuels sold to consumers below the cost of production, or below the international benchmark price
- Direct transfers or potential direct transfers to fossil fuel producers
- Income or price support (above market rate prices for producers)
- Fossil fuel exemptions from Value Added Tax, Excise Tax and General Sales Tax
- Government revenue forgone through tax reductions and exemptions for producers
- Government provided or purchased goods and services, such as infrastructure specifically benefiting fossil fuels
- Fossil fuels sold or regulated below regional or international tax levels
- Fossil fuels exempt from social and environmental cost of externalities

Specific research papers can focus on the economics, law and politics of trade impacts of fossil fuel subsidies and fossil fuel subsidy reform. The organizers encourage both conceptual contributions as (comparative) case studies. Potential questions to be addressed include but are not limited to:

- How would the reform of specific fossil fuel subsidies affect trade flows?
- How would the reform of fossil fuel subsidies affect the competitiveness of a country and sector? Consider a specific country to address the question.
- Can fossil fuel subsidies be protectionist measures? Why and which ones? This question can be addressed by using existing or new empirical data from a specific country or region, as well as in a legal context.
- In what ways could investment by and into State-Owned Enterprises relying on government finance be a subsidy? What would be the trade impact of their reform?
- Which fossil fuel subsidies are likely prohibited under WTO law and why? Consider discussing a typology of subsidies or choose one particular subsidy to assess in-depth.
- How would the reform of subsidies to fossil fuels used for electricity generation affect the industrial output of a country? Consider a specific country and industry to address.
- How would the reform of subsidies to the production of coal affect global trade flows of cement or steel? For example, assess a particular coal producer such as Indonesia.
- How would the reform of fossil fuel subsidies affect illicit trade of fossil fuels (e.g. smuggling)? Consider a specific country and its neighbors to address the question.

Participation & Registration

Registration for the Policy Panel (Thursday 04 October at 18h30) and the Conference (Friday 05 October at 09h) will open in June. The Conference will be free of charge to paper authors. Other interested persons can also register to participate at the nominal cost of CHF 30 for students and CHF 50 for professionals. To pre-register, please send an e-mail to ctei@graduateinstitute.ch. Where possible, participants are requested to cover their own expenses, but some funds to cover transport costs may be available to junior scholars. Food and drinks will be provided during the conference.

Conference Committee

- Prof. J. Pauwelyn (Graduate Institute)
- T. Carpenter (Graduate Institute)
- R. Steenblik (OECD)
- T. Moerenhout (Graduate Institute / IISD-GSI)
- L. Casier (IISD-GSI)
- L. Sanchez (IISD-GSI)
- P. Wooders (IISD-GSI)