

# BRIDGES WEEKLY

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## WORLD TRADE ORGANIZATION

# WTO Members Begin Work to Choose New Director-General

Candidates from nine countries have thrown their hats in the ring as possible contenders to succeed WTO Director-General Pascal Lamy, who has led the Geneva-based trade body since 2005 and who is slated to step down this August. As the year gets underway, WTO members are also in the midst of preparing for this December's upcoming ministerial conference in Bali, where they have expressed the hope of possibly clinching a small package of deliverables from the long-running Doha Round of trade talks.

## Director-General's race underway

WTO members will have from now until the end of May, at latest, to decide who will take the helm of the Geneva-based organisation for the next four years. The nominating period, which lasted from 1 to 31 December, concluded with a pool of nine candidates, including three women. With one exception, the list is mostly made up of nominees from countries self-designated as "developing" in the WTO. To date, only men have held the WTO's top post, and only one previous Director-General—Supachai Panitchpakdi of Thailand – has been from a developing country.

The final set of nominees includes three candidates from Latin America: Roberto Carvalho de Azevêdo, Brazil's current ambassador to the WTO; Anabel González of Costa Rica, who is her country's current trade minister, and previously ran the WTO's Agriculture and Commodities Division; and Herminio Blanco, Mexico's former minister of trade and industry who also served as his country's chief negotiator for the North American Free Trade Agreement (NAFTA).

From Asia, two candidates have emerged: former Indonesian Trade Minister Mari Elka Pangestu, who is presently Minister of Tourism and Creative Industry, and current South Korean Trade Minister Taeho Bark. Two African WTO members have also fielded candidates: Kenya has nominated Amina Mohamed, the country's former WTO Ambassador, while Ghana has presented Alan John Kwadwo Kyerematen – former Minister of Trade and Industry – as a nominee.

Tim Groser of New Zealand, who serves as his country's Minister of Trade, Minister for Climate Change Issues, and Associate Minister for Foreign Affairs, and Ahmad Thougan Hindawi, former Trade and Industry minister of Jordan, are also vying for the position.



International Centre for Trade  
and Sustainable Development

The nine candidates are required to address the WTO membership at a meeting of the General Council – the organisation's highest decision-making body outside of its ministerial conferences – from 29 to 31 January. At that time, the nominees will be expected to make a brief presentation, including their vision for the WTO, followed by a question-and-answer period with members.

Candidates will then meet with the press immediately following their respective sessions with the membership.

Then selection and appointment of the new trade chief will follow consultations to be held in April and May, with the goal of choosing him or her by consensus. The process will be organised along iterative rounds of consultations conducted by the General Council Chair – likely to be Ambassador Shahid Bashir of Pakistan, who is expected to be elected to that position in February from his current responsibility as Dispute Settlement Body Chair – with the assistance of the incoming chairs of the Dispute Settlement Body and the Trade Policy Review Body. These two latter positions are likely to be filled by developed country representatives.

Each round of consultations, as in previous WTO leadership contests, will seek to identify those candidates facing opposition or with the lowest support among the membership. At the end of each round, as the whole house is informed of responses, one (or more) candidates are expected to withdraw from the race. Three or four rounds are anticipated before arriving to a single name.

### **The riddle of variable geometry at the WTO**

The last Director-General's race, in 2005, saw four candidates vying for the role that ultimately went to current WTO head Pascal Lamy, in a process that was widely seen as relatively amicable compared to the difficult 1999 process that led to New Zealand's Mike Moore and Thailand's Supachai having to split a six-year term between them.

As the race gets underway, trade observers have already begun to question how much geography, along with other factors traditionally defining alliances in trade policy or history, are likely to play a role in the selection process. The top slots at the International Monetary Fund (IMF) and World Bank have traditionally been held by a European and an American, respectively, as the result of a "gentlemen's agreement" between decision-making members of the two Bretton Woods organisations. At comparable United Nations bodies, practice or rules on regional rotation prevail. In this context, claims by developing countries at WTO meetings at end of last year, as well as observers' opinions, indicate an eventual tendency in the membership to favour this time around that the next WTO chief originates from a developing country.

WTO selection procedures state that "where members are faced in the final selection with equally meritorious candidates, they shall take into consideration as one of the factors the desirability of reflecting the diversity of the WTO's membership in successive appointments to the post of Director-General."

Meanwhile, the process of choosing a new head for the UN Conference on Trade and Development (UNCTAD) is also going on in parallel to the WTO selection. This is an altogether different situation and procedure, with selection and appointment ultimately in the hands of the UN Secretary-General. Still, given the history and substantive focus of the two organisations, observers and diplomats tend to make connections on balances between both races.

Indeed, the broader scheme of key, politically-defined positions in institutions of global economic governance is regarded by most competent ministries as a matrix of quid-pro-quo, or as indicated by some observers, as a strategic chess board. In this context, the WTO race this year also coincides with processes for selecting the heads of the

International Trade Centre (ITC) and the United Nations Industrial Development Organization (UNIDO). Consequently, analysts speculate that following a principle and practice of regional rotation would mean that an African will likely be selected for the top slot at UNCTAD, making it harder for the WTO membership to settle on someone from the same continent for the WTO role. Going down such a road would take the analysis onto the complicated landscape of balances on country of origin or regions at the head of a rather long list of international economic institutions.

Regional politics are complex and particular as well. For instance, the fact that multiple candidates are being tabled by African, Asian, and Latin American countries could end up in a situation in which otherwise regional partners veto each other's candidates, Simon Evenett – a well-known WTO expert and economics professor at the University of St. Gallen – told Bridges. Jordan's nominee is less well-known in Geneva circles than some of his fellow contenders. Ties to Geneva, whether or not the candidate has held a ministerial post, and other calculations could also factor into the selection process, Evenett and others have said. However, many concur, it is still too early in the process to make definitive predictions.

Much emphasis has been made in the past on the special character of the WTO and its bureaucracy, vis-à-vis other bodies of international governance. If so, then competences and skills of the individual candidates would prevail as criteria over country of origin. However, traditionally in the trade game – including at the WTO – the variable geometry of alliances has always been more complex than at the UN organisations, which could affect the outcome of this leadership contest.

For starters, the designation of "developing" or "developed" among countries and custom territories at the WTO does not match that of the Organisation for Economic Co-operation and Development's (OECD) membership. Following the latter's definition, Mexico, Korea, and New Zealand would be confronting six non-OECD members – a relevant matter given the significant level of policy coordination and development among OECD members. Indeed, issues have in the past often been incubated in the OECD before making their way into the WTO agenda.

More relevant and closer to home are existing strong alliances and like-mindedness in the context of WTO themes, and particularly in the negotiations on key issues, such as agriculture. For instance, whether a country or a specific candidate has championed the cause of the G-33 on agricultural imports or the agriculture G-20 coalition on export interests, or both, may be decisive in drawing sympathies. There is also the question of strong ties and like-mindedness as defined by regional trade agreements or other economic integration arrangements, including free trade areas (FTAs) involving the country of origin of a candidate and others in the membership.

For many of these reasons, "the big question [at this stage] is how much geographical rotation plays into the count, how strong is the feeling that there should be a developing country Director-General, and what's the balance going to be: on objective criteria, like experience, versus political ones," Mark Halle – Executive Director of the International Institute for Sustainable Development (IISD)'s Europe office – commented to Bridges.

### **Ministerial preparations, amid questions over the post-Bali future**

The race to head the global trade body comes as the 157-member group – which will see Laos join its ranks early next month, with Tajikistan soon expected to follow – also prepares for its ninth ministerial conference, or MC9 as it is referred to in trade shorthand. These events serve as the organisation's highest-level of meetings, bringing together trade ministers from across the WTO membership.

In Bali, members are hoping to clinch a small package of deliverables from the larger Doha Development Agenda, including a trade facilitation deal, with possibly some components

from the agriculture part of the negotiations and other areas of the round. Despite the advances that were seen in these areas toward the end of 2012, many have cautioned that there is little time between now and Bali, and that members must be realistic and avoid setting unattainable goals ahead of the December meet. (See Bridges Weekly, [12 December 2012](#))

However, with the Bali gathering coming just a few months after the new Director-General takes his or her post – and given that the ministerial preparation process will be primarily member-driven – many trade observers say that the new chief will likely not have a major impact until the dust of the ministerial settles.

Given the recent history of Doha negotiating stalemates among the WTO's membership, and the increased interest in pursuing bilateral and regional trade deals, the road ahead for a new global trade chief might be difficult, some observers note. Questions have long been building among trade circles over how the WTO can ensure its continued relevance and credibility despite the Doha Round's struggles, and whether the proposed Bali mini-package will be enough to restore some of that confidence.

"We've got to recover from this Doha Round hangover," Evenett added, noting that it has "induced a certain degree of scepticism at the highest level of governments... of what the WTO can deliver."

"As things currently stand – though things can change – I think the prospects of a Director-General making an impact in the next year or two are relatively remote, unfortunately," Jean-Pierre Lehmann, a professor of political economy at the IMD business school in Lausanne and founder of the Evian Group economic governance think tank, commented to Bridges, noting that some major players – like the EU and US – might choose to centre their focus more on bilateral and regional pacts.

However, Lehmann qualified, "I said that as things currently stand. We're being told over and over and over again that we live in uncertain and complex times, and we have to expect full and unexpected surprises. Something could happen in the global trade regime that could make priorities change."

The impression among trade experts and negotiators is that the head of the WTO is much too limited in their ability to broker deals in an organisation in which members tightly hold the reins. It has been broadly recognised that the current stalemate is not caused by a lack of will or effort by current head Pascal Lamy, who has put his weight fully and enthusiastically behind any possibility along the road. Rather, the organisation has a heterogeneous membership that, observers note, has exhibited erratic bursts of enthusiasm or disdain for varying parts of an agenda that is constantly challenged by dynamics of the real economy – a negotiation that ICTSD Chief Executive Ricardo Meléndez-Ortiz has likened in the past to "rounds of unbelievers." [*Editor's note: ICTSD is the publisher of Bridges.*]

IISD's Halle noted that a new Director-General "could inject some spirit, some life into the whole thing," something helpful only as long as members respond by finding common ground, a shared vision for the trade system, and acting willingly.

### More information

Detailed biographies of all nine Director-General candidates are available on the WTO [website](#). Bridges will provide an update on the 29-31 January General Council presentations by Director-General candidates in the Wednesday issue following the event.

ICTSD reporting.

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## PREFERENTIAL AGREEMENTS

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# EU Leaders Continue Push for US Trade Talks

In the early days of the New Year, EU leaders have continued their push for the launch of trade talks with the US, as the trade community awaits news in the coming weeks of whether a bilateral EU-US working group will indeed recommend that the two sides begin negotiating a trans-Atlantic deal.

UK Prime Minister David Cameron – who has long been an advocate for launching these negotiations – has in recent weeks publicly ramped up the pressure in favour of launching the talks. In a 2 January [letter](#) to fellow G-8 leaders he pledged that trade, including an EU-US deal, would be a top priority as his country takes on the group's presidency.

The next summit of G-8 leaders – which includes eight of the world's largest economies, specifically Canada, France, Germany, Italy, Japan, Russia, the UK, and the US – is slated to be held in Northern Ireland in mid-June.

"On trade, there is a huge amount on the table in the coming year – including a possible deal between the EU and Canada, the opening of negotiations between the EU and Japan, and Russia deepening its integration into the global trading system as it enters its second year of WTO membership," Cameron noted, adding that a WTO trade facilitation deal by December's ministerial conference in Bali – if achieved – would also be a major win for this year. (For more on Bali preparations, see related story, this issue)

"And, with Europe and America together accounting for a third of global trade, perhaps the single biggest prize of all would be the beginning of negotiations on an EU-US trade agreement," he added.

Cameron had made headlines early last year during the annual World Economic Forum in Davos, Switzerland, when he argued that 2011 – in his words, a "make or break year" for concluding the WTO's Doha Round of trade talks – didn't yield the intended results. Instead, he said at the time, the EU would need to strive for concluding more bilateral deals, including a possible US pact that "could have a bigger impact [than] all of the other agreements put together" – a stance that he has often reiterated since. (See Bridges Weekly, [1 February 2012](#))

Notably, in recent weeks Ireland has also said that its own presidency of the EU – which will last for the first six months of this year – "will place a special focus on the EU-US trade relationship, with the aim of working towards a formal Council mandate for the start of negotiations on a new comprehensive EU-US Trade and Investment Agreement."

An EU-US deal has also been publicly backed by German Chancellor Angela Merkel, and the European Council voiced its support for the talks after an EU summit last autumn, though a formal Council mandate is still required. The European Parliament has itself voted on a non-binding resolution in favour of starting the talks.

Along with advocating in favour of negotiations with Washington, the EU has been lately pushing to conclude trade talks on a deal with Canada, despite the two sides having missed their end-2012 deadline for finalising the pact. The 27-country bloc has also decided to take on talks with another major trader – Japan. (See Bridges Weekly, [5 December 2012](#))

### Working Group report delayed

The EU-US High-Level Working Group on Jobs and Growth – a group tasked with evaluating ways to deepen trans-Atlantic trade and investment – had been expected to issue recommendations in December regarding whether the two sides should begin negotiating a comprehensive bilateral deal. The final recommendations are now expected this month, though a formal release date has not been announced.

An interim report released by the group last June had already indicated that such a pact would likely be the best option for creating jobs and fostering growth for both trading partners. (See Bridges Weekly, [27 June 2012](#))

However, while US officials have – like their EU counterparts – similarly stressed the need for deeper trade ties between the two sides, sources say that Washington has been a bit more guarded on the subject of actually kicking off negotiations, given long-standing sticking points between the two sides on issues such as regulatory standards. US officials have also stressed that negotiations should only begin if it seems clear that a deal can be clinched within a reasonable timeframe.

"We know there is a lot of interest in whether we will decide with our EU colleagues to launch FTA negotiations," Andrea Mead, a spokeswoman for the Office of the US Trade Representative, told the New York Times on Monday. "Our work in that regard is ongoing. We want to take the time to get the substance right so that any agreement we might pursue would maximise job-supporting economic opportunities."

Both sides have conceded that trade talks, if launched, will not be easy. "There are no quick fixes for the complex issues that still hamper trade between the most developed economic blocs in the world," EU Trade Commissioner Karel De Gucht said in November. "And it will not be easy for Europe to engage fully in such negotiations either." (See Bridges Weekly, [14 November 2012](#))

While the two sides currently trade €700 billion annually in goods and services – making up the world's largest trading relationship – and already have low tariffs, analysts say that even small advances in liberalisation in areas such as non-tariff barriers could yield major results. With the US having only just resolved its latest "fiscal cliff" scare, and the EU facing continued economic struggles, a bilateral pact has been touted by its proponents as a way to increase jobs and growth across the Atlantic, particularly amid the rise of emerging economies.

ICTSD reporting; "A trade deal for Europe and US," FINANCIAL TIMES, 8 January 2013; "E.U. Officials Impatient Over Lack of Progress on Trade Pact with US," NEW YORK TIMES, 14 January 2013.

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## AGRICULTURE

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# US Congress Issues Short-Term Farm Bill Extension

A “fiscal cliff” deal reached at the start of the New Year has allowed the US Congress to temporarily extend the 2008 Farm Bill until 30 September. Whether lawmakers will be able to conclude a multi-year agreement regarding future US federal agriculture spending by then, however, remains to be seen.

The extension allows business to continue largely as usual. However, it will stop funding [37 programmes](#) from the previous Farm Bill, due to a lack of baseline projections on what spending would be required. These include [conservation programmes](#) and disaster relief for livestock producers hurt by last year's record drought.

Observers of US farm politics, speaking to Bridges, roundly blamed the deadlock on higher political priorities and a budget-conscious House of Representatives - one of Congress' two chambers - for the absence of a long-term bill. The other chamber - the US Senate - had passed its own version of the farm legislation earlier in the fall, which ultimately was not reconciled with the House by year's end.

Congressional lawmakers and the White House are currently focusing their efforts on meeting a series of deadlines regarding how to reconcile the expenditures and revenues of the US government. These broader efforts will determine the scale and structure of spending on agriculture, analysts say. The next such showdown - regarding the US debt ceiling - is already on the horizon, given that the US Treasury is expected to face a cash shortfall in mid-February.

### Complicated politics

Pessimism over the Farm Bill process cuts across the aisle. The ranking Democrat on the House Agriculture Committee - Collin Peterson of Minnesota - has openly [refused](#) to work on a bill unless a vote on the House floor can be guaranteed. In the Senate, Charles Grassley of Iowa - a Republican - has voiced [scepticism](#) that a long-term solution will be found by the time the extension expires.

The two agriculture committees have misread the political environment and underestimated the opposition to what could have amounted to a US\$500 billion five-year bill, according to Scott Faber of the Environmental Working Group, a Washington-based advocacy organisation. Cuts proposed last year in the Senate would have saved an expected US\$25 billion over five years.

The incoming 113th US Congress includes new members - Republican and Democrat - on the agriculture committees in both chambers. These changes may intensify tussles by more fiscally conservative members to cut wasteful spending, along with debates over allocation levels for regions and crops.

Faber told Bridges that the new Republicans in the House, many of whom are more conservative than the ones they have replaced, are unlikely to support a farm bill that fails to eliminate direct payments or reduce insurance subsidies; the latter of which were expected to expand significantly under 2012 proposals. Jim French of Oxfam America, for his part, suggested that there could more short-term extensions if a 2013 bill cannot be taken up.

It remains unclear whether the new Congress will move in the same direction as the previous one. Although Farm Bill negotiators will try to pick up where they left off, many in Congress would welcome a "do over," according to Andrew Novakovic a dairy and farm policy expert at Cornell University. Agriculture programmes are "not popular" beyond a core constituency, he said.

Novakovic and others have indicated that a spending estimate expected from the Congressional Budget Office in March will likely inform legislators' next steps. Many supporters of agricultural interests, including the committee members themselves, were pushing for a five-year Farm Bill up until the final moments of 2012. Getting entangled in the US budget debate, many feared, could impose further limitations on what could be spent on agriculture.

One US official told Bridges that he predicts 2013 cuts to be even greater than those proposed in 2012. The EU is facing a similar challenge, he added, referring to the 27-country bloc's ongoing revision of its Common Agricultural Policy (CAP) while facing its own budget shortfalls.

### **Cotton**

Meanwhile, the prospect of resolving the long-standing row between the US and Brazil over Washington's support of domestic upland cotton producers has attracted the attention of trade observers. Under a 2010 deal between both parties, the US would provide the South American giant with US\$147 million each year until the Farm Bill is brought into compliance with the findings of the WTO's Dispute Settlement Body; in return, Brazil agreed to withhold approved retaliation measures. ([DS267](#))

The current extension of the Farm Bill has neither authorised nor revoked the payments outlined under the agreement with Brazil, US trade sources have confirmed to Bridges.

### **Trade**

In Geneva, WTO members at a December review of Washington's trade policies made clear that the Farm Bill process is one that they will be watching closely, given the US' status as an agricultural trade giant. Many at the time noted the lack of clarity on the shape of future US farm trade policy and requested more information. (See Bridges Weekly, [19 December 2012](#))

Policymakers in Washington, however, may not be as concerned about reactions in Geneva, some observers say. Trade is not driving or even part of the Farm Bill debate, Faber told Bridges. Record-breaking revenues to farmers in recent years and budgetary concerns have put pressure on a reform for payments to farmers and not on trade negotiations as they did in 1996, he recalled. There has been a steady decline in Congressional awareness of treaty obligations or a desire to expand exports through policy, he concluded.

ICTSD reporting; "Congress Includes Awful 2008 Farm Bill Extension in Fiscal Cliff Deal," NATIONAL SUSTAINABLE AGRICULTURE COALITION BLOG, 3 January 2013; "2013 Farm Bill Update," FARMDOC DAILY, 11 January 2013; "Obama administration: Debt ceiling deadline coming soon," CNN MONEY, 14 January 2013; "Farm Bill; Budget; and, the Ag Economy," FARMPOLICY.COM, 9 January 2013.



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## DISPUTES

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# US Trade Remedy Investigations in the Spotlight as 2013 Kicks Off

Challenges over US trade remedy practices against non-market economies (NME) have continued afresh in the New Year, with two WTO disputes by Vietnam and China moving forward in recent weeks. Meanwhile, back in Washington, the US Court of International Trade (CIT) has issued a final ruling in a long-running domestic quarrel lodged by Chinese companies on the subject.

### Vietnam shrimp industry faces continued hurdles

On 7 January, Vietnam asked a WTO panel to rule on its second "zeroing" challenge launched last March concerning anti-dumping duties collected by the US on certain imports of frozen warm-water shrimp ([DS429](#)).

Vietnam already successfully challenged zeroing in two administrative reviews for warm-water shrimp in 2011 ([DS404](#)). Hanoi, however, alleges that the US failed to meet the 2 July 2012 implementation deadline, prompting the Southeast Asian nation to bring this second complaint. The US makes up a major part of the Vietnamese shrimp market, taking in over 20 percent of the latter's shrimp exports.

The challenged methodology, in which products sold above market standard are not counted when calculating dumping margins – they are hence "counted as zero" – has been repeatedly and consistently ruled WTO-illegal by the global trade arbiter's Appellate Body. While the US abandoned using zeroing in original dumping investigations from 2007 onward, they still employ the methodology in their "administrative reviews" of existing dumping cases. A panel ruling could be issued before year's end.

Further tension could loom in the face of a recent anti-subsidy petition by US shrimp producers, putting pressure on Washington to implement further trade remedies against Hanoi and six other trading partners.

The Vietnam Association of Seafood Exporters and Producers (VASEP) has publicly repudiated the petition, claiming to have sufficient evidence to counter it. In its [statement](#), VASEP also pointed to WTO rules that inform both the extent to which agricultural subsidies are permissible, and the rules which a country must adhere to in countervailing – or "anti-subsidy" – duty investigations.

### Beijing, US agency spar on multiple fronts over anti-subsidy duties

Meanwhile, arguments over the permissibility of countervailing duties against NMEs continued over the holiday season, with the CIT handing a final victory to the US Department of Commerce, and Beijing escalating its second dispute on the matter at the WTO ([DS449](#)).

Both cases concern a US law enacted in March 2012 that affirmed Commerce's authority to retroactively impose countervailing duties (CVDs) on subsidised goods from NMEs. (See Bridges Weekly, [7 March 2012](#)) The law had become necessary after the US Court of Appeals for the Federal Circuit had denied Commerce the ability to impose countervailing duties against NMEs.

In an attempt to stop the law at the domestic front, Chinese enterprises had challenged the law in the US, arguing that the retrospective character was unconstitutional, and more importantly, that countervailing duties could never be imposed against non-market economies, as by definition, state subsidies cannot occur in such economies.

The CIT ruling has now confirmed the law's domestic constitutionality, permitting Commerce to collect countervailing duties.

Beijing has advanced similar claims at the WTO, arguing that the law violates transparency and due process, and insufficiently shields against so-called "double remedies" – which is when an illegal subsidy is penalised twice by including it in dumping margin calculations as well as countervailing duty investigations.

In March 2011 Beijing had unexpectedly won a first case against the US over double counting, with the WTO's Appellate Body dismissing the US' practice at that time ([DS379](#)). China argues that the 2011 law continues to allow for double counting.

"This practice puts Chinese enterprises in an uncertain legal environment, in violation of the relevant rules of the WTO transparency and due process," Chinese Ministry of Commerce spokesman Shen Danyang said in explaining Beijing's decision to move ahead with its WTO challenge last December. (See Bridges Weekly, [19 December 2012](#))

The section of the law requiring these overlapping remedies to be offset only applies to future cases. However, the other section retroactively authorises collecting CVDs back to 20 November 2006, and China argues this could lead to double remedies for the six-year gap up to 13 March 2012. The duties at issue in the case are said to affect more than US\$7.3 billion in Chinese goods imported into the US.

A panel to hear the WTO dispute was established in mid-December, with a final report expected within the next six months.

ICTSD reporting. "U.S. Judge Upholds 2012 Tariff Law," WALL STREET JOURNAL, 7 January 2013.

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## DISPUTES

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# Disputes Roundup: Japan, China Spar over Steel Duties; US Challenges Indonesia Import Policies

The holiday season has seen two new disputes reach the global trade arbiter over the past few weeks. While Japan has lodged a complaint challenging Chinese anti-dumping duties on steel, the US has filed a challenge of its own against Indonesia's import policies regarding horticultural products, animals, and animal products.

### **China anti-dumping duties on steel WTO-illegal, Japan says**

On 20 December, Japan notified the global trade arbiter that it would be seeking consultations with China over Beijing's anti-dumping duties on a specific type of steel tubes used in industrial boilers – formally known as high-performance stainless steel seamless tubes, or HP-SSST ([DS454](#)). Dumping, in trade parlance, involves the practice of companies selling their products abroad at prices below normal market values, causing harm to the domestic industry of the importing country.

The duties at issue, which also affected imports of the same product from the EU, have been in place since last November, following the results of an anti-dumping investigation that China launched in September 2011. The duties applied to Japan's imports, [according](#) to the country's Ministry of Economy, Trade, and Industry, ranged from 9.2 to 14.4 percent.

According to Tokyo, the duties are in violation of the WTO's General Agreement on Tariffs and Trade, along with provisions of the global trade body's Anti-Dumping (AD) Agreement. The consultations request raises questions regarding various procedural elements of the investigation, such as whether there had been sufficient evidence to launch the investigation in the first place.

China, in a brief response on its Ministry of Commerce website, has said that it will "properly handle [the consultation request] according to dispute settlement procedures under the World Trade Organization," without going into further detail.

China's increased use of trade remedy investigations has drawn the attention of its trading partners in recent years, with this case marking the fourth on the matter since Beijing acceded to the global trade body in 2001.

The two regional economic powerhouses – who have lately been publicly at odds due to a separate disagreement regarding sovereignty over a group of islands – have rarely sparred at the WTO dispute level, with just one other row making it to the global trade arbiter. Japan lodged a challenge late last year, together with the EU and US, over China's export restrictions on rare earths ([DS433](#), [DS432](#), and [DS431](#), respectively); a panel to hear that case was composed in September. (See Bridges Weekly, [14 March 2012](#))

### **US challenges Indonesia import restrictions on horticultural, animal products**

Just last week, the US filed a request to launch consultations with Indonesia over the latter's alleged import restrictions on horticultural products, animals, and animal products (DS455).

"Indonesia's opaque and complex import licensing system affects a wide range of American agricultural exports," US Trade Representative Ron Kirk said in a [statement](#) announcing the move. "It has become a serious impediment to US agricultural exports entering Indonesia, reducing Indonesian consumers' access to high-quality US products."

The US trade official also noted that the complaint is part of Washington's broader effort to "make clear to our trading partners that we will fight to support each job here at home affected by unfair restrictions abroad."

Indonesia's policies, the US claims, are inconsistent with the WTO's General Agreement on Tariffs and Trade, Agriculture Agreement, and Import Licensing Agreement. Specifically at issue in Washington's complaint are non-automatic import licensing requirements for horticultural products, as well as a similar licensing and quota regime for beef and other animal product imports.

Jakarta's recent reductions in quotas for beef and other animal product imports are also cause for concern, Washington says.

"These licensing regimes have significant trade-restrictive effects on imports and are used to implement what appear to be WTO-inconsistent measures," the [complaint](#) reads. The US-issued document also cites – among other concerns – the administrative burdens incurred over the various steps of the licensing process, the alleged lack of transparency in Indonesian authorities' delay or refusal in granting necessary documents in that same process, and the perception that licensing regimes "do not appear to be administered in a uniform, impartial, and reasonable manner."

The request for consultations is the first step in the WTO dispute settlement process. Should the parties to a dispute be unable to reach a resolution after 60 days of talks, the complainant may request the establishment of a panel to hear the complaint.

ICTSD reporting; "China set for Japanese steel duty consultation," XINHUA, 21 December 2012.

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## EVENTS & RESOURCES

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# Vacancy

The **International Trade Centre** is seeking to hire a P-3 Adviser in Trade and Environment Mainstreaming. This Geneva-based position would be as soon as possible, and continue until 31 December 2013 initially. The role would require assisting in the mainstreaming of green economy, climate change, and environment issues into Aid for Trade programmes in ITC. Candidates should have a university degree in applied economics (e.g. agriculture, natural resources, environment), law, development studies, business studies, or a related discipline (all with specialisation in natural resources or environment-related area), among other professional requirements. More information about the position can be found at the ITC [website](#).

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# Events

## Coming soon

17-19 January, Colombo, Sri Lanka. SUB-REGIONAL WORKSHOP ON MILLENNIUM DEVELOPMENT GOALS AND THE POST-2015 DEVELOPMENT AGENDA FOR SOUTH ASIA. The Asian Development Bank (ADB), UN Economic and Social Commission for Asia (ESCAP), and the UN Development Programme's (UNDP) regional partnership on the Millennium Development Goals (MDGs) is organising a series of regional and sub-regional workshops and consultations on the post-2015 development agenda and the post-Rio+20 process, which will lead to the publication and launch of the next Regional MDG Report (2012/13) – The Post 2015 Development Agenda in Asia and the Pacific: Regional Perspectives. These consultations will seek the views of stakeholders in the Asia and Pacific region on their development priorities for the report, and aims to bring together government, civil society, think tank representatives, and development partners. For more information, visit the event [website](#).

23-27 January, Davos-Klosters, Switzerland. WORLD ECONOMIC FORUM ANNUAL MEETING 2013. Organised by the World Economic Forum, this annual meeting aims to engage leaders in collaborative activities focused on shaping global, regional, and industry agendas. The conference will focus on fostering "resilient dynamism" and the goal of catalysing and facilitating global, regional, and industry transformation. For more information, visit the event [website](#).

## WTO Events

An updated list of forthcoming WTO meetings is posted [here](#). Please bear in mind that dates and times of WTO meetings are often changed, and that the WTO does not always announce the important informal meetings of the different bodies. Unless otherwise indicated, all WTO meetings are held at the WTO, Centre William Rappard, rue de Lausanne 154, 1211 Geneva, Switzerland, and are open to WTO Members and accredited observers only.

28 January: Dispute Settlement Body

29-31 January: General Council

### Other Upcoming Events

28-30 January, Geneva, Switzerland. EXPERT MEETING ON REGIONAL INTEGRATION AND FDI IN DEVELOPING AND TRANSITION ECONOMIES. Organised by UNCTAD's Division on Investment and Enterprise, the meeting will link trade and investment issues and focus on the experience of long-established regional groups to shed light on the relationship between regional integration and foreign direct investment (FDI) flows. Participants will analyse how trade and other policy measures related to regional integration impact investment and assess the importance of economic and policy fundamentals in promoting investment for sustainable development and inclusive growth. The meeting will bring together a diverse group of experts and policymakers to discuss trends and developments with a view to identifying best practices that could further advance the relationship between regional integration and FDI for sustainable development. Registration is [mandatory](#). For more information, visit the event [website](#).

30 January, Lausanne, Switzerland. HOW TO REKINDLE THE INTEREST OF THE PRIVATE SECTOR IN THE WTO? By September of this year it is expected that the WTO will have a new Director-General (D-G), with nine candidates currently vying for the role. This panel discussion, hosted by the Evian Group at IMD, will play host to a majority of the candidates and provide them a forum to discuss what their future policies would be if given the position of Director General, particularly regarding how they might try to attract more private sector interest to the Geneva-based organisation. Event organisers hope that the discussion will provide attendees with insights into how these candidates see the future of world trade and trade regulation. To register, please click [here](#).

4 February-17 March, online. INTRODUCTION TO THE UNITED NATIONS SYSTEM. This course, held by the UN Institute for Training and Research (UNITAR), aims to provide a historical, political, and analytical framework for liaising more effectively with UN representatives and staff. The course includes six interactive training modules introducing participants to the United Nations system, its principal institutional bodies, millennium development goals, human rights issues, climate change and the environment, and UN financing. The course targets those working in the public or private sector, including entry and mid-level career diplomats, other public service officials, postgraduate students, and staff from nongovernmental organisations, especially those whose work or studies is linked to the United Nations. More information about the course is available [here](#).

25-26 February, London, UK. GREEN GROWTH: TRANSFORMING ECONOMIES FOR COMPETITIVENESS AND RESILIENCE. Hosted by Chatham House, this conference will ask what the benefits and obstacles are to governments looking into adopting green growth policies. It will aim to answer how this economic transformation can be made possible politically, and what tools and policies will enable it, while pointing out newly emerging economic models. For more information, visit the Chatham House [website](#).

18-20 March, Incheon, South Korea. THIRD ASIA-PACIFIC CLIMATE CHANGE ADAPTATION FORUM. This event, hosted by the Korea Environment Institute (KEI), in association with the Korea Adaptation Center for Climate Change (KACCC), and with the collaboration of various other organisations, will focus on the theme "Mainstreaming Adaptation into Development." The event is geared toward decision-makers at all levels of government, in business, and in communities, with the goal of assisting them in being more strategic and effective in addressing the challenges of development in a changing climate. More information about the event can be found [here](#).

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## Resources

UNDERSTANDING THE TRANS-PACIFIC PARTNERSHIP. By Jeffrey J. Schott, Barbara Kotschwar, and Julia Muir for the Peterson Institute for International Economics (January 2013). With the Doha Round of multilateral trade negotiations at an impasse, the ongoing Trans-Pacific Partnership (TPP) negotiations have gained increased attention in the trade community. This Policy Analysis aims to provide a reader's guide to the TPP initiative. It first assesses how much the TPP countries are alike and like-minded in their pursuit of a comprehensive trade deal. It then examines the current status of the talks, the major substantive sticking points, and the implications of Canada and Mexico joining the talks as well as prospective membership of other countries. The Policy Analysis then looks ahead to how the TPP could advance economic integration in the Asia-Pacific region and the implications for trade relations with China. To learn more about the book, please visit the Peterson Institute [website](#).

ON CLIMATE MIGRATION AND INTERNATIONAL TRADE. By Rafael Leal-Arcas for the Vienna Journal of International Constitutional Law (September 2012). This article provides a legal analysis of climate migration – in other words, migration as a way to adapt to climate change – and examines the potential impact of such migration on international trade. The full article is available [here](#).

CRISIS OF GLOBAL SUSTAINABILITY. By Tapio Kanninen (December 2012). This text provides a history of the concept of sustainability and the various institutional measures taken to promote, implement, and enforce sustainable development, while also proposing organisational solutions to deal with the crisis of sustainability. The book describes the evolution and impact of the Club of Rome, a global think tank that produced the 1972 study "The Limits to Growth" which highlighted the dangers of unrestrained economic growth and possible collapse of global economies in the first decade of the 21<sup>st</sup> century. Pulling from recent research, the author asks whether current thinking on world development today should continue to focus on global sustainability, or whether this should shift to the concept of "global survivability." More information is available [here](#).

SYMBOLIC POWER IN THE WORLD TRADE ORGANIZATION. By Matthew Eagleton-Pierce for Oxford University Press (2013). This book examines the aspect of power in the context of global trade politics, including the WTO. He specifically addresses the notion of symbolic power, and from there evaluates the relationship between power and legitimation. Furthermore, the book discusses the recent strategies by Southern countries in their pursuit of a more equitable trading order. The author also aims to bring together insights from political economy, sociology, and law in order to enrich the study of diplomatic practice within a major multilateral institution. To learn more about the publication, please visit the publisher's [website](#).

SOUTHERN ALTERNATIVES TO EU TRADE POLICY. Published by Comhlámh; World Economy, Ecology & Development (WEED), and AITEC (2012). This report presents proposals for changes to the current global trading system that could, the authors say, make trade fairer for developing countries. The writers evaluate EU trade policy, specifically its potential impacts on developing countries, and suggest possible alternatives. They also state that alternative approaches to global trade and economics should be based on democracy and sustainability. The report can be downloaded [here](#).

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