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RENEWABLE ENERGY

EU-China Solar Row Escalates, Amid Rumours of Potential Negotiations

The Sino-European spat over trade in solar panels has continued to escalate in recent weeks, with officials in Beijing warning that Brussels' planned anti-dumping duties could have severe implications for their bilateral relationship. Meanwhile, conflicting news reports have also emerged over the past few days regarding whether a negotiated settlement aimed at defusing the row may soon be on the horizon.

Tensions between Brussels and Beijing on the solar trade subject have been running particularly high ever since reports emerged earlier this month of the European Commission's plans to impose duties on solar panel imports from China. (See Bridges Weekly, [8 May 2013](#)) The provisional duties are set to average 47 percent, with a range of 37 to 68 percent.

The duties are expected to be approved by early June. The Commission must then determine whether to alter – or revoke – the final duties by December.

These particular duties are aimed at targeting the practice of dumping, which involves companies selling their products abroad at prices below normal market values, causing harm to the domestic industry of the importing country. They are the result of an investigation that the Commission launched last September in response to a complaint by the EU Pro Sun coalition, a group of 25 European solar panel manufacturers headed by the German-based SolarWorld. (See Bridges Weekly, [12 September 2012](#))

The same coalition of companies that lodged the anti-dumping complaint has also asked the Commission to determine whether China's producers had received unfair subsidies; the results of that investigation are expected by August. (See Bridges Weekly, [14 November 2012](#))

The 27-country EU bloc is China's main export market for solar panels, making up nearly 80 percent of all Chinese export sales, according to European Commission data. In 2011, for instance, the Asian country exported €21 billion worth of solar panels and their main components to the EU.

The US, for its part, already has both anti-dumping and anti-subsidy – also known as countervailing – duties in place on imports of Chinese solar cells, following a separate



International Centre for Trade
and Sustainable Development

investigation conducted by the US Department of Commerce last year. (See Bridges Weekly, [10 October 2012](#))

As Beijing rhetoric ramps up, Berlin warns against duties

Since the news broke of the Commission's decision, Chinese officials have stressed that the imposition of these duties could have major ramifications for Brussels-Beijing trade ties. Commerce Ministry spokesman Shen Danyang warned last week, for instance, that such a move would "seriously damage" the bilateral relationship.

"The abuse of trade remedy measures in a reckless and arbitrary manner will... do nothing to solve trade frictions and will also impede the progress of economic recovery and severely dampen confidence," Shen said, in comments reported by Agence France Presse.

The implications of a trade fall-out with Beijing has also caused strains within the EU bloc, with Germany putting pressure on the European Commission to refrain from imposing the measures. The provisional duties, Economy Minister Philipp Rösler said on Sunday, are a "grave mistake."

"I expect the Commission to do everything to prevent a trade conflict," Rösler said, in comments reported by Reuters. Referring to China's warning that the duties would affect bilateral ties, he urged the Commission "to seek a resolution with negotiations and dialogues instead of threats."

Possible settlement?

Officials close to De Gucht have repeatedly said that, despite the anti-dumping investigation's provisional findings, he would be open to a negotiated solution.

Rumours of a possible settlement have since emerged, after both the New York Times and Bloomberg reported on Tuesday that Beijing is involved in preliminary discussions with both Washington and Brussels on a solution that would effectively raise the price of solar panels being imported from China through export quotas and minimum prices on equipment.

However, US Trade Representative spokeswoman Carol Guthrie told Reuters on Tuesday that Washington is not yet actively negotiating a joint settlement. EU Trade Commissioner Karel De Gucht, in separate remarks reported by the news agency, has also said that Washington and Brussels have not "teamed up."

Whether or not the two sides are indeed engaged in any individual discussions with China, however, was unclear at the time of this writing.

EU solar industry remains split

The solar row has also deepened divides within the EU domestic solar industry. While producers of solar panels and cells have long lobbied for the duties in order to level an allegedly unfair playing field, importers of these products that use them further down the production chain have argued that the measures could actually have damaging effects for renewable energy production as a whole.

"If the European Commission acts now against illegal dumping by Chinese solar manufacturers, this industry can survive and prosper," said Milan Nitzschke, President of EU ProSun, in a [statement](#) earlier this month.

"If the EU does not act, EU ProSun predicts a Chinese solar monopoly with disastrous consequences for European manufacturers, suppliers, and customers."

However, the Alliance for Affordable Solar Energy – a separate coalition of 450 European companies, including raw materials suppliers, installers, and project developers – has argued that the duties could end up hurting the EU job market and negatively impacting demand for photovoltaic products.

"If prices are artificially increased by punitive tariffs, the European solar market would simply come to a standstill with disastrous effects on green jobs," [said](#) Wouter Vermeersch, CEO of the Belgian company Cleantec Trade.

ICTSD reporting; "U.S. and Europe Prepare to Settle Chinese Solar Panel Cases," NEW YORK TIMES, 20 May 2013; "German minister calls EU move on China solar 'grave mistake'," REUTERS, 19 May 2013; "No 'active' U.S.-EU-China solar talks under way: USTR," REUTERS, 21 May 2013; "China warns EU to drop telecom probe, solar panel tax," AGENCE FRANCE PRESSE, 16 May 2013; "EU not coordinating with Washington on China solar dispute," REUTERS, 21 May 2013.

DISPUTES

Trade Probe into China Telecoms May Be Imminent, EU Commission Warns

The European Commission could soon find itself on a trade collision course with China regarding imports of mobile telecommunications networks and their essential elements, having announced last week that it is ready to open an investigation into alleged dumping and unfair subsidies should bilateral negotiations on the subject fail.

The Commission has said that it has been gathering evidence for the past year in advance of a possible probe. However, it will hold off on launching the anti-dumping and anti-subsidy investigation for the time being, EU Trade Commissioner Karel De Gucht explained in a statement last week, in order to “allow for negotiations towards an amicable solution with the Chinese authorities.”

In an interview with Reuters on Friday, the EU trade chief specifically cited telecoms equipment makers Huawei and ZTE Corp – two of the world's largest producers in this field – as being among those that are allegedly dumping their products on the EU market. Europe accounts for 15 percent of the former's overseas business, according to Chinese statistics.

The probe, if launched, would deal with the hardware used in telecommunications networks across Europe, such as base stations, for instance. It would not deal with mobile phones, antennas, or other smaller products. Chinese exports of these telecommunications products to the EU are valued at just over €1 billion a year, according to European Commission estimates.

EU, China trade tensions on the rise

The news has ramped up tensions between the two trading partners, who are already in the midst of a heated row over the Commission's plan to impose anti-dumping duties on solar panel imports from China. (For more on the solar case, see related story, this issue) However, EU officials have been quick to quell any suggestions that Brussels and Beijing might be involved in a “trade war,” noting that the solar and telecoms probes are separate processes.

Chinese officials, for their part, have cautioned that the proposed telecoms investigation could have serious effects on bilateral trade ties if the Commission indeed decides to move forward.

The Asian economic powerhouse “does not want to go into a trade war with the European Union,” Commerce Ministry spokesman Shen Danyang told reporters last week, in comments reported by Agence France Presse. However, “any consequences caused must be borne by the party who provoked the friction.”

No timeline for investigation launch, but clock is “ticking”

EU officials have not outlined what would be the deadline for launching an investigation, or if such a deadline is in place. De Gucht has said that he will revert back to the College of Commissioners “in due course,” without specifying further details.

"The clock is ticking," EU Trade Spokesman John Clancy [told](#) reporters last week in response to questions regarding timeline. "We have had an open-door policy for negotiations with our Chinese partners for approximately one year, and we look forward, at this stage, that the Chinese authorities step forward and engage with us in terms of these specific negotiations in a serious manner, because this is currently a very serious situation that we are looking at."

"We are looking for an amicable solution" from the negotiations, Clancy said, without providing specific details of what such a solution might look like.

Ex-officio case

The investigation, if launched, would be under the European Commission's own initiative – a rare move, but one that allows for such a probe to occur without requiring an industry complaint to be filed first. This is only done in "exceptional cases," according to the Commission.

"The reason we have that [ex-officio] system available to us within the WTO framework is to provide [a] shield" for EU producers that could be at risk of retaliation for filing their own complaint, Clancy explained.

The Commission proposed changes to its trade defence rulebook last month that would, among other modifications, allow for ex-officio investigations in cases of likely retaliation that could target economic interests that the EU has in the exporting country. (See Bridges Weekly, [18 April 2013](#)) In its communication to the European Council and Parliament, the Commission cautioned that these threats "are indeed increasing."

The standards for the evidence required to launch an ex-officio case under these guidelines "has to be of the same standard as that for the initiation of an investigation following an application by the EU industry," the Commission said in its draft legislative [proposal](#), among other guidelines. The legislative proposal must be approved by the Council and Parliament.

ICTSD reporting; "Exclusive: EU cites Chinese telecoms Huawei and ZTE for trade violations," REUTERS, 18 May 2013; "EU escalating telecom dispute to harm trade ties," XINHUA, 21 May 2013.

AGRICULTURE

US Senate Debates Potential for WTO Challenge to 2013 Farm Bill

Agriculture committees in the US Senate and the House of Representatives cleared their respective versions of a potential 2013 Farm Bill last week, marking the first major advance in a process that had stalled last year. However, with the full Senate now in the midst of debating the legislation, some members of the chamber are raising questions on the impact of the new bill on trade and whether its provisions will indeed be WTO-compatible.

The new counter cyclical?

Although the proposals under discussion have ostensibly cut trade-distorting counter cyclical payments – transfers to farmers when prices fall – a [host of new programmes](#) appear poised to take their place. The Senate, for instance, has proposed two schemes in its version of the Farm Bill: Adverse Market Payments (AMP) and Agricultural Risk Coverage (ARC). Representatives in the House, meanwhile, are assessing the merits of Price Loss Coverage (PLC) and the Revenue Loss Coverage (RLC).

Some, such as Senator Pat Roberts – a Republican from the US state of Kansas – have warned that the AMP could potentially be challenged at the WTO. In a [statement](#), Roberts noted that “the WTO stove is hot” following the US’ loss at the global trade arbiter in its cotton-related dispute with Brazil, and that the new Farm Bill should not be reason to “reach out to touch it again.”

The Senate’s two programmes use lower reference, or target, prices on average compared to those proposed in the House. With the exception of peanuts and rice, prices in the Senate bill are not fixed over the five-year Farm Bill period. Instead, they use an average that drops the highest and lowest values over a five-year period.

The AMP, Roberts [told](#) the Senate Agriculture Committee last week during a discussion on [an amendment](#) to cull the programme, is at best a trade-distorting WTO “amber box” programme and is “slowly growing red.”

Payments to farmers under the AMP would be calculated using reference prices and the number of acres planted. Nick Paulson, an agricultural economist at the University of Illinois, told Bridges that, of the proposed programmes, anything based on planted acres has the potential to be more distorting, particularly if prices fall over the life of the Farm Bill.

Of these programmes, the proposed House PLC and RLC are the ones with the greatest likelihood of being trade-distorting, Paulson said, since they would guarantee payments based on fixed reference prices over the five-year Farm Bill period and reward farmers with greater outlays for planting more acres of a given crop, regardless of market conditions.

The battle in the Senate is being drawn along crop lines. Roberts, from corn, soy, and wheat-producing Kansas, wants peanut and rice farmers to leave “everybody else alone,” fearing that the higher fixed prices for the Southern oil-seed and cereal would open the US up for WTO retaliation.

Others such as Senator Mike Johanns, a Republican from Nebraska – also a corn, soy, and wheat-producing state – noted that discussions with Brazilian officials have led him to

believe that the dispute was about the US' entire approach to farm policy, and not just cotton. Johanns, who previously served as US Secretary of Agriculture, added that an AMP would be "exacerbating the situation" and that any WTO challenge would be "successful."

The amendment to remove the AMP from a final Senate Farm Bill failed to pass the agriculture committee, but the sentiment may still colour the discussions in the broader assembly. Senator John McCain, a Republican from Arizona, took the rare [step](#) this week of singling out a given crop, tobacco, for the elimination of subsidies.

Jim French of Oxfam USA told Bridges that farm interests traditionally maintain a common front and that differential treatment of crops was unusual. He added that the development NGO would be carefully looking at the proposals re-establishing reference prices, due to their potentially trade-distorting nature.

Crop insurance still key

Both chambers' respective agriculture committees have focused on crop insurance as the primary vehicle for reforming US agricultural spending, similar to the proposals tabled last year.

Beyond making crop insurance the centrepiece of reform, what is on the table now also reduces spending by eliminating direct payments, slashing nutrition support, and overhauling counter cyclical payments, among other programmes.

With regards to crop insurance reform, Senate Agriculture Committee Chair Debbie Stabenow, a Democrat from the US state of Michigan, is urging farmers to get some "skin in the game" – referring specifically to the need for shifting away from programmes that pay farmers unconditionally.

With the new expanded crop insurance programme, farmers would participate by paying insurance coverage premiums. Under the proposed bills, these insurance premiums would be subsidised up to 62 percent. Farmers could then be covered for "shallow" losses, or up to 80 percent.

Experts on crop insurance, such as Carl Zulauf at Ohio State University, have [observed](#) that the emphasis on insurance is a fundamentally different approach from previous farm bills. Others, such as Bruce Babcock of Iowa State University, have criticised the proposed system as being yet another way to provide otherwise politically unpalatable subsidies to farmers that have received record incomes in recent years.

Crop insurance programmes generally come under the aegis of the WTO's uncapped "green" box of minimally trade-distorting payments. The structure and specific composition of the US programmes may categorise them as trade-distorting "amber" box payments with fixed ceilings, argued Zulauf and David Orden of Virginia Tech in a recent [paper](#) for ICTSD, the publisher of Bridges.

Next steps

The Senate is expected to put its Farm Bill to vote before the end of May, while the House is likely to debate and vote on its version by summer's end.

Those pushing for significant reform of the Farm Bill expect to find sympathetic ears and a tougher time for the draft legislation in the House, given that that chamber has proportionately fewer members representing rural interests and is far more interested in the cuts made to nutrition programmes.

"We think the House is where the real fight will be," Dan Holler, a spokesman for Heritage Action, a conservative think tank, told Politico earlier this week.

Long-time Farm Bill lawmakers say that any final legislation will be written behind closed doors after both chambers pass their respective versions. "At the end of the day this bill is going to be written in conference," Collin Peterson, the Ranking Democrat on the House Agriculture Committee, told reporters in a telephone call last Friday, referring to the process where separate bills from the two chambers are reconciled with one another. "We just need to figure out how to get this to conference. That's the trick."

ICTSD reporting; "Senate debates farm bill," POLITICO, 20 May 2013; "Farm Bill; and the Ag Economy- Tuesday," FARMPOLICY.COM, 21 May 2013.

INTELLECTUAL PROPERTY

Contentious WIPO Development Talks Yield Moderate Progress

Development-related discussions held at the World Intellectual Property Organization (WIPO) last week found member countries at odds on various topics, such as patent-related flexibilities and the measurement of the agency's contribution to the UN Millennium Development Goals (MDGs). Late negotiations, however, ultimately were able to result in the approval of a final Chair's [summary](#).

The [Committee on Development and Intellectual Property](#) (CDIP), which met on 13-17 May in Geneva, is tasked with monitoring the implementation of the 45 Development Agenda [recommendations](#). These were adopted in 2007 to mainstream development into the UN agency's work.

Along with discussing the implementation of the Development Agenda recommendations, talks last week also addressed topics such as patent-related flexibilities, the MDGs, technical assistance, and whether to include a standing agenda item on IP and development.

Reviews on DA implementation spark mixed responses

The monitoring of Development Agenda implementation hinges on two pillars: an annual report produced by WIPO's Director-General and an independent review assessing the 2012-2013 period.

The former prompted mixed responses among delegates. Developed countries, represented by Group B, praised it as a "comprehensive report," with the US delegation underlining its "sound methodology". The group's coordinator highlighted, however, the need to rely on best practices in the evaluation process – a concern flagged by the EU as well.

The African Group and the Development Agenda Group, for their part, called for a more detailed and transparent process, particularly with regard to the design of "country plans" – WIPO's legislative assistance in devising national IP strategies.

"The report could have contained more details to allow member states to evaluate the success of country projects," Algeria observed.

Some developing countries also reiterated their concerns over the exclusion of certain WIPO bodies, particularly the Programme and Budget Committee, from the report's contributors. (See Bridges Weekly, [16 May 2012](#)) Such an exclusion, they say, would not be compliant with a General Assembly-approved coordination mechanism that aims to ensure that all "relevant WIPO bodies" report annually on their efforts toward integrating the DA recommendations into their work.

Members also discussed the role of WIPO in other UN-related forums, including follow-up work related to last year's UN Conference on Sustainable Development, or Rio+20. The WIPO Secretariat agreed to conduct briefings to inform member states on the agency's contribution in this area.

The discussion on the independent review was postponed to the next CDIP plenary, slated for November 2013.

Work on patent-related flexibilities encounters developed country resistance

A marked North-South divide delayed agreement on the continuation of work on four patent-related flexibilities that were identified in previous sessions. These flexibilities include: exclusion from patentability of plants and software-related inventions; application of criminal sanctions in patent enforcement; and the so-called "security exception," which defines security-related measures that may restrict patent rights. (See Bridges Weekly, [21 November 2012](#))

The EU said that patent-related flexibilities had already been dealt with under the aegis of WIPO's Standing Committee on the Law of Patents (SCP). Concerns over the duplication of efforts were similarly raised by other developed countries.

However, developing countries such as Pakistan urged that the CDIP be given more space to complement the patent committee's work.

"Balance in IP policies is not there, and the provision of flexibilities is pivotal to attain that purpose," Pakistan said.

Ultimately, members agreed that additional studies would be prepared on the two flexibilities concerning plants and software. These studies will be presented at the next CDIP session.

Technical assistance priority areas approved

Following lengthy discussions, delegates managed to identify areas of intervention for enhancing WIPO's technical assistance, building upon recommendations found in a 2011 external [report](#) produced by IP experts Carolyn Deere Birkbeck and Santiago Roca. (See Bridges Weekly, [16 May 2012](#))

The areas approved include the compiling of WIPO's technical assistance initiatives into a manual, along with improving the website and the Technical Assistance Database to facilitate dissemination of relevant information for beneficiary countries.

MDGs contribution fuels debate

Members also engaged in discussions over an external [study](#) that analysed the feasibility of integrating the UN Millennium Development Goals (MDGs) into WIPO's results framework. Adopted by UN members in 2000, the MDGs set eight objectives to be met by 2015, in areas such as poverty alleviation, health, education, access to jobs, and sustainability.

Developed countries stressed that the study's findings were consistent with a previous [report](#) assessing WIPO's impact on achieving the MDGs, and argued that no additional work should be undertaken.

South Africa, however, felt that more work is needed, as well as "a comprehensive overview of what other UN agencies are doing to measure their contributions [to MDGs]."

"All MDGs should be considered: it is in WIPO's remit, as a UN specialised agency, to look at all of them," added Algeria, highlighting that the work's scope should be extended beyond the three innovation/technology-related MDGs that both studies identified as pertinent to WIPO's mandate.

Members agreed to ask the secretariat to prepare a compilation of practices adopted by other UN agencies to evaluate their particular contributions to the MDGs, and to provide a brief report concerning WIPO's own role.

Agenda standing item decision deferred; TORs for November conference discussed

Another contentious issue on the table was a previously-tabled request by the Development Agenda Group for a standing item on IP and development to be included in the CDIP agenda. (See Bridges Weekly, [21 November 2012](#)) However, members were again unable to reach agreement on the issue.

Member countries also discussed the terms of reference for an international conference on IP and development, which is slated to take place in Geneva this November. (See Bridges Weekly, [21 November 2012](#)) They agreed to have the WIPO secretariat draw up a provisional list of speakers and themes, which then would go to group coordinators for endorsement in preparation for the conference.

ICTSD reporting.

UNITED NATIONS

Kenya's Kituyi Nominated as Next UNCTAD Head

Former Kenyan trade minister Mukhisa Kituyi has been [nominated](#) by UN Secretary-General Ban Ki-moon to serve as the new head of the UN Conference on Trade and Development (UNCTAD), the agency announced last week.

Kituyi's candidacy is next set to go to the UN General Assembly for approval by the organisation's 194 member states. If confirmed, he will replace current UNCTAD Secretary-General Supachai Panitchpakdi of Thailand, who has served two terms as the organisation's head since being appointed in 2005. (See Bridges Weekly, [18 May 2005](#)) Before taking the top job at UNCTAD in 2005, Supachai was the WTO's Director-General for a period of three years.

The term of the new UNCTAD chief would begin on 1 September and last for four years. Kituyi, who served as Kenya's trade minister from 2002-2007 and was a member of his country's parliament for over a decade, is [currently](#) the chief executive of the Nairobi-based Kenya Institute of Governance and a non-resident fellow at the Washington-based Brookings Institution's Africa Growth Initiative.

The former Kenyan government official was reportedly under consideration for the UN agency's top post in 2009, before Supachai was nominated to serve a second term. Kituyi also briefly vied for the position of WTO Director-General in late 2004, in a race that ultimately went to current chief Pascal Lamy. (See Bridges Weekly, [22 December 2004](#))

The news of Kituyi's UNCTAD nomination last Thursday was announced just days after the WTO formally concluded its own leadership contest, which saw Brazil's Roberto Carvalho de Azevêdo win the role of Director-General from a nine-candidate field. (See Bridges Weekly, [8 May 2013](#) and [16 May 2013](#))

Some trade observers have speculated that the elimination of the WTO selection's two African candidates – Alan Kyerematen of Ghana and Amina Mohamed of Kenya – in the first round of that contest may have helped set the stage for someone from that continent to be chosen to head the UN trade and development body.

While the WTO race dominated news headlines since it kicked off in December, the UNCTAD process has advanced much more quietly, with comparatively little information on who was vying for the role or what stage the selection was in. A "vacancy announcement" for the position was issued in late 2012, with an early January deadline for submissions. Some of the names that had since been floated in Geneva circles included former Mauritius WTO Ambassador Shree Baboo Chekitan Servansing and former Zambian Commerce, Trade, and Industry Minister Felix Mutati, though the full list of candidates was not publicly known.

The former Kenyan official's appointment comes at a time where many observers have questioned how best to keep the UN organisation relevant, and what role it should play in the ongoing global economic crisis. Questions were raised at last year's UNCTAD XIII conference, for instance, on whether it was duplicating the efforts of other international bodies, such as the Bretton Woods institutions, and whether the agency's work should be geared at tackling the causes – versus the effects – of the crisis. (See Bridges Weekly, [2 May 2012](#))

Before Supachai, previous UNCTAD Secretaries-General have hailed from Brazil, Ghana, Sri Lanka, Venezuela, and Argentina.

ITC position to be announced in June

The leadership changes in the trade world are not yet over, however. Patricia Francis, head of the International Trade Centre (ITC) – a joint WTO/UN technical cooperation agency – is also slated to step down from her post in June, having held the job since 2006.

Outgoing WTO Director-General Pascal Lamy and incoming chief Azevêdo, together with Supachai and Kituyi – assuming the latter is confirmed – have been [tasked](#) with making a joint recommendation to Ban as to who should take on the ITC role. However, the final decision on who shall serve as Francis' replacement will ultimately lie with the UN Secretary-General.

ICTSD reporting; "Kenya's Mukhisa Kituyi nominated to lead UN trade body," THE GUARDIAN, 16 May 2013; "UN picks ex-Kenyan minister to lead development unit," AGENCE FRANCE PRESSE, 16 May 2013; "Mutati's UNCTAD candidacy," THE TIMES OF ZAMBIA, 23 April 2013; "Kenya's Mukhisa Kituyi tipped to lead UN trade agency," BUSINESS DAILY, 16 May 2013.

IN BRIEF

COOL Compliance Deadline Renews Meat Labelling Debate

With the WTO-established deadline for the US to bring its country-of-origin labelling (COOL) requirements for beef and pork into compliance set for today, Canada and Mexico have both made public comments questioning whether Washington's planned reforms will be enough to resolve the dispute.

A WTO dispute panel had ruled that COOL – a US government regulation enacted in 2008 – was in violation of Washington's international obligations at the global trade body in November 2011. The Appellate Body broadly confirmed the ruling last June. (See Bridges Weekly, [4 July 2012](#)). In advance of today's compliance deadline, Canada has said that it has already prepared a list of US products that it would aim to target in retaliation for US non-compliance, should the WTO authorise countermeasures.

Although US regulators argue that their planned changes – which would require meat to be labelled with information about where an animal was born, fed, and slaughtered – would be in compliance with WTO rules, Canadian Agriculture Minister Gerry Ritz has responded that the proposal "actually makes things worse." Similar concerns have also been tabled by his Mexican counterpart, Enrique Martínez. The US is expected to release its final proposal today.

ICTSD reporting; "U.S. to introduce stricter rules on meat imports, labels," CHICAGO TRIBUNE, 21 May 2013; "Canada prepares to target U.S. goods in meat-label spat," REUTERS, 17 May 2013; "UPDATE 1-U.S. not respecting WTO ruling on meat labelling – Mexico," REUTERS, 21 May 2013.

EU-India Trade Talks Stumble

Talks between India and the EU last week failed to make significant progress on their long-awaited trade deal, despite the goal of concluding the negotiations in the near future. The Brussels meetings reportedly ended with "substantial gaps," despite hopes that last month's ministerial-level discussions could have set the stage for an imminent breakthrough. (See Bridges Weekly, [18 April 2013](#))

Intellectual property, insurance, and data security remain key sticking points between the two parties, official negotiators cited by Indian newspaper Business Standard have said. Bilateral trade between the two sides hit €79.9 billion in 2011, according to EU statistics, up from €28.6 billion in 2003. Negotiations for a bilateral pact have been ongoing since 2007; if completed, the deal would cover a market of 1.7 billion people.

ICTSD reporting; "India-EU trade talks fail to bridge gaps; ministerial meet unlikely," BUSINESS STANDARD, 18 May 2013; "EU Trade Talks on 'Last Lap': India Commerce Minister," CNBC, 15 May 2013.

EU Considering Duties on Imports of Biodiesel from Indonesia, Argentina

The European Commission is considering possible anti-dumping duties on imports of biodiesel from Indonesia and Argentina, according to unnamed sources cited by Reuters. The provisional duties could be confirmed as early as next week, pending the final investigation results.

The investigation was launched by the Commission last year, in response to a request by the European Biodiesel Board (EBB), which represents manufacturers accounting for over a quarter of EU biodiesel production. (See Bridges Weekly, [12 September 2012](#)) The EBB has claimed that the two countries, which together make up 90 percent of biodiesel imports into the EU, maintain differential export taxes – in other words, higher export taxes for the raw materials used to produce biodiesel than on biodiesel itself. The group argues that the practice discourages raw material exports in favour of biodiesel exports.

The news comes shortly after Argentina – in a separate development – filed its own complaint at the WTO against the EU and some of its member states over allegedly unfair trade practices involving the importation and marketing of biodiesel, as well as the subsidisation of the 27-country bloc's domestic market. (See Bridges Weekly, [16 May 2013](#))

ICTSD reporting; "EU to impose duties on Argentine, Indonesian biofuel," REUTERS, 19 May 2013.

Sino-Indian Trade Balance in Focus During Chinese Premier's Visit

How to address the trade balance between China and India was one of the priorities on the agenda during Chinese premier Li Keqiang's visit to India this week. Li, in his first official foreign trip since assuming office, and Indian Prime Minister Manmohan Singh reportedly made small breakthroughs on trade, but no major agreements were signed.

Despite bilateral trade between the world's two most populous countries reaching US\$66 billion last year, the neighbours have both said that there is potential for more. The two leaders sought to address the sensitive subject of India's US\$29 billion deficit with China in their joint statement issued after the meeting, focusing particularly on pharmaceuticals, IT services, and agriculture.

On his penultimate day in India, Li stressed that he is "confident we have the ability to mitigate the trade imbalance between our two countries," adding that such a trade surplus was never Beijing's intention.

ICTSD reporting; "India and China: Building trade and trust," ALJAZEERA, 20 May 2013; "China offers India a 'handshake across the Himalayas'," REUTERS, 20 May 2013; "Beijing Vows to Ease Imbalance with India," WALL STREET JOURNAL, 22 May 2013.

EVENTS & RESOURCES

Events

Coming soon

27-30 May, Vladivostok, Russia. THE ASIAN AND PACIFIC ENERGY FORUM. This event, hosted by the UN Economic and Social Commission for Asia and the Pacific, is aimed at promoting regional cooperation for enhanced energy security and the sustainable use of energy. The event will bring together 52 member states and associate members from the Asia-Pacific region, with the goal of agreeing on a Ministerial Declaration and Regional Plan of Action that addresses a range of energy-related issues, including trade. For more information, visit the event [website](#).

28-29 May, Beijing, China. GLOBAL SERVICES FORUM. This event, organised by the United Nations Conference on Trade and Development (UNCTAD) together with the Chinese Ministry of Commerce and the People's Government of Beijing Municipality will be held concurrently with the second China International Fair on Trade in Services (CIFTIS). The purpose of this event is to deepen the understanding of opportunities and challenges for developing countries in fostering sustainable and inclusive development through services. The Global Services Forum aims to gather together prominent players in the services sector, from governments, the business world, and academia. Event organisers hope that the ideas emerging from the interaction of participants will help create and strengthen networks and partnerships for the development of the services sector. More information is available [here](#).

29 May, London, UK and online. LEAPING AND LEARNING: LINKING SMALL HOLDERS TO MARKETS. This event, hosted by the Overseas Development Institute (ODI) and the Agriculture for Impact initiative, will feature the launch of two new publications. One is a review of the existing literature on smallholder-centred market-based interventions, while the other asks eight development practitioners to reflect on their market-based work with African farmers and their recommendations for future actions and support. 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.

24 May: Dispute Settlement Body

27 May: Committee on Budget, Finance and Administration

29 May: Committee on Government Procurement

Other Upcoming Events

31 May, Paris, France. 2013 INTERNATIONAL ECONOMIC FORUM: LATIN AMERICA AND THE CARIBBEAN. The fifth edition of the International Economic Forum on Latin America and the Caribbean will be focusing on the themes of fostering small and medium enterprise (SME) development, and empowering entrepreneurship for competitiveness. After providing an overview of the economic outlook of the region, the Forum will ask how governments can undertake reforms in favour of higher productivity by more adequately addressing the needs of SMEs and by better including them in the production structure. The Forum is being co-organised by the Development Centre of the Organisation for Economic Co-operation and Development (OECD), the Inter-American Development Bank (IDB), and the French Ministry of Economy and Finance. More information is available at the event [website](#).

4 June, London, UK. THE TRANSATLANTIC TRADE AND INVESTMENT PARTNERSHIP: A GAME-CHANGER? This event, hosted by Chatham House, will feature João Vale de Almeida, EU Ambassador to the United States, as its main speaker. The ambassador will share his insights into the motivations, challenges, and opportunities awaiting negotiators on both sides as they prepare to get to work, and address whether the talks – if launched in the margins of the G-8 summit in June – can deliver economically meaningful results in a reasonable timeframe. He will also consider the global impact of such a deal, and how a deal might or might not affect the debate about Europe in the United Kingdom. Attendance is strictly by invitation only, and the event will be held under the Chatham House Rule. More information is available [here](#).

4 June, Brussels, Belgium. FREE TRADE AND TRADE DEFENCE - THE EU'S TRADE DEFENCE PRACTICE AND MODERNISATION AND ITS IMPACT ON EU-ASIAN COMMERCIAL RELATIONS. This event, organised by the Alliance of Liberals and Democrats for Europe and the Group of the European People's Party (EPP Group) will feature EU Trade Commissioner Karel De Gucht (TBC) as the keynote speaker. De Gucht will then be joined by Wu Hailong, Chinese Ambassador to the EU, as well as top officials from Huawei, Eurofer, and the European Centre for International Political Economy (ECIPE) for a panel discussion. More information, including a draft programme with a full list of event speakers, is available [here](#).

1-3 October 2013. WTO PUBLIC FORUM: "EXPANDING TRADE THROUGH INNOVATION AND THE DIGITAL ECONOMY." This annual WTO event aims to provide a platform for public debate across a range of trade issues and topics. This year's forum specifically looks at the future of trade in an era of innovation and digitalisation. A call for proposals for sessions is now open, and online registration for attending the event is also available. More information can be found at the Public Forum [website](#).

Resources

CURRENCY WARS, THE ECONOMY OF THE UNITED STATES, AND REFORM OF THE INTERNATIONAL MONETARY SYSTEM. By C. Fred Bergsten for the Peterson Institute for International Economics (May 2013). In this lecture, C. Fred Bergsten – the founding director of the Peterson Institute – argues that currency manipulation is the single biggest challenge facing the world economic system and costs millions of US jobs. Bergsten also offers proposals for countervailing intervention and ties between the International Monetary Fund and the World Trade Organization in evaluating currency misalignments. The full audio and text of the lecture – and the subsequent question-and-answer session – is available [here](#).

MULTILATERALISING REGIONALISM ON GOVERNMENT PROCUREMENT. By Asako Ueno for the Organisation for Economic Co-operation and Development (OECD). (May 2013). In this report, the author asks to what extent do regional trade agreements (RTAs) go beyond the revised Agreement on Government Procurement (GPA), and how do they differ among trading partners. This report surveys 47 RTAs in force with government procurement provisions where an OECD member is a party. It finds that in general, non-GPA parties have achieved the general GPA level of market access commitments in their RTAs. In particular, RTA services coverage commitments involving non-GPA parties are more extensive than those of GPA parties. To learn more, or to read the report, please click [here](#).

CAPITAL FOR THE FUTURE: SAVING AND INVESTMENT IN AN INTERDEPENDENT WORLD. Published by the World Bank (May 2013). This year's World Bank Global Development Horizons Report explores saving, investment, and capital flows through 2030. It finds that developing economies are fast becoming major investors in the world economy, and by 2030 will account for more than 60 cents of every dollar invested – a fundamental shift with respect to historical performance. Developing countries will now, for the first time in history, become major sources, destinations, and potentially also intermediaries of global gross capital flows. Future trends in investment, saving, and capital flows will affect economic conditions from the household level to the global macroeconomic level, the report says, with implications not only for national governments but also for international institutions and policy coordination. The World Bank argues that, without timely efforts, some countries will be left behind, as will some people within otherwise successful countries. To learn more, please visit the World Bank [website](#).

OECD ECONOMIC SURVEYS: MEXICO 2013. Published by the Organisation for Economic Co-operation and Development (OECD) (May 2013). The OECD's Economic Survey of Mexico for 2013 examines recent economic developments, policies, and prospects and includes a special chapter on improving fiscal federal relations. For more information, or to access the report, click [here](#).

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