

BRIDGES WEEKLY

Global trade news from a sustainable development perspective

VOLUME 17, ISSUE 27, 25 JULY 2013

WORLD TRADE ORGANIZATION

Lamy: "Clearer" Road to Bali Ministerial, Though Work Remains..... 1

RENEWABLE ENERGY

Solar Trade: China Announces Duties on US, South Korean Polysilicon..... 4

BIOTECHNOLOGY

Monsanto Steps Up Efforts on EU GM Imports, Backs Off on Crops 6

LABOUR RIGHTS

US Outlines Labour Action Plan for Bangladesh..... 8

WORLD TRADE ORGANIZATION

"Transformation" of Global Trade to Pose Fresh Challenges, WTO Says 10

IN BRIEF

Japan Formally Begins TPP Participation 12

Japan Launches WTO Challenge Against Russia Vehicle Recycling Fee 13

EU WTO Review Highlights Resistance Against Protectionism 13

EVENTS & RESOURCES

Events..... 15

Resources..... 17

WORLD TRADE ORGANIZATION

Lamy: "Clearer" Road to Bali Ministerial, Though Work Remains

Negotiations for the WTO's upcoming Ministerial Conference in Bali have picked up the pace in recent weeks, WTO Director-General Pascal Lamy reported on Monday, keeping hopes alive for potentially achieving a successful outcome in December. However, many members have warned, much more work remains if the WTO wishes to harvest an ambitious set of Doha Round deliverables in time for this winter's high-level gathering.

"The road to Bali is much clearer than two months ago," Lamy told members on Monday during a meeting of the Trade Negotiations Committee, which is tasked with the Doha Round talks. However, despite the "encouraging progress" seen over the past two months, members are "not yet there."

"I would say that the glass is two thirds full," the Director-General said.

Monday's meeting was meant to be a crucial stocktaking point in the ministerial preparations, with Lamy warning in June that this would be the last "petrol stop" on the road to Bali. (See Bridges Weekly, [6 June 2013](#)) With the WTO now set to go on its annual August break, members will have less than three working months when they return to finalise a package for the December ministerial.

September will also see the entry of a new Director-General, former Brazilian Ambassador Roberto Carvalho de Azevêdo, after Lamy steps down from his post on 31 August. Whether a new global trade chief will have enough time to affect the pace of the Bali process, however, remains to be seen.

Members' interventions broadly echoed the idea that this summer's efforts have been "just enough" to keep the Bali preparations moving forward, a sentiment that delegates speaking to Bridges in recent weeks confirmed.

"If WTO members have not exactly shrouded themselves in glory, they have at least kept the ship afloat for the fall, and in some cases, managed to steer it away from obvious shoals," US Ambassador Michael Punke said on Monday. "We've probably done enough over the past months to give us one last shot at a meaningful package."

China also acknowledged movement in a direction that "recognised the natural linkage among various issues of the Bali package." However, Ambassador Yi Xiaozhun also warned that the speed of negotiations is still far from what is necessary. "We



International Centre for Trade
and Sustainable Development

have to soberly admit that the current pace of work remains too slow to guarantee a harvest at [the ministerial]," he said.

Trade facilitation: need for more political engagement

The anticipated centerpiece of the planned Bali package would be an agreement on trade facilitation, which would, among other things, ease customs procedures and reduce time at border crossings.

Negotiations on this front, however, have repeatedly hit snags in recent months, particularly over disagreements regarding the level of flexibility, technical assistance, and capacity building that will be accorded to developing and least-developed country (LDC) members for implementing the proposed agreement.

Many of these developing country members are wary of taking on "onerous commitments" that could prove difficult to put into practice. However, some developed countries, such as the US, have stressed that obligations must be "clear and binding" in order for the agreement to have any impact, and have highlighted the proposals on flexibility that are currently on the table.

"The value that the WTO adds to global trade is binding rules," Punke said on the US' behalf on Monday. "If we don't create binding rules, our WTO negotiations add no value, and frankly, that type of outcome is of no interest to the United States."

The negotiating group tasked with the trade facilitation talks met in Geneva last week in an effort to resolve some of these differences, with discussions ending on a "positive note," according to Lamy. However, the Friends of the Chair – four senior officials who have been helping facilitate discussions in recent months – have reported only some progress, with many difficult issues and technical aspects remaining unresolved.

Members had hoped to remove half of the remaining square brackets in the draft text – which had numbered over 500 in June – by July's TNC. However, sources report that only a fraction of these have been eliminated. "We have not even come close to achieving this [50 percent] target," EU Ambassador to the WTO Angelos Pangratis commented on Monday.

Ambassador Eduardo Sperisen-Yurt of Guatemala, who chairs the trade facilitation talks, said last week that the lack of flexibility shown by members has been "the real problem," according to sources present at the meeting. The Guatemalan ambassador has therefore called for more political, senior-level engagement in order for delegates to have the mandate to negotiate the necessary compromises, suggesting also the possibility of a "Signalling Conference" where members openly submit definitive proposals for finalising the text.

The next meeting of the negotiating group will be the week of 7 October.

Agriculture: no consensus

In a separate meeting last week, farm talks chair John Adank, the New Zealand ambassador, poured cold water on hopes that members might have reached agreement on agricultural trade issues that could be part of the "small package" deal for December.

"I'm not in a position to announce today that we have consensus in any area of our work in relation to Bali," he [told](#) an informal meeting of farm trade negotiators last Thursday.

However, he did tell members that some progress had been achieved on proposals tabled by the G-33 group of developing countries with large numbers of smallholder farmers. (See Bridges Weekly, [20 June 2013](#))

Negotiators had moved ahead in talks on the wording of a possible new clause that would exempt a list of developing country farm subsidy programmes from the ceiling on trade-distorting support at the WTO, so long as they caused no more than minimal trade distortion.

Adank told the meeting that the G-33 had proposed deleting some programmes from this list – such as payments for the “provision of infrastructure services” and “nutritional food security” – as these are already considered as green box programmes under existing rules.

“Some elements of convergence” have also emerged in talks over proposals to allow developing countries more flexibility to purchase food at subsidised prices when providing domestic food aid or building public stocks, said the chair. Negotiators had made particular headway on a possible interim mechanism that could provide greater flexibility to countries at risk of breaching their WTO commitments, he said.

However, they remained sharply divided over whether farm export subsidies should form part of a Bali deal. (See Bridges Weekly, [30 May 2013](#)) “Clearly, we have some way to go in this area to locate any convergence,” Adank warned.

Development talks “least advanced,” members say

The third area where WTO members are hoping to achieve outcomes in time for Bali involves development-related issues, which many say is the least advanced area of the talks. Some sources have commented that members appear to be waiting to see what comes from the other areas of negotiation before attempting major advances on these issues.

These discussions have been focused on three tracks. One of these involves the 28 Cancún proposals, which are part of a group of 88 proposals aimed at strengthening the special and differential treatment (S&DT) provisions in the various WTO agreements that were agreed, but not harvested, ten years ago.

Lamy reported on Monday that talks on these 28 proposals have continued advancing, with members currently exploring what these decade-old proposals mean in the 2013 context. Members will next review whether to adopt some or all of these, he said.

“While this work is ongoing, I believe it needs to be fast-tracked to get the necessary traction,” he urged, reminding members that such proposals had already been agreed “in-principle.” The process, he added, is about updates and not renegotiation.

The second area of discussions involves the so-called Monitoring Mechanism, which would review the functioning of provisions in WTO rules for S&DT treatment in favour of developing countries and potentially suggest improvements. While talks in this area have continued, the “conceptual clarity” that has emerged must now be turned into drafting language, Lamy said.

The third area, regarding the Sanitary and Phytosanitary Measures and the Import Licensing Procedures Agreements, will be put on hold until after Bali, with talks on these Agreement-specific proposals having hit an impasse earlier this year.

Meanwhile, the four LDC proposals tabled earlier this summer still require more discussion, Lamy said, particularly with regards to finding “common ground” on duty-free, quota-free market access – a topic that has created some internal disagreements within the LDC Group, sources told Bridges.

ICTSD reporting.

RENEWABLE ENERGY

Solar Trade: China Announces Duties on US, South Korean Polysilicon

China has imposed provisional anti-dumping duties on imports of US and South Korean polysilicon, an ingredient used in making solar panels, officials announced last week. The news marks the latest in a series of high-profile disagreements between China and its partners over trade in solar energy products, with Beijing also in the midst of negotiating a solution in a separate row with Brussels on the subject ahead of a looming August deadline.

The duties announced by China last Thursday are the result of a year-long investigation, [according](#) to the Chinese Ministry of Commerce (MOFCOM).

"MOFCOM [has] made the preliminary ruling that during the investigation period of this case, there was dumping of the products under investigation and China's domestic industry was substantially damaged, and there was causal relationship between the dumping and substantive damages," the ministry said.

US producers are set to face the heavier duties – between 53.3 and 57 percent on solar-grade polysilicon – compared to the 2.4 to 48.7 percent being imposed on South Korean producers. A decision on potential duties for EU polysilicon imports is still pending, China says.

The US is "dismayed" over China's decision, particularly given that Beijing and Washington are already in talks regarding solar trade, a spokesperson for the Office of the US Trade Representative told Reuters in response to the news. The official also said that Washington plans to review whether the duties are in line with Beijing's WTO obligations.

The duties have also sparked questions among some Chinese solar panel producers that rely on imports of polysilicon. For example, Yingli Green, a Chinese solar panel manufacturer, has said that these duties could potentially raise the costs of domestic production.

In 2012, US, EU, and South Korean polysilicon products made up over 80 percent of the supply for Chinese solar panel manufacturers.

Disagreements over renewable energy trade are not new for Beijing and Washington, with both sides exchanging multiple accusations in recent years over allegedly unfair trade practices in the sector. Last October, the US Department of Commerce confirmed that it would be imposing its own anti-dumping and countervailing duties on Chinese solar panel producers, in a move that was lambasted by Beijing. (See Bridges Weekly, [10 October 2012](#))

China's investigation into the alleged dumping of polysilicon by the US and South Korea was launched soon after the provisional version of these duties was imposed in early 2012, leading some industry officials to question whether the Beijing probe was a response to the Washington agency's decision.

"The announcement of retaliatory investigations into US polysilicon is harmful to the international trade system," said Gordon Brinser, president of the US-based SolarWorld and head of the Coalition of American Solar Manufacturing (CASM). The seven-company

coalition had been behind the original petition that had prompted the US Commerce Department investigation.

EU, China solar talks possibly near resolution

Separately, the EU and China are currently racing to come to an agreement over the alleged dumping of Chinese solar panels before a 6 August deadline. Should the two sides fail to reach a settlement by then, the 11.8 percent average duties that the European Commission is currently imposing on Chinese solar panels and their component parts are set to rise to 47 percent. (See Bridges Weekly, [6 June 2013](#))

Tensions have been running high between the two trading partners since news first leaked of the provisional duties, and have only escalated further in the wake of trade defence investigations that have since been launched into other products, such as a Chinese probe into imports of European wine. While officials have said that these investigations are unrelated to the solar row, pundits have speculated that these moves may instead be a tit-for-tat response.

The potential solution on the table would involve "price undertaking," in which Chinese producers would agree not to sell these products below an established minimum price. Brussels and Beijing have since been haggling over what such a minimum price should be, and what annual quota should be set, for these imports, with reports emerging on Wednesday that the two sides may be close to resolving their differences on the subject.

China is currently the world's largest producer of solar panels, having experienced a huge expansion within the last five years in a bid to be at the forefront of the renewable energy industry and achieve self-sufficiency in the energy sector. The EU currently imports €21 billion in Chinese solar panels, cells, and wafers a year.

ICTSD reporting; "China hits U.S., South Korea with solar material duties, skirts EU decision," REUTERS, 18 July 2013; "China Hikes Tariff on US, Korean Solar Polysilicon," ASSOCIATED PRESS, 19 July 2013; "EU-China solar panel anti-dumping talks face fresh flare-up," THE FINANCIAL TIMES, 12 July 2013; "EU-China solar deal hinges on price as deadline nears: sources," REUTERS, 24 July 2013.

BIOTECHNOLOGY

Monsanto Steps Up Efforts on EU GM Imports, Backs Off on Crops

Agricultural biotechnology giant Monsanto will scrap all pending approval requests to grow new types of genetically modified (GM) crops in the European Union in the coming months, company officials confirmed on 17 July. The company will now focus its efforts on securing EU approval to import genetically modified products, which are widely grown and marketed in the United States and South America.

"We will no longer be pursuing approvals for cultivation of new biotech crops in Europe," a company spokesman told the Telegraph newspaper. "Instead, we will focus on enabling imports of biotech crops into the EU and the growth of our current business there."

In an [interview](#) with Reuters, José Manuel Madero, Monsanto's President and Managing Director for Europe, called the decision a strategic business move that will also see the company focus more on conventional maize, soybean, and sugar beet seeds in Europe.

"Conventional seeds is the area where we are focusing at this time in Europe, and we are funding the business in a way that we haven't done for more than 15 years," Madero said.

The decision covers EU approval requests to grow five GM maize varieties, one variety of soybean, and one sugar beet. However, the company said that it would not withdraw its application to renew the approval for its insect-resistant MON810 maize – the only GM crop currently cultivated commercially in parts of Europe.

European biotech difficulties

The move reflects the frustration felt by many biotech companies towards the EU's approval system for GM seeds and imports, which can often face years of delays. Attitudes toward the biotech industry vary widely across Europe, however, which has presented difficulties for legislators in Brussels.

Some British ministers have been championing for the establishment of a domestic GM industry, citing food security concerns. The UK environment secretary also recently initiated a lobbying effort in the EU to relax strict restrictions on growing GM crops for human consumption for fears of being "left behind."

However, much of Europe still remains hostile towards the idea of GM food; only three varieties have ever been given the green light for cultivation – two of which are only for industrial purposes.

Strong public opposition and scientific studies showing that MON810 seed could harm biodiversity have also driven several European countries – including France, Germany, and most recently, Italy – to impose national bans on Monsanto's MON810 maize, even though it has been approved for cultivation throughout the EU.

Monsanto officials say that the company will decide the exact withdrawal date of each application after carrying out a careful analysis on a case-by-case basis, taking its obligations to business partners into consideration.

Focus on trade

Controversy for Monsanto is unlikely to fade any time soon, with the company confirming that it will step up efforts to ease restrictions on imports of GM products from countries with more lax biotech cultivation rules. Polls have shown that a majority of European consumers are opposed to human consumption of GM foods.

Brussels adopted a more open approach to GM imports in 2011, when it backed away from its zero tolerance policy. (See Bridges Trade BioRes, [7 March 2011](#)) While almost 50 GM products have been approved for import into the EU – the vast majority for animal feed or food processing – approval of new products for import will likely be a slow and difficult process.

Europe is one of the world's major buyers of biotech grain, according to [Reuters](#), importing more than 30 million metric tons of mostly GM animal feed each year for its livestock industry.

Monsanto plans to invest €225 million in corn production plant expansions that are already under way in France, Hungary, Romania, and Turkey, which officials say will create more than 150 new full-time jobs and many more seasonal jobs.

Some environmental groups have expressed optimism over the move to back off on crop cultivation.

"Over the last couple of decades, GM crops have proven to be an ineffective and unpopular technology, with unacceptable risks for our environment and health," said Mark Breddy, a spokesman for Greenpeace EU. "Monsanto's retreat could finally create the space for European farming to focus on modern practices and technologies that offer real advances for food production and rural communities."

ICTSD reporting; "Monsanto to Withdraw EU Approval Requests for New GMO Crops," REUTERS, 17 July 2013; "Monsanto to Drop All Requests for New GM Crops in EU," DW, 18 July 2013; "Major GM food company Monsanto 'pulls out of Europe'," THE TELEGRAPH, 18 July 2013; "BASF to undertake GMO potato trials in Europe," REUTERS, 5 April 2012.

LABOUR RIGHTS

US Outlines Labour Action Plan for Bangladesh

The US has publicly announced a labour "action plan" for Bangladesh aimed at improving worker conditions in the country, months after the factory collapse in Savar that claimed 1129 lives. The [plan](#) released last week is meant to provide a roadmap for the Asian country to gain reinstatement into the US' trade preference scheme for developing nations, according to Washington officials.

The April disaster in Savar was one in a series of incidents that sparked an international debate over domestic labour conditions in Bangladesh, and what actions retailers and foreign governments could take – including through trade – to help spur reforms. Bangladesh is the second-largest apparel exporter in the world after China, with a garment industry valued at US\$20 billion per year.

In late June, the US confirmed that it would be suspending Bangladesh from its Generalized System of Preferences (GSP), following a review of worker conditions in the Asian country. (See Bridges Weekly, [4 July 2013](#)) However, the move was characterised largely as symbolic by trade analysts, given that Bangladesh's textile exports were not covered by the scheme. Bangladeshi officials had also warned that the GSP suspension would only cause harm to domestic workers, rather than help them.

Under the GSP, developing countries deemed eligible by Washington can export certain goods to the US without facing any import tariffs. Currently 127 countries count as GSP beneficiaries. Until last month's suspension from the programme, Bangladesh was able to export some products – mainly tobacco, sports equipment, porcelain china, and plastic products – duty-free.

The entire US trade preference scheme is currently set to expire on 31 July, unless Washington lawmakers take action to renew it. Legislation is currently on the table in both chambers of Congress that would, if passed, extend the GSP through September 2015.

Action plan urges labour law reforms, improved inspections

The action plan, which was announced publicly last Friday, had already been provided to the Bangladeshi government at the time of the GSP suspension, according to the Office of the US Trade Representative (USTR).

"Today, the [Obama] Administration is making this action public as a means to reinforce and support the efforts of all international stakeholders to promote improved worker rights and worker safety in Bangladesh," the USTR statement said. "On the basis of this action plan, the United States looks forward to continuing to work with Bangladesh on the actions it needs to take in relation to possible reinstatement of GSP benefits."

The plan is divided into three sections, addressing government inspections for labour, fire, and building standards; labour law and other related reforms, particularly for workers in the ready-made garments (RMG)/knitwear sector; and strengthening those laws that affect export processing zones (EPZ), which have traditionally not fallen under the scope of national labour legislation.

For instance, Dhaka is being urged to develop and implement a plan to increase the number of government labour, fire, and building inspectors, along with establishing clear inspection procedures and improve training for inspectors. The Bangladeshi government should also increase fines and other sanctions for failure to comply with labour, fire, or building standards, the US says.

With regards to labour law, the US has urged Bangladesh to enact reforms that would address "key concerns" regarding freedom of association and collective bargaining. Last week, Bangladesh approved a series of changes to its national labour law that would, among other things, allow workers to establish unions without requiring factory owners' permission, though some labour rights activists criticised the revisions for not going far enough. (See Bridges Weekly, [18 July 2013](#))

Laws applying to export processing zones, the US says, should be brought in line with international standards, along with providing workers the same benefits that extend to factories outside such zones.

There is also a brief note about improving labour conditions in Bangladesh's shrimp processing sector, also with regards to freedom of association.

The US government plan does not make a specific reference to the non-binding agreement signed by many North American retailers earlier this month, which had come under fire for being less stringent than a separate, binding scheme inked primarily by European retailers. However, the US does note that retailer involvement is important for ensuring that factories from where these companies source their products are in line with fire and safety standards.

"We urge the retailers and brands to take steps needed to help advance changes in the Bangladeshi garment sector and to work together and with other stakeholders to ensure that their efforts are coordinated and sustained," the USTR statement said.

Dhaka has said that it is already in the process of making the factory improvements, following Washington's private release of the plan to Bangladeshi officials in June. "We have been holding meetings at regular intervals for implementing the conditions of the US action plan since the ministry received a copy of it following the suspension of the GSP," Commerce Secretary Mahbub Ahmed told the Daily Star, a Bangladeshi newspaper.

US signs onto EU-Bangladesh deal

Washington has also confirmed that it is associating itself with the sustainability compact inked by the EU and Bangladeshi governments earlier this month. (See Bridges Weekly, [11 July 2013](#)) The compact, which also involves the participation of the International Labour Organization (ILO), outlines a series of time-bound commitments that Bangladesh has agreed to take to improve conditions in the country, with help from both partners.

At the time, EU officials had noted that, while the US was informed of the discussions, no decision had been made as to Washington's participation.

The US has now said that it plans to work "as a full partner" in helping implement the goals of the compact, along with pursuing additional goals under its own action plan.

ICTSD reporting; "Business groups push U.S. Congress to prevent import tax hike," REUTERS, 22 July 2013; "GSP Benefits: US shows ways to get it back," THE DAILY STAR, 21 July 2013.

WORLD TRADE ORGANIZATION

"Transformation" of Global Trade to Pose Fresh Challenges, WTO Says

Global trade is set to undergo a series of rapid changes in the coming years, moulded by economic, political, and social factors as well as the rise of emerging powers, according to a new report published by the WTO last week.

Such changes are likely to pose fresh challenges and opportunities for the multilateral trading system, this year's [World Trade Report](#) finds, though the "transformation" of trade has already been underway for several years. The increase in global supply chains, for instance, and the wider geographical participation in trade are evidence of these changes.

"The forecasts and reflections contained in this report do not foresee a reversal of globalisation," WTO Director-General Pascal Lamy said in his foreword. "But we should remember that the gains it brings could be nullified or at least mitigated if short-term pressures are allowed to override long-term interests, and if its social consequences in terms of the unevenness of its benefits are neglected."

"We do not espouse trade for its own sake, but for its potential contribution to our future," Lamy added.

New players

Technology and demographic changes are expected to serve as crucial drivers in the future evolution of trade, according to the WTO report, with the sources of new technology expected to shift increasingly to emerging economies.

These countries have already demonstrated a growing presence in the international trade arena; between 1980 and 2011, for example, developing economies raised their share in world exports and imports from just over one third to almost half.

In this context, WTO Chief Economist Patrick Low emphasised during last week's report launch in Geneva that policy cannot be formulated in isolation, and must take into account the rapidly changing global trade landscape.

Danny Quah, Professor of Economics and Kuwait Professor at the London School of Economics, also noted at the launch that these emerging economies were responsible for "pulling the world's economic centre" towards the East, despite concerns from some critics that this phenomenon could pose a potential threat.

Trade for development

Referring to the recent Aid for Trade Global Review, which was held from 8-10 July, the Director-General particularly highlighted the importance of trade in development. He underlined the changing context of trade in terms of increased interdependency among countries in supply chains, and also called for "renewed efforts... to revive the vibrancy of the global trading system."

Highlighting other key trends discussed in the report, Low said that trade is unexpectedly moving towards being dominated by a small number of large firms. He also stated that countries are increasingly diversifying exports, and that regional trade is on the rise,

particularly in Asia. Global supply chains are set to change trade patterns, and services trade is expected to continue growing rapidly.

NTMs, regulatory convergence

In the years to come, trade opening in the area of non-tariff measures (NTMs) is expected to grow in prominence, and ensuring regulatory convergence will likely constitute one of the main challenges to the trading system. NTMs were the subject of last year's World Trade Report, with the WTO similarly stressing at the time the need for "new approaches" in this area. (See Bridges Weekly, [18 July 2012](#))

The future of trade will also be affected by how politics and policies address issues such as the availability of jobs, growing income inequality, and environmental concerns, the World Trade Report said.

For Quah, all these underline the trend that comparative advantages are weakening nationally, but growing geographically and regionally.

"World trade isn't about countries; it is about regions and geography, where those firms are located. We have to think, perhaps, about a world which is devoid of national boundaries," Quah said.

ICTSD reporting.

IN BRIEF

Japan Formally Begins TPP Participation

Japan formally began its participation in the Trans-Pacific Partnership (TPP) talks on Tuesday, making it the 12th member – and second-largest economy – in the group. The current round of negotiations is set to end today in Malaysia.

The participation of Japan in the negotiations – which also count Australia, Brunei, Canada, Chile, Malaysia, Mexico, New Zealand, Peru, Singapore, the US, and Vietnam – is expected to bring an additional layer of complexity to the process, particularly in sensitive areas such as agriculture and automobiles.

While TPP members have said that they wish to clinch a deal by year's end, analysts say that this goal is likely to be pushed back to early 2014.

Tokyo's TPP entry had been a key goal of Japanese Prime Minister Shinzo Abe, whose party – the Liberal Democratic Party, or LDP – clinched a widely-expected win in Sunday's parliamentary upper house elections. Analysts expect the victory to give the LDP, and thus Abe, a stronger mandate, given that the party is now set to control both chambers of Parliament for up to the next three years.

"I regard the election result as a big call from voters that they want politics to be decisive, and that I should press ahead with my economic policies under a stable political environment," said Abe following the result, as he acknowledged popular support for his sometimes controversial "Abenomics" package of economic policies – referring to heavy monetary easing, massive government spending and growth strategy, as well as participation in the TPP.

Estimates place the possible gains for Japan from TPP participation at 3.2 trillion yen, or US\$31.9 billion at today's exchange rate.

ICTSD reporting; "Election Win by Ruling Party Signals Change in Japan," NEW YORK TIMES, 21 July 2013; "Japan election 2013 results: PM Abe's coalition wins majority in Upper House," NVO News, 21 July 2013. "Japan's Abe has chance to show true colours after big election win," REUTERS, 21 July 2013.

Japan Launches WTO Challenge Against Russia Vehicle Recycling Fee

Japan launched a WTO challenge yesterday against Russia's controversial vehicle recycling fee, marking Moscow's second dispute at the global trade arbiter since becoming a member a year ago. The news comes just weeks after the EU filed a complaint of its own against Russia on the same subject.

Like the EU, Japan claims that Russia's recycling fee provides domestic automobile producers with an unfair advantage compared to their foreign competitors, as only the former can receive an exemption from the fee. (See Bridges Weekly, [11 July 2013](#))

While the Russian government has tabled legislation that would eliminate the distinction between domestic and foreign-made cars, the draft legislation has not yet been approved by the country's parliament, which is now on its annual summer break.

The US has also said that it plans to join the EU's case with Russia, according to recent comments made by US Trade Representative Michael Froman. While the US has already asked to join the current EU-Russia consultations, whether it will also file its own separate dispute claim was not made clear.

Under WTO rules, Russia and Japan must hold consultations for a minimum of 60 days in an effort to find a mutually agreed solution. Should none be reached by that time, Tokyo can then ask that a dispute panel be established to hear the case. If both the EU and Japan disputes reach the panel stage, a single panel will likely be established to hear the cases jointly.

ICTSD reporting; "U.S. to Join WTO's Complaint Against Russia," THE WALL STREET JOURNAL. 18 July 2013; "U.S. will join EU's case against Russia's auto recycling fee," REUTERS. 18 July 2013.

EU WTO Review Highlights Resistance Against Protectionism

The EU has generally managed to resist protectionist pressures in its efforts to weather the ongoing financial crisis, according to a WTO secretariat report released last week. However, the report, which was issued as part of the global trade body's biennial review of EU trade policies, also flagged high tariffs in some sectors, limited information about government procurement below EU thresholds, and agricultural market access as areas for improvement or clarification.

Given the effects of the financial crisis, delegations that spoke at last week's two-day review generally lauded the EU's avoidance of protectionism and efforts toward fiscal reform and banking union. The bloc's efforts toward transparency and commitment to the Aid for Trade initiative was also mentioned by various members, sources said.

However, many cautioned the EU not to let its growing focus on bilateral agreements, such as the planned trade pact with the US, to allow the bloc's long-standing commitment to the multilateral trading system to waver. Some members, [according](#) to Ambassador Shahid Bashir of Pakistan, who served as the chair of this review, also raised questions over upcoming changes to the bloc's Generalised System of Preferences, and the need for improved agricultural market access.

In addition, concerns were tabled by some delegations over the levels of support to agricultural producers and the use of export subsidies in this area, though the latter has been on the decline in recent years.

Overall, the review found few changes in the two years since the last EU report, which was released in July 2011. WTO rules require that the four largest traders – currently China, the EU, Japan, and the US – undergo these trade policy reviews every two years. Other countries, meanwhile, have longer lag times between reviews.

ICTSD reporting.

EVENTS & RESOURCES

Events

Coming soon

30 July, Washington, US. THE NEXT 50 YEARS OF THE AFRICAN UNION. This conference, hosted by the Brookings Institution, will address the priorities for Africa and its goal of becoming a global driver of growth in the next 50 years. Particularly, it will focus on how the continent can confront key challenges and seize opportunities to become an integrated, competitive, peaceful continent and a dynamic force in the global community. For more information, or to register, please click [here](#).

29 July – 2 August, Kigali, Rwanda. LDC EXPERT GROUP (LEG) REGIONAL TRAINING WORKSHOP ON ADAPTATION FOR AFRICAN ANGLOPHONE LEAST DEVELOPED COUNTRIES. Organised by the Secretariat of the UN Framework Convention on Climate Change (UNFCCC), this workshop aims to provide technical guidance and advice to the least developed countries (LDCs) in addressing adaptation to climate change. It will be preceded by a one-day preparatory meeting organised by the Secretariat of the Convention on Biological Diversity (CBD) on 28 July, to discuss, among other issues, integration of biodiversity and climate change adaptation at the national level; progress in revising and updating national biodiversity strategies and action plans (NBSAPs); and synergies in implementing the objectives of all three Rio Conventions at the national level. For more information, please click [here](#).

30 July, Tokyo, Japan. A VISION OF GLOBAL FREE TRADE? THE NEW REGIONALISM AND THE 'BUILDING BLOCS' DEBATE. In this seminar, Michael Plummer, Eni Professor of International Economics at the Johns Hopkins University, SAIS, will speak regarding the trend toward "mega-regional" free trade agreements in the Asia and Pacific region. Policymakers, researchers, academics, think tanks, and other audiences interested in economic development challenges in Asia, the Pacific, and Europe are welcome to attend. To read more about the event, please click [here](#).

30 July, Tokyo, Japan. CAN REAL EXCHANGE RATE AND RELATIVE DEMAND CHANGES HELP THE EUROZONE? In this seminar, Juan Carlos Martinez Oliva, a visiting fellow at Peterson Institute for International Economics, will present a technical paper that addresses the issue of the role of the real exchange rate and of relative demands in the eurozone member countries, based on a disaggregated approach that takes into account the trade ties of all 17 countries. To find out more, or to register, please click [here](#).

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.

29 + 31 July: Trade Policy Review Body – CEMAC

Other Upcoming Events

8 - 10 September 2013, Coimbra, Portugal. ENERGY FOR SUSTAINABILITY 2013. "SUSTAINABLE CITIES: DESIGNING FOR PEOPLE AND THE PLANET." Organized by the Institute for Research and Technological Development in Construction Sciences, this forum brings together stakeholders, researchers, and academic practitioners from interdisciplinary fields to discuss and share their expertise on how to tackle the need for a more sustainable world. This year, the challenges posed by the increasing concentration of the world's population in cities will be debated under the four main categories: smart cities, buildings and end-uses, clean energy supply, and policy and assessment. For more information or to register, please click [here](#).

23 September - 20 October, online. PUBLIC DIPLOMACY IN A MULTIPOLAR WORLD. This course, which is organised by the United Nations Institute for Training and Research (UNITAR), aims to help participants understand the strategic significance of public diplomacy, how its practice has evolved over time, and how current challenges are being addressed. It will also examine a range of tools and techniques available to public diplomacy practitioners. To find out more or to register, please click [here](#).

26 - 28 September, Incheon, South Korea. INTERNATIONAL SYMPOSIUM ON SUSTAINABLE CITIES: EMPOWERING LOCAL GOVERNMENTS THROUGH CAPACITY BUILDING. Organised by the United Nations Office for Sustainable Development (UNOSD), this symposium will bring together government officials, along with representatives from international organisations, the private sector, and civil society in order to share good practices on how to foster sustainable cities. Critical areas will be identified in which further capacity building is inevitable, including best strategies for meeting capacity gaps. For more details or to register, please visit their [website](#).

1-3 October 2013, Geneva, Switzerland. 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](#).

7 October - 3 November, online. DRAFTING AND ADOPTING UNITED NATIONS RESOLUTIONS. Organised by the United Nations Institute for Training and Research (UNITAR), this course will focus on improving written communication and teaching delegates how to conduct consultations in preparing resolutions. It will also help participants build the requisite knowledge and skills to draft and adopt UN resolutions. A detailed study of the content, structure, and processes involved in passing resolutions will be covered to reinforce an understanding of decision-making at the UN. For more information or to register, please visit their [website](#).

Resources

THE HYPERGLOBALISATION OF TRADE AND ITS FUTURE. By Arvind Subramanian and Martin Kessler for the Peterson Institute for International Economics. (July 2013). This report argues that the world trading system is facing three fundamental challenges. First, in developed countries, domestic support for globalisation is eroding because of their economic weakness and their reduced ability to maintain a social safety net. Second, China – one of the world's largest traders – needs to shoulder more responsibility for maintaining an open system, the authors say. Third, the rise of mega-regional trade agreements could potentially be encouraging discrimination against countries outside those deals. The authors then suggest new areas of multilateral cooperation to maintain the open trading system and ensure that it benefits all countries. Please click [here](#) to read the full report.

DRIVERS OF REGULATORY REFORM IN ENERGY EFFICIENCY AND RENEWABLE ENERGY. Published by the APEC Policy Support Unit (PSU) (July 2013). This policy brief is based on the findings from an earlier PSU study entitled "Regulatory Reform – Case Studies on Green Investments." It gives a summary of the motivations behind regulatory reforms in the energy sector, as well as the design and implementation of such reforms, based on the experience of Asia-Pacific Economic Cooperation (APEC) economies in implementing energy efficiency and renewable energy policies. To download the full article, please click [here](#).

GREENING HOUSEHOLD BEHAVIOUR: THE ROLE OF PUBLIC POLICY. Published by the Organisation for Economic Co-operation and Development (OECD) (July 2013). This publication presents the main results and policy implications of an OECD survey of more than 10,000 households in 10 countries: Australia, Canada, the Czech Republic, France, Italy, Korea, Mexico, the Netherlands, Norway, and Sweden. By analysing the factors affecting environmental attitudes – particularly in the areas of energy, food, transport, waste, and water, the authors aim to offer insights on how to make policy measures effective in promoting a greener lifestyle. To read the full report, please click [here](#).

NEGOTIATIONS FOR THE TRANS-PACIFIC PARTNERSHIP AGREEMENT: EVALUATION AND IMPLICATIONS FOR EAST ASIAN REGIONALISM. Written by Inkyo Cheong for the Asian Development Bank Institute (ADBI) (July 2013). This paper analyses the progress and major issues regarding the current Trans-Pacific Partnership (TPP) negotiations, outlining the proposed deal's implications for East Asian economic integration. The author argues that the TPP talks appear to have reached a crossroads – either becoming a building block toward achieving economic integration in Asia and the Pacific, or triggering the formation of two large trade blocs which will work independently of one another. To read more, please click [here](#).

EXPLORE THE TRADE AND SUSTAINABLE DEVELOPMENT
WORLD FURTHER WITH ICTSD'S BRIDGES NETWORK

BIORES

Analysis and news on trade and environment for a global audience
<http://ictsd.org/news/biores/>
English language

BRIDGES AFRICA

Trade and sustainable development news and analysis on Africa
<http://ictsd.org/news/bridges-africa/>
English language

PUENTES

Latin America-focussed analysis and news on trade and sustainable development
<http://ictsd.org/news/puentes/>
Spanish language

МОСТЫ

CIS-focussed analysis and news on trade and sustainable development
<http://ictsd.org/news/bridgesrussian/>
Russian language

PONTES

Analysis and news on trade and sustainable development for the Portuguese-speaking world
<http://ictsd.org/news/pontes/>
Portuguese language

桥

Analysis and news on trade and sustainable development for the Chinese-speaking world
<http://ictsd.org/news/qiao/>
Chinese language

PASSERELLES

Africa-focussed analysis and news on trade and sustainable development
<http://ictsd.org/news/passerelles/>
French language

PUBLISHED BY



International Centre for Trade
and Sustainable Development
Chemin de Balexert 7-9
1219 Geneva, Switzerland
+41-22-917-8492
www.ictsd.org

Bridges Weekly Trade News is made possible
through generous contributions of donors and
partners including

DFID - UK Department for
International Development

SIDA - Swedish International
Development Agency

DGIS - Ministry of Foreign Affairs
Netherlands

Ministry of Foreign Affairs, Denmark

Ministry of Foreign Affairs, Finland

Ministry of Foreign Affairs, Norway

Copyright ICTSD, 2013. Readers are encouraged
to quote and reproduce this material for
educational, non-profit purposes, provided the
source is acknowledged.

This work is licensed under the Creative
Commons Attribution-Noncommercial-No-
Derivative Works 3.0 License.

Your support to BRIDGES and the BRIDGES series
of publications is most welcome; if interested,
please contact Andrew Crosby, Managing
Director at +41-22-917-8335.

Contributors to this issue are Sofia Alicia Baliño,
Jonathan Hepburn, Alexis McGivern, Jia Li Ng, and
Jaslene Pang. This edition of Bridges Weekly
Trade News Digest is edited by Sofia Alicia Baliño.

The Publisher and Director is Ricardo Meléndez-
Ortiz. The Editor in Chief is Andrew Crosby.
Comments and suggestions are welcomed and
should be directed to the [editor](#) or the [director](#).

Price: €10.00

ISSN 1563-0

