

# BRIDGES WEEKLY

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## PREFERENTIAL AGREEMENTS

### Ministers Pledge to Intensify TPP Talks at Singapore Meet

Trade ministers and senior officials meeting in Singapore earlier this week pledged to "intensify engagement" on talks for the 12-country Trans-Pacific Partnership (TPP) Agreement, confirming a series of meetings in the coming months aimed at resolving the outstanding issues in the proposed pact.

The talks had largely been in a holding pattern over the past few months as countries waited to see whether – and to what extent – the US and Japan would be able to resolve their differences on agriculture and automobile trade.

The Singapore event was the first ministerial-level gathering since US President Barack Obama met with Japanese Prime Minister Shinzo Abe in April. At the time, the two leaders confirmed that they had found a "path forward" for dealing with key bilateral issues, without giving specifics on what such a path would entail. (See Bridges Weekly, [1 May 2014](#))

Differences between the two trading partners over how much Japan should liberalise its highly-protected farm sector – particularly in the areas of beef, pork, dairy, rice, and sugar – have been one of the most difficult disagreements to resolve. The US had reportedly been pushing for tariff elimination, which Japan has said it cannot agree to.

Tokyo has instead repeatedly asked for greater flexibility from its TPP partners, particularly given how sensitive the topic of farm trade is domestically.

Economy minister Akira Amari told journalists ahead of the Singapore meet that his country "will improve market access for other countries [to these farm sectors] as much as possible," with media reports indicating that Tokyo may be able to make some reductions on tariffs on imported beef and pork.

#### Lowered expectations

Even with the "path forward" announced by Abe and Obama last month, trade officials had largely downplayed expectations for this week's meet, with US negotiators repeatedly referring to it as a "check in" to review the talks' progress. Only some of the TPP group's ministers were able to attend, with the other countries being represented by their heads of delegation or chief negotiators.

In a brief [statement](#) following the 19-20 May ministerial, officials confirmed that the meetings were “positive,” and that the 12 countries involved continue to share their “long-standing commitment” to negotiate a high-ambition deal.

“We cemented our shared views on what is needed to bring negotiations to a close,” they said on Tuesday, noting that a particular focus is being placed on both market access and on the remaining rules issues.

Officials also confirmed that they had “decided on a pathway of intensified engagement over the coming weeks on market access and rules,” with the goal of building on their negotiating momentum.

“I would say there is almost a sense of urgency about capturing that momentum and holding it and using it to get ourselves a lot further down the line in the next few weeks,” Australian Trade Minister Andrew Robb told reporters following the meeting.

To that end, chief negotiators are set to meet in July, while ministers will be holding bilateral discussions in the days and weeks to come in order to give the talks additional direction and tackle the most challenging topics. The document avoids any mention of a timeframe for concluding the talks, and gives little detail on the level of advances reached over the past week of discussions.

The two-day discussions in Singapore were preceded by a flurry of meetings between TPP chief negotiators, who had met in Vietnam the week prior to address a range of issues, both on rules and on goods and services market access.

According to the Office of the USTR, the rules-focused meetings touched upon legal and institutional issues; intellectual property; medical pharmaceuticals transparency and investment; environment; state-owned enterprises; textiles; rules-of-origin; and financial services, among others.

### **China pushes Asia-Pacific trade zone**

The TPP ministerial came on the heels of a meeting of Asia-Pacific Economic Cooperation (APEC) trade ministers in the Chinese city of Qingdao, where the topic of a pact for the entire 21-country regional group was reportedly pushed by China.

The idea of a Free Trade Area of the Asia-Pacific (FTAAP), as the free trade zone would be known, dates back several years, with APEC economies agreeing in 2006 to look into the long-term possibility of such an arrangement. In 2010, the group agreed to take “concrete steps” in this area.

Since then, trade observers have watched to see what model might emerge for such a pact, and who might lead it, especially in light of the push to conclude a TPP in the near future. China is not a member of the 12-country talks, though it has expressed interest in learning more about the negotiations, and many analysts have suggested that the TPP could be an effort to contain the Asian giant.

Eighteen months ago, a separate initiative, known as the Regional Comprehensive Economic Partnership (RCEP), was launched, featuring China, the 10 members of the Association of Southeast Asian Nations (ASEAN), and five other countries. (See Bridges Weekly, [21 November 2012](#))

Though some of the RCEP membership overlaps with that of the TPP, this effort notably does not include the US, leaving analysts wonder whether this deal could become a rival to the Trans-Pacific Partnership. RCEP participants are currently preparing to hold their fifth negotiating round.

A specific date for reaching an APEC-wide trade zone was reportedly raised by China during the APEC ministers' meeting, according to the Wall Street Journal. The country's negotiators were originally pushing for the final statement to openly endorse 2025 as a potential target, along with agreeing to undertake a "feasibility study" on the subject, though both ideas failed to receive the necessary backing from other countries.

The wording of the final communiqué omits a mention of a date, with Asia-Pacific trade ministers agreeing instead to "strengthen [their] cooperation with intensified focus on the foundation for APEC's contribution to eventual realisation of an FTAAP by taking concrete steps forward in 2014."

Trade ministers also agreed to launch a committee that would coordinate and advance APEC's work toward eventually reaching such a free trade zone, and ramp up efforts on achieving transparency within the group on their other bilateral and regional trade initiatives.

The new committee would also work to improve capacity-building activities within APEC, intensify work toward developing a roadmap for APEC's contribution to the FTAAP goal, and enhance analytical work in this area.

ICTSD reporting; "Trade ministers see headway on trans-Pacific pact, but thorny issues remain," REUTERS, 20 May 2014; "China Pushes its New Pacific Free-Trade Zone at APEC Meeting," WALL STREET JOURNAL, 18 May 2014; "Trade ministers seek to kick-start Pacific RIM pact," FINANCIAL TIMES, 18 May 2014; "RCEP talks should focus on early harvest," CHINA DAILY, 13 May 2014; "Asia-Pacific Trade Talks Resume With Aim to Resolve U.S.-Japan Impasse," WALL STREET JOURNAL, 19 May 2014.

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## RUSSIA

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# China, Russia Clinch Natural Gas Supply Pact

China and Russia have reached a landmark US\$400 billion gas supply deal that would span over the next three decades. The landmark agreement was confirmed on Wednesday, toward the end of Russian President Vladimir Putin's trip to China.

Earlier during Putin's visit, it had appeared that the negotiations between the China National Petroleum Corporation and Russian state-owned energy giant Gazprom were not going to yield a deal in time, and would instead be pushed down the road.

However, the two sides ultimately confirmed on Wednesday that they had reached an accord, suggesting that past disagreements over the pricing of Russian-sourced gas had reached some type of resolution.

Gazprom, for its part, had reportedly been asking that the gas price to be linked to that of oil, which is currently high. China, in turn, had long been pushing Russia to lower its price, a demand that had proven difficult for Gazprom negotiators to meet, given that the EU – one of Russia's top gas clients – pays significantly higher fees. This, in turn, has helped the state-owned company provide gas cheaply to domestic consumers.

Details regarding the exact terms of Wednesday deal were limited as Bridges went to press on Thursday, with analysts unclear on what was the final agreed price of gas. Some media reports have cited the Russian president as saying that the gas price will indeed be linked to that of oil.

The resulting pact was welcomed by Putin on Wednesday as an "historic event" for his country's gas sector. The deal, he added, was the biggest contract his country had ever achieved in this area.

The implementation of the accord is expected to take years, with 2018 being set as the planned date. According to China National Petroleum, Russia will start exporting 38 billion cubic metres of natural gas to its Asian neighbour. Each country will be responsible for building the part of the pipeline that falls within their respective borders, and Russia is set to contribute over US\$50 billion to develop the necessary infrastructure.

### Shifting ties?

The timing of the gas deal – as Russia remains under heavy diplomatic fire from many of its Western partners over its handling of the Ukraine crisis – has prompted analysts to question whether this initiative is part of a broader Russian effort toward deepening its Asian alliances.

Chinese leaders, for their part, said this week that they are interested in increasing their engagement with Russia, with President Xi Jinping saying on China National Radio on Tuesday that Beijing is "not satisfied with existing achievements." Furthermore, he called for the two sides to "unswervingly and unflinchingly" work toward advances in all areas of cooperation.

The talks for a bilateral gas deal had been underway for a decade. However, the initiative had taken on an increased level of urgency for Russian industry negotiators over the past

several months, given that the EU – the country's largest natural gas customer – has made clear in recent months that it hopes to diversify its energy sources away from Russia.

The heavy reliance of some EU member states on Russian-provided energy has made it difficult for the 28-nation bloc to impose sanctions on Moscow in response to Russia's recent annexation of Crimea, a peninsula that had been part of Ukraine.

While some sanctions – such as visa bans and asset freezes – have been imposed on select officials involved in the Ukraine crisis, the EU has been hesitant to take stronger measures that would target sectors of the Russian economy, given the potential for Russia to cut off gas supplies in retaliation.

Meanwhile, the continued row between Kiev and Moscow over gas prices has also raised questions over whether the EU may suffer the fall-out, given that approximately half of the gas Europe receives from Russia passes through Ukraine.

Arseniy Yatsenyuk, the prime minister of Ukraine, sent a [letter](#) to the European Commission earlier this week criticising the “politically motivated” price that his country is currently required to pay Russia for gas. Ukraine currently buys a set volume of gas from Russia per year, at a price of US\$485 per thousand cubic metres of gas.

The Eastern European country, already struggling to pay its billions in existing debt to Gazprom, is asking for that price to be lowered to US\$268.5 per thousand cubic metres. Russia, in turn, has warned that it will only supply Ukraine with gas from June onward if the latter starts prepaying for its supply.

European officials have lately said that a proposed trade pact with the US, known as the Transatlantic Trade and Investment Partnership (TTIP), could be one way to lower the 28-nation bloc's dependence on Russian energy supplies. US officials, in turn, have said that TTIP could have the benefit of making it easier to issue export licenses for liquefied natural gas to Europe.

ICTSD reporting; “Russia, China Fail to Reach Gas Deal,” WALL STREET JOURNAL, 20 May 2014; “China and Russia sign huge gas supply deal, pricing unclear,” REUTERS, 21 May 2014; “China and Russia Reach 30-Year Gas Deal,” THE NEW YORK TIMES, 21 May 2014; “Ukraine-Russia payment dispute augurs new gas crisis,” EURACTIV, 21 May 2014; “Moscow ups stakes in gas dispute,” FINANCIAL TIMES, 8 May 2014.

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## DISPUTES

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# EU Launches New WTO Case Against Russia

The EU filed a new WTO complaint against Russia on Wednesday, marking the third trade dispute the 28-nation bloc has launched against Moscow in less than a year. The case targets duties being imposed on imported light commercial vehicles from Germany and Italy, and comes at a period where economic and diplomatic relations between the two sides are already at a severe low.

At issue in this latest complaint are anti-dumping duties that the Eurasian Economic Commission imposed last May on imported light commercial vehicles (LCVs) from those two EU member states. Brussels says that these duties – 29.6 percent for German vehicles and 23 percent for Italian ones – are severely harming these countries' access to the Russian market.

These duties, the EU says, have basically prevented Germany and Italy from receiving the benefits due to them as a result of Russia's WTO accession commitments. The products at issue are light commercial vehicles, weighing between 2.8 and 3.5 tonnes. These vehicles are meant to transport a maximum of two tonnes of cargo apiece, and can also transport a mix of cargo and passengers.

Anti-dumping duties are imposed to counter instances where a foreign country allegedly sells products abroad at prices below their normal value – essentially flooding domestic markets with unfairly low-priced imports. Turkey, a non-EU member, has also been subjected to these duties, Brussels noted. Turkish vehicles face duties of 11.1 percent.

"The EU believes the anti-dumping duties are incompatible with WTO law, both on procedural and on substantive grounds," EU officials said in an e-mailed statement. Combined with a separate vehicle recycling fee that Moscow imposed nearly two years ago, these anti-dumping measures "are further choking off EU exports of LCVs," the statement continued.

The Eurasian Economic Commission is the permanent regulatory body for the customs union between Belarus, Kazakhstan, and Russia. Of these three, Russia is the only one that is a member of the WTO, and therefore required to adhere to its rules. The complaint is thus addressed specifically to Moscow.

Russia had not issued a public response to the EU's claims at the time Bridges went to press on Thursday. The full text of the consultations request is expected to be issued publicly in the coming days.

Under WTO rules, the two sides must now hold consultations for a minimum of 60 days in an effort to resolve the dispute amicably. Should these talks fail to yield a solution, the EU may then ask that the WTO establish an expert panel to hear the case.

### Series of disputes

The EU has already filed two other cases against Russia at the global trade arbiter. The first case, filed last July, dealt with the above-mentioned recycling fee that Russia imposed on motor vehicles in September 2012, just weeks after joining the WTO. (See Bridges Weekly, [11 July 2013](#))

Brussels had argued that since nearly all Russian-produced cars were eligible for an exemption from the fee – as were those vehicles produced in Belarus and Kazakhstan – the policy put foreign-made cars and trucks at an unfair disadvantage relative to their domestic counterparts. The Russian legislature has since passed legislation to amend the measure, though the EU has still requested that a panel hear the case.

Last month, Brussels submitted a second complaint to the WTO, this time citing a Russian ban on imported pork from the EU. The prohibition had been imposed as a result of four cases of African swine fever in wild boar that were detected in Lithuania and Poland – two EU members that share a border with Belarus. That case is currently at the consultations phase. (See Bridges Weekly, [10 April 2014](#))

Trade concerns have not been limited to the EU, however. In December, Moscow submitted its own complaint regarding a series of anti-dumping investigations that Brussels conducted on imported ammonium nitrate and certain steel products. That case has not yet advanced to the panel stage. (See Bridges Weekly, [16 January 2014](#))

Russia joined the global trade club less than two years ago, following nearly two decades of negotiations between Moscow and current WTO members. Though its membership was hailed at the time as a major achievement for both the global trade body and for Russia itself – bringing into the WTO system what was then the world's largest non-WTO economy – questions have since been tabled by the EU, US, and various other members as to whether Russia is indeed serious about implementing international trade rules.

At a meeting of the WTO's General Council last week, eleven members openly questioned Russia on its trade policies, with the US and EU among the most vocal in their criticisms. (See Bridges Weekly, [15 May 2014](#))

EU Ambassador Angelos Pangratis, repeating earlier qualms raised in other WTO committee meetings, openly urged Russia to “change gear” in order for its membership in the 159-member body “becomes an asset to the whole organisation, not just to Russia alone.”

Russia, in turn, has said that it is serious about its WTO commitments, and questioned the US and EU at the same meeting over whether some of their recent sanctions on Moscow – imposed in the wake of the Ukraine crisis – are in line with global trade rules.

ICTSD reporting.

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## CLIMATE CHANGE

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# Green Climate Fund Opens for Business

The 24-member board of the UN's flagship Green Climate Fund (GCF) reached an agreement on Wednesday on eight "essential requirements" needed to kick-start an international climate finance mobilisation, management, and disbursement process.

Meeting over four days in the South Korean city of Songdo, board members took decisions on various operational building blocks such as the GCF's structure, rules governing its financial risk management and investment frameworks, and the procedures for accrediting bodies that will eventually implement projects in target countries.

"We want this Fund to be ambitious and effective in supporting developing countries [on] their way towards low-emission and climate-resilient development. This is a very crucial meeting to make progress," said board co-chair Manfred Konukiewitz before the start of this week's talks.

The move concludes unfinished work from the board's previous meeting in Bali, Indonesia in February, which did see agreement on the balance of activities between climate adaptation and mitigation, gender mainstreaming, and the establishment of a panel of civil society and bank experts to look at private sector activity across the GCF.

### Investing in clean development

Established at an international climate meet in Cancun, Mexico in 2010, the GCF is geared toward helping developed countries meet a 2009 pledge to set aside US\$100 billion per year by 2020, using a mixture of public and private finance. The extent of the latter's involvement has proven to be a divisive topic between the global North and South.

The money would be earmarked to help promote a paradigm shift towards low-emissions development and investment pathways, as well as help poor countries adapt to the impacts of climate change. The body is designed to be an operating arm of the UN Framework Convention on Climate Change (UNFCCC) financial mechanism, accountable to participating parties.

Wednesday's news comes just a month after UN scientists released their latest report on climate change, stressing that technological measures and changes in behaviour are urgently needed stay below an internationally agreed two degree Celsius global temperature rise compared with pre-industrial levels. (See BioRes, [14 April 2014](#)).

### Road to Paris

The GCF has been pitted as a key element in reaching an international climate deal on schedule next year in Paris, particularly in relation to the thorny issue of climate finance. Developing countries have long argued that they will not sign an emissions-cutting agreement without manifest financial support.

Ahead of the Korea board meet, some experts warned that a failure to operationalise the GCF could prove very damaging and threaten the possibility of reaching a draft climate deal in Lima, Peru in December.



"Money cannot rest there forever, and if we don't come to a conclusion in Songdo next week we definitely will have a problem, but my hope is this is not the scenario we will follow," said Norbert Gorissen, head of Germany's International Climate Finance division and GCF board member, speaking with RTCC last week.

Earlier in May, Sweden delayed half of a promised US\$45 million contribution to the fund, conditioning full delivery in 2015 on a successful launch.

Messages posted on social network site Twitter indicated that the GCF would finalise an initial leverage of funds by November 2014, suggesting donor meetings could follow in the next few months. In October 2013, the board had agreed that an outline of the fund's core policies was required before moving forward with a formal replenishment process.

"GCF aims at finalising collective engagement for initial resource mobilisation process before COP20 in Lima," Gorissen tweeted at the meeting.

Tweets also came through saying that the board's next session would be held in Barbados, from 15-17 October. A compilation of the exact wording of decisions taken over the four days was not available at the time of writing.

ICTSD reporting; "UN's Green Climate Fund finalises operating procedures," RTCC, 21 May 2014; "Trillions at stake as Green Climate Fund board meet in Korea," RTCC, 16 May 2014; "Sweden delays \$45m Green Climate Fund contribution," RTCC, 1 May 2014.

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## INFORMATION TECHNOLOGY

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# Asia-Pacific Meetings Tout ITA Progress, But No Breakthrough

Trade ministers meeting in Qingdao, China last weekend were unable to break their impasse on efforts to expand the WTO's Information Technology Agreement (ITA), over six months after the negotiations stalled in Geneva, Switzerland. The countries involved, however, did confirm that they had settled on "creative ways forward" aimed at advancing the tech trade talks in the near future.

The APEC event had been touted as a potential opportunity to end the deadlock among the ITA expansion group's participants, given that many of the WTO members involved in the talks would be present – particularly the US and China.

Negotiations to update the pact's coverage – currently being conducted by a subset of the ITA's participants – came to a halt in November, just weeks ahead of the WTO's Ninth Ministerial Conference in the Indonesian island province of Bali. At the time, China had requested that a series of items be excluded from the revised ITA product list, or be subjected to long tariff phase-out periods.

The number and types of items that Beijing wanted excluded were, according to the US and various other ITA participants, untenable. China is the world's top ICT goods exporter, and is also a manufacturing and assembly base for many of the products that are addressed in the original trade pact.

China, in turn, has maintained that eliminating tariffs on these products could have massive revenue implications, given its developing country status. Beijing has also countered claims from some of its ITA partners that it would be one of the largest beneficiaries of increased tech trade, since it remains on the lower end of the value chain in this sector.

Trade officials had hoped that an expanded ITA could serve as one of the deliverables of the Bali conference, along with the multilateral deal that was eventually reached on trade facilitation and other select agriculture and development components from the WTO's Doha Round.

### Changing tech landscape

The ITA is one of the WTO's plurilateral pacts, which means that only those countries that sign onto it are required to adhere to its commitments, though the trade deal's benefits extend to the entire WTO membership.

Industry officials had been among those publicly pushing for a resolution at this month's APEC gathering, particularly given the changes in global tech trade since the information technology pact entered into force.

The ITA is a nearly two-decade old agreement under the aegis of the WTO, and requires all participants to eliminate tariffs on a set list of information and communication technology (ICT) products.

Many of these products on the original list have since become obsolete, and new ones have entered the global market place, prompting the effort to update the ITA's product coverage in order to ensure that the deal remains commercially meaningful.

#### **Froman: US offering "new flexibility"**

Back in March, US officials had stressed that they had already shown their Asian trading partner signs of flexibility, and that the "ball is squarely in China's court." (See Bridges Weekly, [20 March 2014](#))

At the beginning of this weekend's meetings, however, US officials indicated that they might be willing to give China some additional breathing room, as long as it meant getting a balanced and ambitious deal.

"Members here know well that, despite repeated calls from our leaders for a swift conclusion to ITA negotiations, ITA remains deadlocked," said US Trade Representative Michael Froman at the APEC meetings' [opening plenary](#).

The US official said that his country was now offering China "new flexibility" in the tech trade talks, with the hope of breaking the six-month deadlock. However, that flexibility would be contingent on others demonstrating the same, he said.

"Success is within our reach, and it would send a positive and powerful signal that the multilateral system can achieve results," Froman said.

#### **Ministers: "creative ways" forward**

Following the discussions in Qingdao, APEC ministers released a [statement](#) saying that they placed a high premium on the ITA initiative, highlighting the commitment made by participants to reach a solution.

"We underscore the importance of ITA expansion negotiations," the group said following the APEC meeting. "We welcome that key participants have committed to find creative ways to move forward so that these negotiations can move towards a commercially significant and balanced conclusion in the shortest timeframe possible."

Australian Trade Minister Andrew Robb told the Wall Street Journal that the US and China are planning to look at 20-odd items that Beijing had wanted excluded from the ITA, with a meeting planned this summer for reviewing progress.

"We made progress and narrowed our differences with China, but we are not there yet," Froman told the Financial Times this weekend.

ICTSD reporting; "Trade ministers seek to kick-start Pacific Rim pact," FINANCIAL TIMES, 18 May 2014; "China Pushes its New Pacific Free-Trade Zone at APEC Meeting," WALL STREET JOURNAL, 18 May 2014.

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## RENEWABLE ENERGY

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# Clean Energy Drive in Focus as India's Modi Prepares to Take Office

The incoming Indian government under Narendra Modi has pledged to develop the country's solar sector enough over the next five years that each household will be able to run at least one light bulb using such power. The state of Gujarat, of which Modi was chief minister for over a decade, has been one of the leading regions in increasing the country's solar capacity since its own scheme was established in 2009.

Recent data indicates that approximately one-third of India's population of 1.2 billion still lacks access to electricity. Increasing the development of energy sources, including renewables, has thus become a growing policy priority for the Asian economy in recent years, both at the national and state levels.

In 2010, for instance, India established the Jawaharlal Nehru National Solar Mission (NSM) with the goal of deploying 20,000 megawatts of solar panels, which would in turn be connected to the grid, by 2022. Recent data places India's current solar capacity at 2600 megawatts – a 56 percent increase from last year – with about half due to state policies.

Modi's Bharatiya Janata Party, which won a landslide victory the country's general elections last weekend, ran on a pro-development platform that focused – among other areas – on how to improve India's clean energy generation capacity, particularly with regards to solar. The BJP has said it would build upon the Gujarat system, while adapting its approach to the need of different regions in India.

### India considers anti-dumping duties on US, China solar imports

The push to increase the deployment of renewable energy both at national and global levels has fuelled questions of how governments can best achieve these goals – and be supportive of each other's efforts to do so – without running afoul of international trade rules.

Indian officials are expected to confirm later today whether duties will be imposed on imported solar equipment from the US, China, Taiwan, and Malaysia, media reports say, after an investigation found evidence of alleged dumping from these countries.

According to Bloomberg Businessweek, the Director of India's Ministry of Commerce and Industry has issued an official document stating that this alleged dumping has caused material injury to domestic manufacturers.

As a result, New Delhi could decide to impose duties on more than twenty Chinese and American solar companies that sell products in India. The investigation was concluded ahead of the 16 May general elections; what impact the polls' result might have on today's decision was not clear at the time of this writing.

First Solar, a US-based solar module manufacturer which also has manufacturing facilities in Malaysia, is among those cited in the probe. The company disputes the dumping claims, saying these do not correspond with its own data.

"We are disappointed with the preliminary findings made by the Designated Authority which are inconsistent with our own assessment of facts made as per WTO guidelines,"

the company said in an emailed statement to Breaking Energy. "We disagree that we have dumped imports into the Indian market. We are assessing our options and will pursue legal measures as necessary."

Some analysts, however, have cautioned that duties would surely hurt the growth of the country's domestic solar capacity – still a comparatively nascent sector for India – should these be imposed.

### **WTO panel to be established Friday in US-India dispute**

Separate from the above-mentioned dumping probe, the US and India are currently facing off on solar trade at the WTO, with Washington formally challenging NSM's local content requirements for solar modules and cells in February – its second complaint on the subject.

The US has said that, while it supports India's efforts to increase its renewable energy capacity, this must be done in a way that does not give local products an advantage over their foreign equivalents. Otherwise, Washington officials warn, these measures could hamper the deployment of clean energy at the international level. (See Bridges Weekly, [13 February 2014](#))

Indian officials, in turn, have said repeatedly that their scheme is indeed in line with WTO rules, while noting their own concerns over US-based programmes.

In 2011, the US exported US\$119 million worth of solar industry products to India, making the Asian country the US' second largest export market in this area. However, these numbers have fallen in recent years, which Washington has blamed partly on the local content requirements of New Delhi's national scheme.

A dispute panel is expected to be established in the US-India case on Friday, at a meeting of the WTO's Dispute Settlement Body.

ICTSD reporting; "Solar Market's Latest Hiccup: India's Anti-Dumping Move," BREAKING ENERGY, 16 May 2014; "Modi to Use Solar to Bring Power to Every Home by 2019," BLOOMBERG, 19 May 2014; "Gujarat's solar success may shine on nation," THE HINDU BUSINESSLINE, 18 May 2014; "India's hunger for energy: BJP plans solar power revolution," TIMES OF INDIA, 8 April 2014; "India's Solar Power Capacity Tops 2,600 MW," CLEAN TECHNICA, 8 April 2014.

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## Australia Launches Trade Probe into Chinese Solar Imports

Australia's Anti-Dumping Commission has launched an investigation into allegations that Chinese companies have been dumping crystalline silicon photovoltaic (PV) solar panels and modules on the domestic market, officials announced last week.

The investigation was prompted by a complaint filed by Tindo Manufacturing Pty Ltd, a manufacturer of PV modules and panels. In its application, the South Australia-based company claims that certain Chinese solar equipment has been exported to Australia and sold at prices below normal market value – a practice known in trade jargon as dumping.

The products cited in the investigation include certain crystalline silicon PV modules and panels, regardless of whether these are exported assembled or non-assembled.

Excluded from the probe are the wafers and cells used in these modules and panels; portable solar chargers consisting of less than six cells that are used to charge batteries or provide electricity to devices; and PV products that are permanently integrated into electrical goods not used for power generation.

According to the Commission's official announcement, Tindo claims that the alleged dumping of these PV modules and panels has caused material injury to the Australian industry, namely through the loss of sales revenue, price depression and suppression, loss of profit, and reduced profitability.

The investigation will focus on the period of 1 July 2012 to 31 December 2013. Should the Australian agency find evidence of dumping and related material injury, the Parliamentary Secretary may impose interim dumping duties and retrospective notices for past dumping.

A recommendation on possible duties to the Parliamentary Secretary must be issued by 16 October of this year, unless the Commission decides to terminate the probe.

"We are passionate about creating new and innovative manufacturing jobs in this country and we are supportive of any initiative that embeds a fair go and a fair market place for Australian manufacturers," [said](#) Richard Inwood, Tindo's manager of people and business, in response to the Commission decision.

### Growing solar demand

Analysts such as [TrendForce](#), a firm headquartered in Taiwan, note that while Australia's domestic demand for solar power is expected to reach an estimated 1.2 GW of generation capacity this year, its domestic production capacity is only around 100MW, with imported modules needed to supply the balance.

Over two-thirds of Australian module imports come from China, and some analysts say that the potential duties could present problems for downstream producers that use these modules in solar energy projects.

The announcement of the Australian probe is one of a series seen in recent years that focused on China's booming renewable energy sector.

The EU and the US have had their own disputes with Beijing regarding imported solar products. In a high-profile case last year, the EU imposed anti-dumping duties on Chinese solar panel imports, later reaching a "price undertaking" deal with Beijing that set minimum prices and volume limits, in exchange for Chinese producers being exempted from the duties.

A separate trade probe on imports of solar glass from the Asian country is still ongoing. (See Bridges Weekly, [8 May 2013](#)).

Across the Atlantic, the US Commerce Department opened an investigation in February into Chinese and Taiwanese solar trade practices, following allegations that Chinese producers are avoiding existing anti-dumping and countervailing duties on Chinese PV solar imports by using cells that are made in Taiwan. (See Bridges Weekly, [7 February 2014](#))

ICTSD reporting; "Australia to Launch PV Anti-Dumping Investigation," PV TECH, 15 May 2014; "Anti-Dumping Commission to Investigate Chinese Solar Panels," THE AUSTRALIAN, 16 May 2014.

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## EVENTS & RESOURCES

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# Events

### Coming Soon

27 May, Washington, US. THE RUSSIAN GAS MATRIX: HOW MARKETS ARE DRIVING CHANGE. This discussion will be hosted jointly by the Energy Security Initiative and the Center on the United States and Europe at the Brookings Institution, and will launch the Oxford Institute for Energy Studies' new book on *The Russian Gas Matrix: How Markets are Driving Change*. The talk will focus on Russia's influence on the European and Asian energy sectors, and how these relationship have changed in light of current events. To learn more, please visit the Brookings [website](#).

28 May, London, UK and online. GROWTH WITH DEPTH: EXPLORING AFRICAN TRANSFORMATION. This event, hosted by the Overseas Development Institute together with the DFID-ESRC GROWTH RESEARCH PROGRAMME, will feature KY Amoako, President of the African Center for Economic Transformation (ACET), as the main speaker. The event will serve as the launch for the 2014 African Transformation Report, which highlights the need for economic growth with depth in the African continent, and examines transformation as a framework for growth and development. For more information, visit the event [website](#).

27-28 May, London, UK. INTERNATIONAL COOPERATION IN THE 21<sup>ST</sup> CENTURY: PARTNERSHIPS FOR DELIVERING THE POST-2015 AGENDA. Hosted by Chatham House, the conference will discuss the role of partnerships in the establishment and implementation of post-2015 Millennium Development Goals (MDGs). Included in this discussion are partnership models, strategies for marshaling financial resources, and any matters that could affect the ability to achieve agreement on new goals and access the resources required for implementation. More information can be found at 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.

23 May: Dispute Settlement Body

26-28 May: Trade Policy Review: Ghana

3-5 June: Trade Policy Review: Mongolia

### Other Upcoming Events

3 June, Shah Alam, Malaysia. PLUGGING INTO GLOBAL VALUE CHAINS: ROLES OF TRADE AND INVESTMENT POLICY. This training workshop, hosted by the Asian Development Bank Institute (ADBI), aims to provide policymakers with a strong understanding of global value chains (GVCs) and their implications on economic development. Participants will also review how policy can help facilitate countries in



capturing the benefits from participating in GVCs. For more information, visit the event [website](#).

11 June, Bonn, Germany. ICTSD TRADE AND CLIMATE CHANGE DAY. This event, hosted by the International Centre for Trade and Sustainable Development– the publisher of Bridges – on the sidelines of the mid-year UN Framework Convention on Climate Change (UNFCCC) negotiations, will feature several sessions addressing specific topics at the interface of trade and climate change. More information, including the event programme and registration details, is available [here](#).

18-19 June, Geneva, Switzerland. UNCTAD PUBLIC SYMPOSIUM. This annual outreach event by the UN Conference on Trade and Development will focus on how increasing inequality can create problems for sustainable development, with sub-themes on the “macroeconomic dimensions of inequality” and “from best policy practices to global transformation.” This year’s Symposium will also open with the Third Geneva Dialogue, part of a series of events where experts debate global economic issues, including the post-2015 development agenda. For more information, visit the event [website](#).

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## Resources

TRADE WINDS OF CHANGE: KOREA IN WORLD TRADE. By Chulsu Kim (April 2014). This book is a collection of essays, speeches, articles, and other publications regarding Korean trade policy and trade-related issues affecting Seoul over the past three decades. Written by a former WTO Deputy Director-General, who previously served as his country's chief trade negotiator and minister in charge of trade policy, the book outlines Seoul's participation in the multilateral trading system, and analyses some of Korea's major bilateral trade relationships. For more information, please click [here](#).

MAKING INNOVATION POLICY WORK: LEARNING FROM EXPERIMENTATION. Edited by Mark Dutz, Yevgeny Kuznetsov, Esperanza Lasagabaster, and Dirk Pilat for the Organisation for Economic Co-operation and Development (OECD) and the World Bank (2014). This book examines various topics in innovation policy, with an emphasis on their relationship with inclusive and sustainable growth. The authors focus mainly on inclusive innovation; high-growth entrepreneurship; and green innovation, using a series of concrete examples in their analysis. They also discuss the role that experimentation can play in fostering future innovation. The book is available [here](#).

EU ENVIRONMENT BRIEFING: NEXT EU SUMMIT, CO2, 2030 STRATEGY, ILUC & JUNE ENVIRONMENT COUNCIL. Published by viEUws EU Policy Broadcaster (May 2014). This video provides an overview of various recent developments involving EU environment policy. These include the upcoming June Environment Council meeting, the European Commission strategy on carbon emissions from trucks, the discussions on the 2030 climate and energy strategy, and the expected return to indirect land-use change (ILUC). The video, featuring environment journalist Sonja van Renssen, also includes a statement from Jos Delbeke, the European Commission's Director General for Climate Action. To watch the video, click [here](#).

ECONOMIC NORMALIZATION WITH CUBA: A ROADMAP FOR US POLICYMAKERS. By Gary Clyde Hufbauer and Barbara Kotschwar, assisted by Cathleen Cimino and Julia Muir, for the Peterson Institute for International Economics (May 2014). This book discusses the expected 2018 regime change in Cuba, once President Raúl Castro steps down, and highlights the forces that appear to be favouring economic normalisation – assuming that Cuba is ready to change both its policies and leadership. The authors warn that the US must avoid a unilateral removal of sanctions and should instead ensure that the appropriate institutions are in place in the island country beforehand, while suggesting that Cuba lift its trade and investment barriers. To learn more, or to preview the book, click [here](#).

EU ETS COMPANY RANKINGS 2013. Published by Carbon Market Data (2014). These rankings cover the various companies participating in the EU's Emissions Trading System (ETS), in light of the 2013 verified emissions reports. The report is published by a carbon market research company known as Carbon Market Data, which is also the developer of the EU ETS Company Database. More information is available [here](#).

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