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PREFERENTIAL AGREEMENTS

Trade Officials: US-EU Talks "On Track," Though Hurdles Remain

Talks between the US and EU for a comprehensive trade and investment pact are set to kick into higher gear, following a highly-anticipated "political stocktaking" meeting between the two sides' top trade officials. Though the negotiations are said to be "on track," both sides cautioned that the biggest challenges are yet to come.

The meetings, held between US Trade Representative Michael Froman and EU Trade Commissioner Karel De Gucht in Washington on Monday and Tuesday, come eight months into the negotiating process, and after three rounds of initial negotiations between the two partners.

Though these early talks have reportedly been productive, the real difficulties lie ahead, as the two sides dig into their larger differences – such as on regulations and standards – and start negotiating tariff reduction levels.

"The marked-out areas are still larger than the common ground," De Gucht [said](#) on Tuesday. "But we now have a clear picture of the whole field."

Froman, in a separate [statement](#), added that this week's meetings showed them "opportunities to make substantial progress in the coming months, as well as some challenges."

Brussels and Washington formally launched their trade negotiations last June, with the first round of talks being held the subsequent month. The two sides – which together have the world's largest trading relationship – have advocated a deal as a way to boost growth and create jobs, particularly at a time where both are trying to stabilise their respective economies following a prolonged crisis.

De Gucht: Time to "step up a gear"

When the negotiations were launched last year, officials on both sides of the Atlantic had said that they hoped to finish them by late 2014. Now, however, the tone has changed, with EU chief negotiator Ignacio García Bercero saying in Berlin last week that the talks are unlikely to be completed this year.

Even so, officials have maintained that the negotiations must ratchet up a notch in order to avoid losing their current momentum.



International Centre for Trade
and Sustainable Development

High-level meetings are already planned for the coming months to discuss T-TIP, such as a March summit between US President Barack Obama, European Council President Herman Van Rompuy, and European Commission President José Manuel Barroso. A fourth negotiating round is also slated for early March, and another political review by Froman and De Gucht is planned for this autumn.

"If we want to finish on the now-proverbial single tank of gas, our message to our negotiators now is that we need to step up a gear," De Gucht said on Tuesday, noting that this next phase is set to be much tougher.

European leaders have similarly remarked that speed is vital to the success of the negotiations, with French President François Hollande warning last week that a slowdown could lead to a "pileup of fears, of threats, of anxiety."

"If we are in good faith, if we are all respectful of the other party's position, if we are attached to growth, we can move quickly," he added. The push from Hollande was welcomed by many T-TIP supporters, given Paris' past wariness of the deal. Before the launch of the negotiations, France had insisted on preconditions such as the protection of the EU's cultural exception policy before talks could even begin. (See Bridges Weekly, [23 April 2013](#))

Market access offers exchanged

In the week ahead of the Froman-De Gucht meeting, both sides exchanged initial market access offers, though officials have said that these are purely a starting point for discussion.

According to Reuters, the EU's initial offer would lift 96 percent of current tariffs, with the exception of sensitive items such as beef, poultry, and pork, which would see the US being provided with larger quotas instead. Three percent of tariff lines would see a phase-out of tariffs, rather than immediate elimination.

Media reports have indicated that the EU was not pleased with the level of tariff reductions mentioned in the US offer, with De Gucht telling journalists in Washington on Tuesday that the EU's "ambitious" offer was, in Brussels' view, "not matched at this moment in time by what has been put on the table by the US."

Tariffs between the two sides are already low, and experts say that the largest gains will come from harmonising their regulations and standards. Even so, the size of their respective markets means that reducing these tariffs further could still lead to huge gains.

Exchanges of services offers will be next, De Gucht confirmed on Tuesday, without specifying when the two sides would be swapping these.

EU ministers: Don't lose sight "of the bigger picture"

Public outcry has built up in Europe in recent months over fears that T-TIP could lead to lower levels of regulatory protection, such as in health and safety, and questions over whether the EU will sign onto investment protections that some civil society groups say could open the door to lawsuits challenging key public interest policies.

"With due respect for our health and safety regulations, for our consumer protection, that's not what we are going to negotiate about," De Gucht [said](#) earlier this week, in an apparent effort to quell these concerns.

"What we are trying to do is – within the already very modern framework we enjoy both in the United States and in Europe – work together to make sure that we can continue to

play a leading role in world markets about norms and standard setting - not in a 'closed shop' manner, but in an open way," he added.

Across the Atlantic, many US advocacy groups have raised similar questions. What these concerns will mean for the scope of the final deal is unclear, though both sides have promised to increase their outreach efforts in order to include more public input. Brussels, for instance, has promised to publish its negotiating position on investor protections in March, in order to allow the public a chance to comment. (See Bridges Weekly, [23 January 2014](#))

Washington, meanwhile, [announced](#) this week a new Public Interest Trade Advisory Committee that would provide expert input into the negotiations on areas such as public health, development, and consumer safety.

Several EU officials, however, have lately made a public call for negotiators to keep the T-TIP talks comprehensive, in order to ensure the maximum gains from such a pact.

In a joint [letter](#) to the Financial Times, trade ministers from the Czech Republic, Denmark, Finland, Ireland, Italy, the Netherlands, Spain, Sweden, and the UK urged both the EU and US not to "lose sight of the bigger picture and the strategic importance of the T-TIP."

"Talks on the TTIP provide a historic opportunity essential for the world's two largest economies – the EU and the US – to further their relationship," they continued. "To this end, the negotiations should be as comprehensive as possible."

ICTSD reporting; "Chief EU negotiator defends US trade pact in Berlin," EURACTIV, 12 February 2014; "Sticking points remain in trade talks, say officials," FINANCIAL TIMES, 18 February 2014.

PREFERENTIAL AGREEMENTS

TPP Members Place High Hopes on Singapore Ministerial

Chief negotiators from the twelve Trans-Pacific Partnership (TPP) countries are meeting this week in Singapore, in a bid to give the talks a major push before ministers arrive this weekend. The upcoming ministerial gathering is expected to be a key indicator of whether the group can seal a deal in time for US President Barack Obama's [trip](#) to Asia this April.

The twelve-country coalition, which includes Australia, Brunei, Chile, Canada, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, the US, and Vietnam, has said that it aims to create a high-ambition, "21st century" trade pact that could serve as a template for a broader agreement across the Asia-Pacific region.

Current participants cover over 40 percent of global trade, and the potential [gains](#) from the pact have been placed by some analysts at US\$223 billion a year in added global income. However, questions over the deal's content and timing have grown in number and intensity, particularly as negotiators try to close a deal in the months ahead.

Deal this year?

Last year, TPP officials had set end-2013 as their target date for concluding their negotiations, only to announce during a ministerial-level meeting in December that – despite achieving "substantial progress – they would have to extend their talks into 2014. (See Bridges Weekly, [12 December 2013](#))

Two months into the new year, many trade observers have already asked whether concluding the TPP in 2014 is actually a viable goal, given reports of major outstanding differences in some of the agreement's chapters, and in light of the US midterm elections this November. Washington officials have sought to downplay these questions, with a senior Obama Administration official [telling](#) reporters last week that "it is still very much our goal to complete a TPP agreement this year."

Whether other TPP members agree is less clear. Singaporean Prime Minister Lee Hsien Long has also said in recent weeks that a deal is close. However, Malaysian international trade minister Mustapa Mohamad has appeared less certain, saying that his officials would first "have to satisfy ourselves that this is in the best interest of the country."

US-Japan bilaterals

Whether the US and Japan will also be able to resolve their own differences is expected to be a key determinant of the TPP negotiating pace. When Japan joined the group a year ago, the US only gave its support on the condition that the two sides hold parallel discussions on non-tariff barriers in automobiles, and with the expectation that Tokyo would lift some of its agricultural protections. (See Bridges Weekly, [18 April 2013](#))

The two sides have since struggled to advance on both fronts, leading Japanese economy minister Akira Amari to make a last-minute trip to Washington last week to meet with US Trade Representative Michael Froman, in the hopes of reconciling these disagreements.

"Securing strong outcomes with Japan, including for American autos and agriculture, remains a high priority," Froman [said](#) following the meeting, without going into further

specifics. His office also noted that differences particularly remain between the two sides in the area of automotive trade.

In the days since, Amari has told reporters that while the two sides remain deadlocked in the area of farm trade, he recognised that Japan may have to make concessions with its agricultural tariffs, particularly in the five sensitive areas of rice, wheat, beef, pork, dairy products, and sugar.

US trade debate hones in on income inequality

Major trade deals such as the TPP or the US-EU Transatlantic Trade and Investment Partnership (T-TIP) have come under growing scrutiny by both Washington lawmakers and the American public, with various members of Obama's own party questioning whether such trade deals can actually exacerbate income inequality, rather than resolve it.

Responding to these concerns, Froman stressed this week that an "aggressive trade strategy" is instead a key part of the solution to the inequality issue.

"Trade policy, done right, can be an important tool in our efforts to address income inequality," he [said](#) at the Center for American Progress. "Increasing exports creates more and better paying jobs... we know that increased trade has added US\$9000 on average to each American family's real income, allowing them to enjoy high standards of living."

These questions have taken on added weight ahead of the November midterm elections, particularly as lawmakers openly spar over whether and when to grant the White House "fast track" trade powers – which are essential for later ratifying the trans-Pacific pact.

Top Democrats in both chambers of Congress – Senate Majority Leader Harry Reid and House Minority Leader Nancy Pelosi, respectively – have both come out against "fast track," also known as Trade Promotion Authority, in its current form. The draft under consideration, they say, does not do enough to increase Congress' involvement in the shaping of international trade deals such as the TPP or T-TIP.

"We're the party of free trade, fair trade, and we believe that the global economy is here to stay, and we're part of it," Pelosi [said](#) last week, following a retreat for House Democrats. "But as [Maryland Congressman Chris] Van Hollen said, we want to export products overseas, not transport jobs overseas."

US Vice President Joe Biden, at the same retreat, reportedly told Democratic lawmakers at a closed-door meeting that he understood their concerns given their "local political priorities," while defending the Obama Administration's overall trade agenda.

While many "fast track" proponents had originally pushed for passing the legislation before the end of the TPP and T-TIP talks, White House officials are now saying that completing an ambitious Asia-Pacific deal first could actually help bridge the divide over Trade Promotion Authority in Congress.

"I think that when people have the ability to review what will be an agreement that is profoundly in our national interests, we'll be confident that we can gain the support of members of Congress," a senior administration official told reporters last week, speaking on condition of anonymity. "But we understand that the onus is on us."

ICTSD reporting; "Biden acknowledges U.S. Democratic concerns on trade agenda," REUTERS, 14 February 2014; "Ministers to give another try to wrap up TPP in Singapore," KYODO NEWS INTERNATIONAL, 18 February 2014; "Agreement on Trans-Pacific Partnership 'very close': Singapore Prime Minister Lee Hsien Loong," AFP, 18 February 2014.

WILDLIFE TRADE

World Leaders Pledge to Combat Illegal Wildlife Trade

Leaders from 46 countries pledged last week to act together to combat a growing illegal wildlife industry, following a high-level meeting convened by the UK government and the British royal family.

UK Foreign Secretary William Hague hailed the event as a “turning point” for addressing a £12 billion (US\$20 billion) a year illegal trade – ranked as the fourth most valuable crime behind human trafficking, the arms trade, and drugs.

Participating states – including key consumer economies such as Vietnam and China – inked a 13-page [London Declaration](#) calling for “decisive and urgent action” to eradicate wildlife product markets, ensure effective legal deterrents, strengthen enforcement, and enhance community engagement as a means of securing alternative sustainable livelihoods.

“Today you are breaking new ground by coming together and committing – at high levels never before seen at a conference on this topic – to take urgent action to put a stop to this trade,” HRH Prince Charles told the summit.

Tusks and horns in demand

International commercial trade is prohibited on all species listed under Appendix I of the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES), which includes, among others, populations of elephants, tigers, and turtles.

In recent years, however, demand for contraband wildlife products has skyrocketed – a trend that analysts largely attribute to a rising affluent Asian middle class. A 2013 [inter-agency report](#), for example, suggests that illegal ivory trade activity worldwide has more than doubled since 2007.

The latest data indicates the extent to which threatened species have been hit by the trade increase. A report by the International Union for the Conservation of Nature suggests that since 2004, the Central African region has lost two-thirds of its elephant population.

In January, South Africa released official figures documenting a 50 percent rhino-poaching spike in 2013 alone. (See Bridges Trade BioRes, [21 January 2014](#))

Although a number of other endangered animals have also been severely affected in recent years, the plight of elephants and rhinos has gained particular international political traction.

High-profile ivory crushing events have become an increasingly common site in cities around the world as authorities symbolically divest themselves of seized goods – most recently in Beijing and Paris. Last week also saw the US announce a [commercial ban](#) on trade in elephant ivory.

Elephant protection promised

Thursday's London conference ushered in an additional pledge geared specifically towards the booming ivory trade, as the governments of Botswana, Chad, Ethiopia, Gabon, and Tanzania launched an ["Elephant Protection Initiative."](#)

Stating that illegal elephant killing was "out of control," the five countries agreed to place their stockpiles of ivory beyond economic use and observe a moratorium on ivory trade for a minimum of 10 years.

Partner states, NGOs, international organisations, and the private sector in turn committed to scale up protection funding, as well as to fully implement the African Elephant Action Plan (AEAP).

Sustainable conservation policy debate

While many stakeholders welcomed last week's commitments, a bitter debate continues as to how to sustainably ensure biodiversity and wildlife conservation, in the face of multiple, interconnected challenges.

Mary Rice, the executive director of the Environmental Investigation Agency, applauded the emphasis on criminal activity. "This has been an unprecedented gathering," she said, calling it "the first indication that many of the world's governments are really serious about combating organised wildlife crime."

Critics have warned, however, that a suppression of legal wildlife trade could serve to fuel underground demand. In an [article](#) penned for The Guardian, Simon Jenkins of the UK's National Trust wrote, "You cannot stifle demand by banning supply. You merely raise the price."

Other experts have stressed that the needs of local populations must be better taken into account when formulating policy responses. Supporters of this view stress that sustainable trade, tourism, and trophy hunting could be powerful conservation incentives as well as drivers for local economic development.

"While strengthening law enforcement and reducing demand are important issues, we need to pay more attention to how best incentivise local people to manage and conserve wildlife," remarked Dilys Roe, principal biodiversity researcher at the International Institute for Environment and Development.

Reflection on these various policy options was the goal of an illegal wildlife trafficking [symposium](#) that preceded the intergovernmental summit, the former convened by HRH Prince William's United for Wildlife alliance and hosted by the Zoological Society of London.

Botswana will host a follow-up high-level event in 2015 to discuss progress on international cooperation to tackle the topic.

ICTSD reporting; "World leaders say enough is enough on illegal ivory: Agreement to stop wildlife trade hailed as 'watershed' moment," THE INDEPENDENT, 16 February 2014; "Global accord on combating illegal wildlife trade agreed by 46 nations," THE GUARDIAN, 13 February 2014; "Red flag raised over illegal wildlife crime," THE PEOPLE, 11 February 2014; "New US ban on ivory sales aimed at saving more elephants," REUTERS, 11 February 2014.

CLIMATE CHANGE

US, China Vow Increased Climate Cooperation

The US and China – the world's largest greenhouse gas (GHG) emitters – pledged on Saturday to increase their bilateral cooperation in addressing the effects of climate change, particularly in areas such as lowering emissions from heavy duty vehicles, improving smart grids' carbon capture, and increasing energy efficiency in buildings and industry.

The above-mentioned initiatives were part of a five-section plan announced last July, and were originally set to be implemented from October 2013 onward. (See Bridges Weekly, [18 July 2013](#))

Along with confirming the five implementation plans, the two trading partners also agreed to "devote significant effort and resources to secure concrete results" in these areas in time for this year's meeting of the annual US-China Strategic and Economic Dialogue.

"This is a unique, cooperative effort between China and the United States and we have hopes that it will help to set an example for global leadership and global seriousness on the issue of next year's climate negotiations," US Secretary of State John Kerry told reporters in Beijing.

In separate remarks the next day, the US' top diplomat added that global warming was "perhaps the world's most fearsome weapon of mass destruction."

The announcement solidifies the US-China Climate Change Working Group (CCWG), established [last April](#) during Kerry's first visit trip to China.

Washington, Beijing domestic agendas

The climate rapprochement between the economic giants on such a sensitive bilateral topic follows scientists' latest warnings of the unequivocal warming of the planet from man-made causes.

The subject has duly topped incoming executive agendas in both Washington and Beijing. In 2013, US President Barack Obama kicked off his second term by indicating his willingness to push forward on the climate front, subsequently outlining a national action plan later in the year. (See Bridges Weekly, [13 February 2013](#) and Bridges Weekly, [27 June 2013](#))

Just this Tuesday, the White House published a timetable for new truck fuel efficiency rules, scheduled to take effect in March 2016 – a move that Obama had promised in this year's State of the Union address. (See Bridges Weekly, [30 January 2014](#))

Chinese authorities have displayed similar readiness, announcing earlier this month their plans to set up a 10 billion yuan (US\$1.65 billion) fund to fight air pollution, designed to incentivise firms to clean up their operations.

The government has also suggested it will toughen the oversight role of environmental protection bodies, shut 300 polluting factories in Beijing by the year's end, and take the unprecedented step of releasing standardised information about domestic pollution levels.

UN climate talks in focus

Last week's US-China joint statement further indicated that the countries would strive towards concluding a successful universal climate pact, which UN negotiators hope to pin down in Paris next year, to come into effect from 2020.

"In light of the overwhelming scientific consensus on climate change and its worsening impacts, and the related issue of air pollution from burning fossil fuels, the United States and China recognise the urgent need for action to meet these twin challenges," the countries affirmed.

The joint announcement came within days of the US' individual [submission](#) to the UN on its position regarding various elements of the 2015 agreement, making it the first delegation to do so.

The US' submission stressed that mitigation efforts in the new UN deal should be based on national, specific, and quantifiable plans that contribute to global efforts to reduce GHGs, conforming to a common timeframe.

The US would also see the national plans specify details such as the base year for emissions reductions, as well as what GHGs and sectors are covered, and the percentage of overall emissions targeted.

On climate adaptation, the submission stressed the local nature of such actions, suggesting the 2015 agreement must encourage parties to enhance efforts and cooperation in this field. On the sensitive subject of climate finance, the US noted the need to maximise public sector impact by leveraging the private sector.

"The US is staking out fairly firm stuff that they want to see," said Alden Meyer, director of strategy and policy for the Union of Concerned Scientists. "All the major countries, including China, India, and Brazil, are expected to be fairly transparent and detailed. That is the clear reading from this," he told Reuters.

Obama and other heads of state will gather this autumn for a special climate summit convened by UN Secretary General Ban Ki-moon, where more countries are expected to outline their positions.

ICTSD reporting; "US, China, agree to work on climate change," REUTERS, February 15 2014; "Kerry warns on catastrophic climate change," FINANCIAL TIMES, February 16 2014; "China to set up a \$1.6 billion fund to help fight smog," REUTERS, 12 February 2014; "US lays out vision for 2015 climate pact to UN," REUTERS, 12 February 2014.

DISPUTES

COOL Compliance Hearings Kick Off at WTO

The US' controversial country-of-origin labelling (COOL) requirements for livestock and meat imports were once again under scrutiny at the WTO this week, as hearings began to determine whether recent changes to the policy have brought it in line with international trade rules.

The dispute dates back to 2008, when Canada and Mexico first challenged the measure as being discriminatory against their own livestock industries ([DS384](#), [386](#)). Nearly four years later, the WTO Appellate Body – which serves as the organisation's highest court – determined that the US' COOL policy was indeed inconsistent with international trade rules, confirming an earlier panel ruling on the matter. (See Bridges Weekly, [4 July 2012](#))

Under the original policy, which was actually a series of instruments enacted under the 2002 US Farm Bill and then revised in 2009, producers were required to inform consumers of meat's country of origin via a label on the sale package. The label could fall under five different categories, each divided into three sub-categories.

In order to be able to comply with the measure, which required that meat of mixed origin be labelled – even where the cattle was mixed right after birth – producers had to regularly monitor and segregate the different cattle and hogs. Processing only domestically born, raised, and slaughtered meat, on the other hand, did not require such monitoring, making foreign livestock clearly less competitive, the judges found.

Following the 2012 Appellate Body ruling, US officials confirmed that they would be amending COOL, with the new policy now requiring that producers disclose clearly an animal's country of birth, raising, and slaughter, all within a single label. Canada and Mexico quickly challenged the revisions, leading to the formation of a WTO compliance panel last September to review the matter. (See Bridges Weekly, [5 September 2013](#) and [26 September 2013](#))

The process to pass a new US Farm Bill had also played into the process, given the possibility that it might include additional changes to the labelling policy. The passage of the new Farm Bill earlier this month kept the amended COOL regulation intact, much to the chagrin of Canada and Mexico. (See Bridges Weekly, [30 January 2014](#))

During the compliance panel hearing this week, which was open to the public, Washington argued that its changes to COOL have indeed brought the US into compliance with its WTO obligations, while also "substantially" increasing the information provided to consumers.

The measure "provides the same amount of information in the same meaningful and accurate way for each category" of meat, the US said, making the measure non-discriminatory as a whole.

Canada and Mexico argue that the changes actually exacerbate the detrimental impact on their cattle and hog industries. In their view, the elimination of co-mingling in the amended COOL measure undermines the competitive position of Canadian cattle and hogs in the US market.

Questions on accurate information, actual objective

Back in 2012, the Appellate Body had found that COOL's record-keeping and verification requirements imposed a disproportionate burden on upstream producers and processors, because the level of information conveyed to consumers through the mandatory labelling requirements was far less detailed and accurate than what these producers and processors were required to track.

According to Canada and Mexico, the US' new labelling requirements still fail to provide accurate information to consumers, since in practice major retailers do not necessarily follow these guidelines.

Despite losing the overall case in 2012, the US had scored a small victory in the Appellate Body ruling, with judges finding that Washington's goal of providing consumer information qualified as a legitimate objective under the WTO's Agreement on Technical Barriers to Trade.

However, the complainants have challenged the US' formulation of the objective of the amended COOL measure as being too narrow. Washington has said that the COOL is designed to provide consumers information on where the livestock from which they get their meat is born, raised, and slaughtered.

According to Ottawa and Mexico City, this is inconsistent with Washington's earlier statement that its goal is "to provide consumer information on origin," suggesting instead that this claim is litigation-driven. The US, in turn, claims that the amended COOL measure makes the same contribution to its objective, regardless of how the latter is characterised.

Less restrictive options?

Mexico and Canada also reiterated past claims that there are alternative measures that the United States could apply to achieve its consumer information objective. Washington has said, however, that these proposed alternatives would either not provide consumers with the same level of information, or that these have not been proven to be less trade restrictive.

The Appellate Body had said in 2012 that it was unable to complete its analysis on whether COOL is indeed trade restrictive, as the previous dispute panel had provided inadequate information on less restrictive alternatives.

Next steps

Under WTO rules, the panel must circulate its report within 90 days of receiving the compliance challenge. Given that the panel was established last September, the expected date for the report would have been December 2013. In practice, however, the length of this process varies, taking an average of 15 months.

ICTSD reporting.

IN BRIEF

US Probe into China, Taiwan Solar Trade Practices Advances

The US International Trade Commission (ITC) [voted](#) last Friday to allow investigations into imports of Chinese and Taiwanese-made solar products to proceed, in a move expected to escalate tensions between two of the world's largest traders.

A month ago, the US Commerce Department confirmed that it would be launching both anti-dumping and countervailing investigations into solar products imported from China and Taiwan, in response to a petition filed in December by SolarWorld Industries America. The specific imports under review are of crystalline silicon photovoltaic cells, which are the basic component of solar panels, modules, and/or laminates. (See Bridges Weekly, [30 January 2014](#))

The company had claimed that Chinese producers were using Taiwanese and other foreign-made cells in their production processes, effectively skirting existing US anti-dumping and countervailing duties through a loophole created by a 2012 trade case.

However, whether this new case would advance to the next stage depended on whether the US ITC found signs of substantial injury to American producers. In the opinion released last week, the agency appeared to agree with SolarWorld, finding "reasonable indication" of material injury due to unfairly subsidised Chinese photovoltaic products and Chinese and Taiwanese photovoltaic products being sold at less than fair value.

SolarWorld [welcomed](#) the decision as an "advance in the renewable-energy industry's return to fair competition."

US industry reaction, however, has not been uniformly positive. On Friday, Jigar Shah, the president of the Coalition for Affordable Solar Energy (CASE) [suggested](#) that SolarWorld is "manipulating US trade procedure in order to prop up its own failing business."

CASE, which represents various companies involved in the installation of solar panels, also argued that anti-dumping and countervailing duties could "inflict critical damage" on the solar industry.

Chinese officials, for their part, have warned that continuing these investigations could be counterproductive toward the increased deployment of renewable energy at the international level. "The US ITC has not realised that the two countries' solar industries are tightly linked," [said](#) an official from the Bureau of Fair Trade for Imports and Exports at the Ministry of Commerce.

Following US ITC's determination, the US Department of Commerce will continue its investigations and issue a decision on whether to impose preliminary countervailing duties by late March, and will make a separate decision on antidumping duties in early June.

ICTSD reporting.

Azevêdo: Global Trade Outlook "Cautiously Positive" for 2014

The trade outlook for the upcoming year is "cautiously positive," WTO Director-General Roberto Azevêdo said last week, with global trade flows slated to increase between 4 and 4.5 percent this year. However, he warned, trade restrictions are also on the rise, which could put this growth in jeopardy.

The new figures were released as part of a broader global monitoring report, which reviewed trade and trade-related issues from October 2012 to November 2013. The report found that the volume of trade in goods expanded by less than 2.5 percent during that period, though this year's estimates look more promising. The 4-4.5 percent prediction for 2014, however, is still below the historical average rate of 5.5 percent.

Despite these improved prospects, the report also found that 407 new restrictive measures were reported during the period under review, up from 308. The number of trade facilitating measures, by comparison, was at 107 – down from 162 the year prior.

"We were not in great shape last year — and we have picked up a few bad habits which we need to shake off," the WTO chief [told](#) members. "But overall trade growth is beginning to recover and we have a healthier outlook for 2014."

The growing proliferation of regional trade pacts was also noted in the report, given that 23 were notified in that period alone. Azevêdo cautioned WTO members that, while these were generally a "positive" development, they must ensure that such agreements are well-integrated into the multilateral trading system, given that the increase and overlap of these regulations and standards "could multiply costs rather than reduce them."

The report comes amid signs of a slowly-stabilising global economy, following a prolonged financial crisis that shook up trade flows. One of the WTO's key roles in this period has been to monitor the increase of trade restrictions during this time, particularly in light of pledges by various countries – such as that of the Group of 20 major industrialised and emerging economies – not to implement protectionist measures in response to the crisis.

ICTSD reporting.

EVENTS & RESOURCES

Events

Coming Soon

20 February, online. EAST AFRICA'S OIL AND GAS BOOM – PROMISE AND PERIL. This webcast will feature a multi-panel discussion on the East African oil and gas boom. Speakers from government, the private sector, civil society, think tanks and academia will examine the contours of the boom; how to maximize benefits from the sector; lessons from other new producers; the risks facing these countries; and the necessary policy responses needed for making the most of this wealth while ensuring that people's rights and the environment are protected. Further information can be found at the event [website](#).

21 February, Tokyo, Japan. HOW MUCH CAN NATIONAL CURRENCIES BE USED FOR TRADE SETTLEMENT IN ASIA? As part of the Asian Development Bank Institute (ADBI) Seminar Series, Yung Chul Park, who has previously served as chief economic adviser to the South Korean President and as a member of the Central Bank of Korea's Monetary Board, will give a presentation on how much national currencies can be used for trade settlement in the region. For more information, visit the ADBI [website](#).

27 February, London, UK. THE CHANGING DYNAMICS OF GLOBAL ENERGY MARKETS AND THE IMPLICATIONS FOR RESPONSES TO SUPPLY DISRUPTION. This workshop, hosted by Chatham House, aims to bring key decision-makers together to evaluate the implications of changes in global energy markets on national, international, and industry responses to an oil supply disruption. Participants will also discuss possible options for strengthening security. Attendance is by invitation only. To learn more, visit the Chatham House [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.

25 - 26 February: Council for Trade-Related Aspects of Intellectual Property Rights

25 February: Working Party on GATS Rules

25 February: Working Party on Domestic Regulation

25 February: Committee on Specific Commitments

26 February: Committee on Trade in Financial Services

26 February: Dispute Settlement Body

26 February: Council for Trade in Services

Other Upcoming Events

4-5 March, Dubai, United Arab Emirates. FIRST GLOBAL CONFERENCE ON UN PARTNERSHIP FOR ACTION ON GREEN ECONOMY. This first global conference on the UN Partnership for Action on Green Economy will provide an opportunity for high-level government representatives and policymakers to review the progress on implementing the Green Economy in the context of sustainable development and poverty eradication following the 2012 UN Conference on Sustainable Development. Organisers also hope that the event will provide participants the chance to examine how greener economies can contribute to the discussions on the post-2015 development agenda. Further information can be found [here](#).

13-14 March, Dublin, Ireland. 17th IELF – THE CAP IN 2020: THE FUTURE OF THE POLICY. This conference, hosted by the University College Dublin (UCD) Sutherland School of Law, will examine the development of the EU's Common Agricultural Policy, also known as the CAP, in anticipation of the next scheduled reform in 2020. Divided into four sessions, the forum will explore the main features of the policy; external issues such as the demands of the WTO and policy coherence for development; the CAP's environmental impact and how to meet new climate change and water scarcity challenges; and the regulation of food safety and quality. More information can be found [here](#).

24 March, Geneva, Switzerland. SHORT COURSES ON KEY ISSUES ON THE INTERNATIONAL ECONOMIC AGENDA: RETHINKING THE GLOBAL DEVELOPMENT AGENDA. This event, organized by the UN Conference on Trade and Development, will feature a series of presentations aimed at showing how trade, debt and development challenges have evolved since the UN body was first established 50 years ago. The courses are designed for delegates at permanent missions, with the goal of introducing them to UNCTAD's work in the context of the evolving international economic agenda. More information can be found [here](#).

31 March-13 April, online. CHAIRING INTERNATIONAL CONFERENCES. Organised by the United Nations Institute for Training and Research, this course will provide information, skills, and guidance to delegates who may be appointed or elected to chair meetings. It is also designed to help any delegate interested in understanding further a chairperson's role and actions. The course will focus on the requirements for a strong and able chairmen to be effective, and how delegates may influence outcomes of conferences. More information is available [here](#).

Resources

CONNECTING TO GLOBAL MARKETS: CHALLENGES AND OPPORTUNITIES – CASE STUDIES PRESENTED BY WTO CHAIR HOLDERS. Published by the WTO Chairs Programme (February 2014). This collection features a set of case studies contributed by WTO chair-holders on major challenges their respective countries face in integrating into today's multilateral trading system, and ways to overcome such difficulties. The volume is divided into four sections, focusing on export diversification, the role of non-tariff measures, the rule of law in connecting to global markets, and the role of the Aid for Trade initiative in building trade capacity and overcoming supply-side constraints. The publication is available [here](#).

HOW LATIN AMERICA WEATHERED THE GLOBAL FINANCIAL CRISIS. By José De Gregorio for the Peterson Institute for International Economics (January 2014). This book, written

by former Chilean Central Bank Governor José De Gregorio, analyses Latin America's resiliency in the wake of the recent financial crisis. Through an in-depth look at seven of the region's largest economies, De Gregorio argues that Latin America responded well due to a combination of its macroeconomic policies and financial systems, among other factors. The book is available [here](#).

TAKING ADVANTAGE OF ASEAN'S FREE TRADE AGREEMENTS: A GUIDE FOR SMALL AND MEDIUM-SIZED ENTERPRISES, By Paige McClanahan, Alexander Chandra, Ruben Hattari, and Damon Vis-Dunbar for the International Institute for Sustainable Development (IISD) (2014). This paper explores the Association of Southeast Asian Nations' (ASEAN) efforts to lower trade barriers among themselves, along with their recent trade agreements with other countries in the region. The authors suggest that by making full use of ASEAN's economic integration initiatives, small and medium-sized enterprises can make substantial gains in their output, along with finding new product markets. The result, they say, could include more jobs and greater availability of goods and services, along with the increased promotion of economic growth and sustainable development at a general level across the region. The paper is available [here](#).

FUELING UP: THE ECONOMIC IMPLICATIONS OF AMERICA'S OIL AND GAS BOOM. By Trevor Houser and Shashank Mohan for the Peterson Institute for International Economics (January 2014). This book reviews the impact of the recent and projected increase in US domestic energy production on the country's GDP, employment growth, manufacturing competitiveness, household expenditures, and international trade balance. The authors find that, along with the economic effects, the US energy revolution is raising new environmental and trade policy questions. The goal of this study is to provide policymakers with independent research and analysis to help navigate this changing landscape. More information can be found [here](#).

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