

# BRIDGES WEEKLY

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## WORLD TRADE ORGANIZATION

### Officials Highlight Inclusive Trade, Growth as WTO Public Forum Gears Up

International agency chiefs, trade experts, and industry officials alike called for improving education, tackling inequality, and advancing policies to share the benefits of trade more widely within and among countries as the WTO Public Forum began this week in Geneva, Switzerland.

The global trade body is using its annual outreach event this year to address the theme "Trade: Behind the Headlines," bringing together government and intergovernmental officials, civil society members, academics, and other trade stakeholders together for a series of discussions on the subject.

This year's event comes at an uncertain time in the global trading landscape. Over the past year, elections across much of the Western world have seen trade enter into the limelight, particularly in the United States and many EU member states.

These polls and their results have brought to the fore long-simmering tensions over the benefits and risks of trade liberalisation, technological advancement, migration, and various aspects of globalisation.

These topics were among those in focus during this week's Forum, and have been the subject of high-profile debates in international forums such as the G20, G7, the Asia-Pacific Economic Cooperation Forum (APEC), and more.

Public attitudes about trade are varied across the world, and many people in countries such as France, Germany, and the US worry that their "traditional" way of life is being lost, according to Bruce Stokes, Director of Global Economic Attitudes at the Washington-based Pew Research Center.

"Public opinion on these issues that affect the lives of so many people are increasingly important," he told a packed conference hall on Tuesday morning, outlining the results of extensive Pew research on public beliefs regarding trade, wages, and jobs.

"We need to understand the context of public opinion if we are to understand the very serious issues that affect all of our publics," he added.

### **Looking at the system**

The same opening plenary session also saw high-level discussions on the subject featuring WTO Director-General Roberto Azevêdo; International Monetary Fund (IMF) Managing Director Christine Lagarde; Argentine Minister Adviser and incoming WTO Ministerial Conference Chair Susana Malcorra; Professor at City University of New York and Nobel laureate Paul Krugman; Econet Group Founder and Executive Chairman Strive Masiyiwa; and Forbes Marshall co-chairman Naushad Forbes.

"Trade has rarely been at a higher profile. It has actually moved from the business pages to the front pages of newspapers," said Azevêdo at Tuesday morning's opening plenary.

Referring to public concerns raised in many countries, he added that these must be listened to and addressed. "We need to adjust and react. And an important part of that is to hear those concerns in our discussions at the WTO."

Other officials affirmed that taking a closer look at these public anxieties, and actually taking policy actions in response, could help shore up the global trading system and make it even stronger for the future.

Indeed, trade continues to dominate international headlines, even after last year's US election and this year's elections in various EU member states. The past month has been no exception, amid the continued efforts to modernise the North American Free Trade Agreement (NAFTA); the negotiations to revise the Trans-Pacific Partnership (TPP) following the US withdrawal; and the ongoing Brexit talks, to name a few.

At the WTO, efforts are underway to prepare for the organisation's upcoming ministerial conference in Buenos Aires, Argentina – a topic that came up both in the plenary itself and was also featured in various sessions.

Officials at the plenary noted that the meeting could be a chance to lend greater support to the system, as negotiators in Geneva continue their efforts to determine which policy areas might yield concrete deliverables or future work programmes in the Argentine capital, which is also due to host the next G20 summit.

"I think we have a great opportunity when we meet in Buenos Aires... we need to bear in mind that this is a moment where we are at a crossroads, and we need to really prioritise what it is that we want to get collectively out of that meeting," said Malcorra.

"It has to be, in my view, a meeting of minds that recognises that as imperfect as a system might be, and we recognise that there are areas to improve, we need the system," the Argentine minister continued. "We need to find ways together to move forwards, to recommit to this collective effort which has brought the world to a place that was unthinkable 30 years ago."

### **Trade projections**

Ahead of the Forum, the WTO [updated](#) its predictions last week for global trade growth for the year, with the organisation's economists now estimating that growth will hit 3.6 percent – compared to earlier estimates that outlined a possible range of outcomes, between 1.8-3.6 percent. (See Bridges Weekly, [8 June 2017](#))

However, even with this improvement, which WTO economists credited mainly to developments in the Asia-Pacific and North American regions, officials called for vigilance to avoid backtracking.

Azevêdo said last week that among these risks are “the possibility that protectionist rhetoric translates into trade restrictive actions, a worrying rise in global geopolitical tensions, and a rising economic toll from natural disasters.”

### **Technology, education, jobs**

Even with the boost in trade growth, concerns remain over the rapid pace of technological change, and what this could mean for workers whose skills might soon become obsolete. The WTO released its flagship annual “[World Trade Report](#)” on Wednesday 26 September during the Public Forum, focusing this year on the impact of technological change on workers and their larger communities.

“Technological advances and trade opening have yielded enormous benefits for economies overall, but they can also adversely affect specific groups and regions – a problem which a number of countries are currently struggling to address,” the report says.

It also highlighted the value of enacting adjustment and other policies at the domestic level that could help mitigate these problems, such as in education, while noting that the right combination of policies will depend on national circumstances.

“People need more creative and effective help in adjusting to economic change, irrespective of whether it is driven by technology or trade. The goal is to find an appropriate balance between labour market flexibility, on the one hand, and employment security, on the other,” the report says.

The release of the WTO report came just as the World Bank published its own “World Development Report,” which warned that a “learning crisis” could have damaging long-term impacts on young people’s future incomes and job prospects in adulthood.

World Bank President Jim Yong Kim [warned](#) that this situation constitutes a “moral and economic crisis,” and one that must be remedied quickly, especially in the developing world. “For communities, education spurs innovation, strengthens institutions, and fosters social cohesion. But those benefits depend on learning, and schooling without learning is a wasted opportunity.”

### **Other information**

The WTO Public Forum will conclude during the afternoon of 28 September. The three-day event included over 100 sessions, with reportedly over 2000 registered participants. Webcast of the plenary and details of the sessions themselves can be found [here](#).

ICTSD reporting.

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## CARBON MARKETS

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# Ontario Set to Connect Carbon Market with Québec, California Next Year

The Canadian province of Ontario is set to link its carbon market with neighbouring Québec and the US state of California in January 2018, leaders of their respective governments announced last week.

Québec and California already decided four years ago to link up their carbon markets, bringing their respective cap-and-trade programmes together in 2014. The linkage of these three sub-national schemes in a few months will lead to the largest carbon market in the continent, as well as one of the biggest in the world.

"Climate change, if left unchecked, will profoundly disrupt the economies of the world and cause untold human suffering. That's the reason why California and Québec are joining with Ontario to create an expanded and dynamic carbon market, which will drive down greenhouse gas emissions," [said](#) California Governor Jerry Brown last week.

Along with announcing the timeframe of the market linkages, the three sub-national governments also released the text of their deal, entitled "Agreement on the Harmonisation and Integration of Cap-and-Trade Programmes for Reducing Greenhouse Gas Emissions."

The text [outlines](#) across 23 articles how such a system will work, including regulatory harmonisation; offset protocols; mutual recognition of "compliance instruments," specifically carbon allowances; permit trading; accounting; joint auctions; enforcement; addressing differences; and bringing on new partners.

The move was welcomed by carbon market advocates such as the International Emissions Trading Association (IETA), a non-profit business coalition.

"Sub-national climate change action continues to go from strength to strength across North America," said IETA CEO and President Dirk Forrister in an official statement.

### Carbon pricing in Canada, region

All three partners are already part of the [Western Climate Initiative](#) (WCI), a coalition of Canadian provinces and the US state of California aimed at taking steps towards reducing emissions, including through potential emissions trading.

British Columbia and Manitoba, while also part of the WCI, are not yet part of the interlinked market announced last week. The WCI also included some other US states, which are no longer in the grouping.

The agreement announced by California, Ontario, and Québec does refer to the prospect of bringing on new partners to their scheme. Their article on accession outlines how a prospective member could join. Namely, that "candidate party" would need to have "a programme that is harmonised and can be integrated with each of the parties' programmes."

Accession would also require the sign-off of existing members of that carbon market.

Ontario and Québec are also two of the eight Canadian provinces that have committed to meeting a minimum national carbon price next year, via carbon taxes or trading schemes, in line with a federal government target of putting in place a progressively increasing minimum price on carbon that would hit C\$50 (US\$40) by 2022. Two provinces, Manitoba and Saskatchewan, have not signed onto this pledge. (See Bridges Weekly, [15 December 2016](#))

### **Carbon markets at the international level**

A series of other developments could be seen on the carbon market front before the year draws to a close. With the proliferation of carbon pricing schemes growing around the world, some [experts](#) note that the potential linking of these systems into carbon market "clubs" could help climate mitigation efforts, along with addressing concerns over potential losses in competitiveness, among others.

"With this increased activity, we are seeing more interest in linking markets, as policymakers recognise the benefits of a wider and deeper marketplace," said Katie Sullivan, IETA Managing Director.

China's national carbon market is expected to kick off later this year, with media reports suggesting that it could begin operating by early November, though that date has not been officially confirmed. The Asian economic giant currently has in place various pilot schemes at the sub-national level, and confirmed just over two years ago its plans to enact a carbon market at the national level. (See Bridges Weekly, [18 September 2014](#))

Meanwhile, efforts continue to reform the EU's Emissions Trading System (ETS), currently the world's largest. Negotiations are now taking place between the EU institutions in the "trilogue" format for the next phase of the scheme, from 2021-2030. In related news, the bloc is in the final stages of preparations to link its ETS with Switzerland, though officials [confirmed](#) this month that this would take effect from 2019 at the earliest. (See Bridges Weekly, [16 February 2017](#))

The EU's flagship carbon market has long struggled with a surplus of permits, as well as permit prices that are well below the levels that experts recommend for motivating a transition to investing in low-carbon technologies.

In a wide-ranging speech on Europe, French President Emmanuel Macron said on Tuesday 26 September that the 28-nation bloc must do more to address climate change, including low permit prices, in order to remain a world leader in this field.

"Europe needs to be the spearhead of an efficient and equitable ecological transition. It needs to foster investment in this transition (transport, housing, industry, agriculture, etc.) by fixing a fair price for carbon: through a significant minimum price within its borders; and through a European carbon tax at its borders to ensure a level playing field between its producers and their competitors," the French leader said in a press release outlining his "[initiative](#)" for the future of Europe.

Earlier this month, French officials announced that they had agreed with their German counterparts to lend their backing towards finishing the EU ETS reform talks by November as well. UN negotiators are due to meet in Bonn, Germany, from 6-17 November for the annual UN Framework Convention on Climate Change (UNFCCC) Conference of the Parties (COP).

ICTSD reporting; "Xi Jinping Is Set for a Big Gamble With China's Carbon Trading Market," THE NEW YORK TIMES, 23 June 2017; "China Recalibrates Carbon-Trading Plan," RADIO FREE ASIA, 5 September 2017; "France and Germany seek agreement on EU carbon market reform by November," REUTERS, 4 September 2017.

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## GLOBAL ECONOMY

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# As Brexit Talks Continue, Debate on European Integration Future Heats Up

UK Prime Minister Theresa May gave her highly-anticipated speech on her government's vision for post-Brexit relations with the European Union on Friday, suggesting that the two sides determine a new type of economic partnership once the UK leaves the bloc and requesting a "transition period" for the first couple of years.

The speech, delivered on Friday 22 September in the Italian city of Florence, came just days before the fourth round of formal Brexit negotiations. That round kicked off on Monday 25 September and remains underway.

It also followed on European Commission President Jean-Claude Juncker's "State of the European Union" speech from earlier this month, which outlined his vision and proposals for the bloc going forward, while making only a few overt references to Brexit itself. (See Bridges Weekly, [14 September 2017](#))

"There is a vibrant debate going on about the shape of the EU's institutions and the direction of the Union in the years ahead. We don't want to stand in the way of that. Indeed, we want to be your strongest friend and partner as the EU, and the UK, thrive side by side," May said, referring to Juncker's speech.

May was not the only European leader in recent days to issue suggestions and predictions for where the bloc – and the UK – could potentially go from here. Her comments come just one month ahead of a European Council summit that has been touted as a potential date for concluding the first phase of the Brexit talks and advancing to negotiations on the future UK-EU relationship, so long as sufficient progress has been made.

On Tuesday 26 September French President Emmanuel Macron outlined his own "[initiative](#)" for the bloc's remaining 27 members, proffering various policy ideas for a European future, including the option of a "multi-speed" EU where "those who want to go further and faster need to be able to do so unhindered" – and one that could allow for the UK to return at a later date. The speech also included a proposal for a common eurozone budget.

The two speeches also came within days of the German federal election, which saw Chancellor Angela Merkel's party hold onto power, while at the same time shaking up past partnerships among legislative parties and prompting an unprecedented gain in seats for the far-right "Alternative for Germany." Efforts to finalise a coalition government are ongoing, and the final outcome, which will probably include a partnership with the German Free Democrats (FDP), is expected to colour the debate on the EU-27's future direction during and after Brexit.

### **Economic relationship, Brexit transition period request**

While May did refer to the exit issues of Ireland, citizens' rights, and the "divorce" bill, she argued in Florence that the negotiating partners must also "move on to talk about our future relationship," and focused her remarks mainly on what this would look like in the fields of economy and security.

While confirming that the UK does not expect to remain a member of the EU's single market, given that it cannot sign onto that system's "four freedoms" in the post-Brexit era,

she did argue that the “new framework” that both sides would need going forward would need to be customised to the special circumstance of the bilateral relationship.

She ruled out options such as joining the European Economic Area or negotiating a “traditional” free trade agreement, calling that a “stark and unimaginative choice.”

May instead suggested that the two sides should be “creative” and “practical” in developing a new option, and added that they should avoid introducing tariffs, but focus instead on how to address regulations, given that the UK may wish to change its own regulatory standards once it is outside the EU framework.

Another issue that she flagged as key for a future bilateral accord is determining how dispute settlement would work, suggesting that neither the UK and EU judicial systems are appropriate venues.

“It wouldn’t be right for one party’s court to have jurisdiction over the other. But I am confident we can find an appropriate mechanism for resolving disputes,” she said.

Notably, May also called for a “transition period” from when the UK leaves the EU in March 2019, buying time for everyone involved to prepare for the “new relationship” to take effect.

“Clearly people, businesses, and public services should only have to plan for one set of changes in the relationship between the UK and the EU,” she said, advocating for that transition period to keep the current economic terms in place.

“The framework for this strictly time-limited period, which can be agreed under Article 50, would be the existing structure of EU rules and regulations,” she added, forecasting that this time period could potentially take two years. Article 50 refers to the provision in the Lisbon Treaty regarding exiting the European Union.

### **EU: Cautious welcome, more details needed**

The EU’s chief Brexit negotiator, Michel Barnier, referred to the “spirit” of the UK leader’s speech as “constructive” in a [response](#) issued on 22 September from Brussels, while suggesting that the bloc’s remaining 27 members would need more details on several of the proposed items.

He also indicated that, even with these ideas on the future EU-UK relationship, issues such as the UK’s “divorce bill” for settling its financial obligations to the EU, as well as citizens’ rights and safeguarding the Irish peace process must be clarified further and resolved first.

“The sooner we reach an agreement on the principles of the orderly withdrawal in the different areas – and on the conditions of a possible transition period requested by the United Kingdom – the sooner we will be ready to engage in a constructive discussion on our future relationship,” he said.

He also indicated potential openness to the suggestion of a “transition period,” while indicated that it would need to meet guidelines agreed by the EU-27 leaders this past April.

“Should a time-limited prolongation of Union *acquis* be considered, this would require existing Union regulatory, budgetary, supervisory, judiciary, and enforcement instruments and structures to apply,” he said, quoting the guidelines.

An update on the fourth Brexit round and related EU developments will be featured in the next edition of Bridges Weekly.

ICTSD reporting; “Macron lays out vision for ‘profound’ changes in post-Brexit EU,” THE GUARDIAN, 26 September 2017.



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## TRADE AGREEMENTS

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# Australia, Indonesia Trade Chiefs Push to Conclude Deal by November

Trade ministers from Australia and Indonesia announced last week that the two countries would aim to clinch a bilateral trade pact by November, bringing forward their previous target date in an effort to deepen regional supply chains.

"I'm sure it was a great surprise to our chief negotiators that we've agreed this morning to try and conclude it by November, so we've made their workload harder," [said](#) Australian Trade Minister Steven Ciobo at a press conference after meeting with his Indonesian counterpart in Jakarta last week.

Indonesian Trade Minister Enggartiasto Lukita [characterised](#) the meeting as "positive," and said that the "agreement can be signed by two country's leaders by the end of this year at the latest."

As the two largest economies in Oceania, Australia and Indonesia plan to strengthen their trade ties through the Indonesian-Australia Comprehensive Economic Partnership Agreement (IA-CEPA). The bilateral talks first kicked off in 2010 and were re-activated just last year. (See Bridges Weekly, [3 August 2017](#), [13 July 2017](#) and [15 December 2016](#))

The new November deadline coincides with the leaders' meeting for the proposed Regional Comprehensive Economic Partnership (RCEP) agreement; and the Asia-Pacific Economic Cooperation (APEC) Economic Leaders' Meeting in Da Nang, Vietnam, in which both economies participate. (See Bridges Weekly, [14 September 2017](#), [3 August 2017](#), and [24 May 2017](#))

RCEP is currently under negotiation among the 10 countries of the Association of Southeast Asian Nations (ASEAN), and that group's six free trade agreement partners, all located in the Asia-Pacific region. These countries include Australia, China, Japan, Korea, India, and New Zealand. APEC is a regional forum serving as a platform to discuss trade liberalisation across the Asia-Pacific.

### Emphasis on regional supply chains

Both officials said that there is a need for clinching "win-win" outcomes, citing examples of recently-confirmed tariff cuts in key commodities by both partners.

Ministers have now [confirmed](#) that they are ready to move ahead with leaders' earlier commitments to lower Indonesia's sugar tariff to five percent in exchange for Australia eliminating tariffs on pesticide and herbicide imports from Indonesia. (See Bridges Weekly, [2 March 2017](#))

"Clearly there's opportunity for Australia to collaborate with Indonesia and for our two countries to work together as part of supply chains for the benefit of each other's respective positions, and also to become, together, a stronger influence in terms of regional trade," said Ciobo [in response](#) to questions about specific areas where Australia could compromise.

Elaborating on this, the trade official mentioned that pesticides and herbicides are a win for Indonesia in terms of exports, as well as being beneficial for Australia, since the import cost for farmers and other consumers will decrease.



Similarly, sugar tariff reductions, according to Ciobo, will reduce the price of business inputs for Indonesian food manufacturers, and create a more competitive marketplace between Australia and Thailand. Australian sugar exporters have argued that Indonesia's move in 2015 to grant its ASEAN partner a five percent tariff has made it harder for them to compete in that market, given that Australian suppliers face a higher tariff of eight percent.

Australian Sugar Industry Alliance Chair and Chair of its Trade Committee Paul Schembri [praised](#) the achievement, telling the North Queensland Register that his group was looking forward to expanding its exports of raw sugar to the Indonesian market.

"A three-percentage point tariff cut is a good outcome for Australian farmers and millers and for Indonesian refiners who want access to our high-quality product at a competitive price," he told the local news agency. "Removing a barrier to trade with our nearest neighbour is a great outcome for the Australian sugar industry and our Indonesian customers," he added.

The amount of raw sugar imports to Indonesia is fixed by quotas. Expansion in the Indonesian market is, therefore, possible though the switch of Indonesian manufacturers in favour of Australian suppliers. Schembri said the cuts could mean a significant boost in Indonesian-bound sugar exports from Australia, potentially hitting 1.25 million tonnes, relative to current levels of 350,000.

Another example of AI-CEPA "win-win" supply chain outcomes, Ciobo suggested, would be in Australian exports of skim milk powder. Slashing the tariff will reduce the prices of this product in the Indonesian market.

"The reason that's important is because Indonesia uses that skim milk powder to make sweetened condensed milk, which Indonesia then exports. That speaks to the types of regional supply chains where we can achieve win-win outcomes," [said](#) Ciobo.

The Australian trade official also mentioned vocational education and training for Indonesian workers in a range of sectors, including health, tourism, and information technology (IT), as a potential area for collaboration.

"I understand that it might be quite challenging for Australia to just open its doors to our workers to work in Australia but I think we can find some ways to deal with it," Indonesia's chief trade negotiator Iman Pambagyo told Australian journalists, according to [comments](#) reported by ABC News.

Other topics also raised by ministers last week included investment, with both ministers highlighting the value of increased investment ties from a future accord. One example of potential gains, Ciobo noted, would be collaborating more with Indonesia on its domestic infrastructure objectives.

The ninth and the tenth rounds of AI-CEPA negotiations will be held in Indonesia, from 2-6 October and 13-17 November, respectively. Should a deal not be reached by then, another round is scheduled in Australia for 18-22 December.

ICTSD reporting; "Sugar farmers sweet on Indonesian tariff cut," NORTH QUEENSLAND REGISTER, 21 September 2017; "Trade ministers set November deadline for Indonesia-Australia trade deal," ABC NEWS, 20 September 2017; "Australia-Indonesia trade deal needs more political will to succeed, negotiator says," ABC NEWS, 21 September 2017.

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## TRADE AGREEMENTS

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### **TPP-11 Negotiators Consider Potential Options, Schedule October Session**

Negotiations on the Trans-Pacific Partnership, or TPP-11, resumed late last week in Tokyo, Japan, as officials debated proposed options for advancing the accord before key meetings in October and November.

Officials are pushing to have a menu of options for their ministers and leaders to consider when they meet in Vietnam in November. To that end, they confirmed last week that they will be holding another meeting in Japan next month to facilitate that process.

Going into last week's talks in Japan, countries were expected to bring forward any additional suggestions for any substantive changes they would like to see in the accord. While there is a TPP text, the withdrawal of the US earlier this year has sparked interest in some signatories to revise certain aspects of the deal.

"Those benefits, by consequence of the fact of the US withdrawal, have changed the metrics of the deal. That's meant that for the 11 remaining countries, we've had to look again at what the deal will actually look like," [said](#) Australian Trade Minister Steven Ciobo last week ahead of the talks.

He also suggested that how those talks proceed will determine whether the TPP-11 advances.

"If we can arrive at a common point, among the 11 of us, then that'll be terrific. If we can't, well then the deal won't fly. But certainly at this point in time, Australia, New Zealand, Singapore, Japan, are working very hard to try to conclude a good quality deal," he told reporters in Jakarta on 20 September, according to a [transcript](#) provided by his office.

#### **Substantive debate, domestic elections**

Over the past few months, the debate over how much to preserve the deal's original substance and what to put on hold has deepened, with some countries, such as Australia, Japan, New Zealand, and Singapore reportedly aiming to keep most of it intact.

Some other TPP signatories have been pushing for substantive revisions, given the change in balance within the deal now that the US is no longer on board.

"The debate intensified as requests from every country got integrated," [said](#) Kazuyoshi Umemoto, Japan's chief negotiator, in comments to the Nikkei Asian Review after the meeting. He later told reporters that there were "significant advances," though more work remains.

"The basic idea is that we would like the United States to come back as soon as possible, which would mean the original TPP would have to be ratified," Umemoto told Reuters, explaining that negotiators are looking at which parts to "freeze" in order for that to occur.

The requests for substantive changes to the existing TPP text were reportedly divided into three sections: legal matters for bringing the TPP-11 into force; intellectual property protections, including on pharmaceuticals; and miscellaneous other items, according to sources quoted in Nikkei.

The list of individual items within these sections had numbered around 80 items before the meeting, but was reportedly reduced to 50, with the goal of slashing that number further. Other high-profile items said to be under review are the deal's terms on investor-state dispute settlement and government procurement market access.

Of these three broad areas, legal matters and intellectual property were reported to be relatively advanced, while others still require more work, partly due to the timing of some more recent requests.

TPP leaders are set to meet along the sidelines of Asia-Pacific Economic Cooperation (APEC) Leaders' Week in Vietnam this November. In the intervening weeks, some domestic political changes may take place among TPP signatories, which some analysts say could have implications for the negotiating dynamics.

New Zealand held national elections last weekend, with no party winning an outright majority, leaving the two largest political parties now working to build coalitions with other legislators to see which one can garner the necessary support to form a government. How to address the TPP-11 was one issue that already emerged as a point of contention during the pre-election debates between the Labour and National parties.

Meanwhile, Japanese Prime Minister Shinzo Abe announced on Monday 25 September that he would be calling for a snap election to take place next month. How this would affect the TPP-11 process remains unclear. The Japanese premier is currently expected to win the 22 October polls, and has long advocated for the TPP as part of the structural reform pillar of his three-pronged "Abenomics" agenda.

ICTSD reporting; "TPP trade talks remain stymied over which provisions to delay," THE JAPAN NEWS, 23 September 2017; "Without U.S., 11 nations in TPP inch closer to a deal," REUTERS, 22 September, 2017; "'TPP 11' talks set parameters for moving forward," NIKKEI, 23 September 2017; "National Party stays on top in NZ election, though still shy of majority," NIKKEI, 24 September 2017; "Japan's PM Shinzō Abe calls snap election," THE GUARDIAN, 25 September, 2017.

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## TRADE REMEDIES

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### US Federal Agency Votes to Advance Solar Trade Probe

The US International Trade Commission (ITC) [said](#) last week that a large influx of imported crystalline silicon photovoltaic cells and modules have caused "serious injury" to American solar producers, advancing the investigation to its next phase.

The agency determination, which saw a unanimous 4-0 vote, was part of an ongoing safeguard probe under Section 201 of the Trade Act of 1974, and was launched earlier this year in response to a [request](#) from Suniva Inc. and SolarWorld, two solar manufacturers based in the United States but whose parent companies are based abroad.

The request described a "disintegrating domestic industry" due to an unanticipated increase in imports from lower-cost overseas manufacturers in recent years, leading various domestic producers to request bankruptcy protection or significantly downscale their manufacturing efforts.

Their call for "urgent" relief has been [backed](#) by some lawmakers from Oregon and Georgia, the states where Suniva and SolarWorld's have based much of their US production.

Going forward, a public hearing is now planned for early October, with a final report and recommendations due by mid-November, which will then be sent to the White House for a [decision](#) on next steps.

According to a US ITC fact sheet, the agency's recommendations could take a number of forms, including duties, quotas, negotiations with the relevant countries, and tariff-rate quotas. Whatever the outcome, it would have to be time-bound, though this could go up to eight years in total.

#### Industry views mixed

Trade tensions on solar manufacturing are far from new, with investigations being conducted by the US, EU, China, and others in recent years in response to concerns of potentially unfair trading practices within this rapidly growing sector.

However, this new probe differs from more recent anti-dumping and countervailing duty investigations, given that it looks at imports from across the US' trading partners, rather than focusing on a particular country, and also does not require a finding of "unfair" practices.

It does require that the federal agency release additional findings at the country level, however, for those partners that have trade accords in place with the North American nation.

SolarWorld had been one of the companies backing earlier, similarly high-profile probes into alleged dumping and unfair subsidies of solar products from China, with cases that had divided the American solar industry and raised tensions with Beijing.

Those cases did ultimately lead to the imposition of duties, which were subsequently revised in 2015. (See Bridges Weekly, [10 October 2012](#) and [16 July 2015](#))

The latest probe has also drawn a mixed reaction from the wider US solar industry, with some companies warning that imposing a global safeguard on imports could lead to higher prices of inputs into other solar manufacturing processes, along with hurting investments and jobs at a massive scale across the sector.

"An improper remedy will devastate the burgeoning American solar economy and ultimately harm America's manufacturers and 36,000 people currently engaged in solar manufacturing that don't make cells and panels," [said](#) Abigail Ross Hopper, president and CEO of the Solar Energy Industries Association (SEIA).

"Analysts say Suniva's remedy proposal will double the price of solar, destroy two-thirds of demand, erode billions of dollars in investment, and unnecessarily force 88,000 Americans to lose their jobs in 2018," she continued.

The SEIA [describes](#) itself as a US association for businesses working in the solar sector, with over 1000 member companies across the American solar value chain.

However, officials from SolarWorld Americas claim that thousands of jobs have already been lost from an influx of cheap imports, especially from China, and pressed for trade actions to address the problem.

"In the remedy phase of the process, we will strive to help fashion a remedy that will put the US industry as a whole back on a growth path. We will continue to invite the Solar Energy Industries Association (SEIA) and our industry partners to work on good solutions for the entire industry," said Juergen Stein, SolarWorld Americas President and CEO, in a [statement](#).

ICTSD reporting; "Solar panel imports 'harm US producers,'" BBC, 22 September 2017; "Is the US solar industry about to tear itself apart?" BBC, 21 September 2017; "Solar panel maker wins trade commission finding, tariff decision to go to Trump," ARS TECHNICA, 23 September 2017.

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## EVENTS & RESOURCES

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# Events

### Coming Soon

29 September, Geneva, Switzerland. DISCIPLINING FOSSIL FUEL SUBSIDIES – TRADE POLICY OPTIONS TO CLIMATE MITIGATION AND TO SDGs. This workshop is being organised by the International Centre for Trade and Sustainable Development (ICTSD) and implemented in cooperation with the World Economic Forum (WEF). It will look at different possibilities for disciplining fossil fuel subsidies, specifically via the WTO, including options for the upcoming WTO ministerial conference this December. Please note that attendance is by invitation only. For more information, please visit the ICTSD [website](#).

2-11 October, Geneva, Switzerland. ASSEMBLIES OF THE MEMBER STATES OF WIPO: 57<sup>TH</sup> SERIES OF MEETINGS. This annual meeting of the World Intellectual Property Organisation (WIPO) Assemblies is set to have a full agenda, reviewing the work of the UN agency's regular committees, ongoing negotiating processes, and other related topics. To learn more about the high-level event, please visit the WIPO [website](#).

2 October, Manchester, UK. TRADE AFTER BREXIT: GLOBAL BRITAIN AND DEVELOPING COUNTRIES. This event will be hosted by the Overseas Development Institute (ODI), featuring a panel discussion on the potential trade opportunities for the United Kingdom following Brexit in March 2019. The gathering will look particularly at what this could mean for the UK's developing country trading partners. An initial speakers' list is available online. For more information, please visit the ODI [website](#).

4-6 October, Geneva, Switzerland. INTERGOVERNMENTAL GROUP OF EXPERTS ON E-COMMERCE AND DIGITAL ECONOMY. This three-day meeting of the United Nations Conference on Trade and Development (UNCTAD) Trade and Development Board will address how developing countries can use e-commerce as a means for facilitating sustainable growth, looking at topics such as physical and technological infrastructure needs. To learn more and register for the event, please visit the UNCTAD [website](#).

5 October, Washington, US. WITA NAFTA SERIES: DISPUTE SETTLEMENT AND CHAPTER 19. This event will be hosted by the Washington International Trade Association (WITA) and is part of a series of discussions based around the modernisation of the North American Free Trade Agreement (NAFTA). For more information, please visit the WITA [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.

29 September: Dispute Settlement Body

29 September: Informal Open-ended Negotiating Group on Rules

2 October: Informal Committee on Trade in Financial Services

2 October: Informal Committee on Technical Barriers to Trade

2-4 October: Working Party on Domestic Regulation

3 October: Committee on Import Licensing

3 October: Sub-Committee on Least-Developed Countries

3 October: Informal Open-Ended Committee on Trade and Environment – Special Session

4 + 6 October: Trade Policy Review Body – Iceland

4-5 October: Committee on Rules of Origin

6 October: Council for Trade in Services

### Other Upcoming Events

9-11 October, Geneva, Switzerland. UNCTAD ANNUAL HIGH-LEVEL IIA CONFERENCE - PHASE 2 OF IIA REFORM. This event is being organised by the UN Conference on Trade and Development (UNCTAD). It will feature both plenary and working sessions, with the former being streamed live online. It will focus specifically the efforts being made to reform international investment agreements (IIAs), in line with UNCTAD's Road Map for IIA Reform. Background documents are available online and registration is open. To learn more, please visit UNCTAD's event [website](#).

10 October, Brussels, Belgium. CLIMATE CHANGE AND CLEAN ENERGY TECHNOLOGIES - POLICY OPTIONS FOR THE GLOBAL TRADE AND INVESTMENT SYSTEM. This event is being organised by the International Centre for Trade and Sustainable Development (ICTSD) and the European Roundtable on Climate and Sustainable Transition (ERCST). The meeting will present policy options from the joint ICTSD-World Economic Forum (WEF) E15 Initiative relating to trade, climate, and energy. More information is available [here](#).

Present-15 October, online. TSDS BRIDGES WRITING COMPETITION. The International Centre for Trade and Sustainable Development (ICTSD) is holding its second Bridges Writing Competition, as part of its Trade and Sustainable Development Symposium (TSDS) this December in Buenos Aires, Argentina. The competition is open to all current university students, with the essay topic focusing on the trade and sustainable development agenda. Please note that the submission deadline is 15 October 2017. To learn more about specific topic requirements, submission procedures, prizes, and eligibility, visit the TSDS [website](#).

25-26 October, Budapest, Hungary, 17th WORLD EXPORT DEVELOPMENT FORUM (WEDF). The International Trade Centre's (ITC) flagship event will have as this year's theme "Trade - A force for good: include, innovate, integrate." The forum will explore how trade can generate positive change at a time when global challenges – economic, social, and environmental – are changing how trade works. WEDF will be co-hosted by the Hungarian Ministry of Foreign Affairs and Trade and will gather business leaders, policymakers, and representatives of international organisations and trade and investment support institutions for interactive sessions and facilitated business-to-business meetings. For more information on the event, please visit the WEDF 2017 [website](#).

11-13 December, Buenos Aires, Argentina. TRADE AND SUSTAINABLE DEVELOPMENT SYMPOSIUM (TSDS). This biennial event is being organised by the International Centre for Trade and Sustainable Development (ICTSD) in collaboration with select strategic and knowledge partners, in parallel with the WTO's Eleventh Ministerial Conference. A dedicated website to the TSDS is now live, with information on how to register; the event's format; and other relevant details. More information will be made available at the TSDS [website](#) closer to the date.



14 December, Buenos Aires, Argentina. FORUM ON MIGRATION, TRADE, AND THE GLOBAL ECONOMY. The International Centre for Trade and Sustainable Development (ICTSD) and the Fundación Foro del Sur will be holding the Forum on Migration, Trade, and the Global Economy in Buenos Aires, Argentina. As part of the event, they have a “call for papers” underway, with the deadline for paper submissions being 23 October 2017. Papers will be distributed and discussed at the forum itself in December. To learn more about submission requirements, key dates in the process, and the forum itself, please visit the ICTSD [website](#).

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## Resources

SMALL-SCALE FISHERIES AND SUBSIDIES DISCIPLINES: DEFINITIONS, CATCHES, REVENUES, AND SUBSIDIES. By Rashid Sumaila for the International Centre for Trade and Sustainable Development (ICTSD) (September 2017). This information note focuses specifically on small-scale fisheries, examining how these are considered in academic and legal contexts, along with taking a closer look at various aspects of the sector itself. The author also places this study in relation to the ongoing negotiations of fisheries subsidy disciplines at the WTO ahead of the global trade body's Eleventh Ministerial Conference. This brief is available for download [here](#).

A HANDBOOK ON THE WTO DISPUTE SETTLEMENT SYSTEM, SECOND EDITION. Published by the World Trade Organization (WTO) and Cambridge University Press. This updated handbook provides an overview of WTO rules, along with how these have been interpreted and applied in WTO disputes. It also outlines how the different phases of the dispute settlement process work. To learn more about the book or order a copy, visit the WTO [website](#).

EU-CHINA ECONOMIC RELATIONS TO 2025: BUILDING A COMMON FUTURE. Published by Bruegel, Chatham House, the China Center for International Economic Exchanges, and the Institute of Global Economics and Finance at the Chinese University of Hong Kong (September 2017). This new report examines the potential future of EU-China economic ties over the coming years, reviewing opportunities and challenges, including on the subject of trade. It also features related recommendations on topics such as the EU-China bilateral investment treaty negotiations and a possible free trade agreement. The report is available [here](#).

WATER RISK HOTSPOTS FOR AGRICULTURE Published by the Organisation for Economic Co-operation and Development (OECD) (September 2017). The report proposes the use of a hotspot approach to address future water risks for agriculture, provides an application at the global scale, and presents a mitigation policy action plan. China, India and the United States are identified as countries facing the greatest water risks for agriculture production globally. The authors note that agriculture water risks could also result in broader socio-economic and food security concerns and present a related action plan. The report is available for download at the OECD [iLibrary](#).

AGRICULTURE, DEVELOPMENT, AND THE GLOBAL TRADING SYSTEM: 2000-2015. Edited by Antoine Bouët and David Laborde for the International Food Policy Research Institute (IFPRI) (2017). This book examines the relationship between the international trading systems and food price volatility, among related topics, viewing these through the lens of the WTO negotiating arm. Within this context, it also looks at how trade policy can address poverty and hunger. The book is available for download [here](#).

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

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