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GLOBAL ECONOMY

German Chancellor, Economic Agency Leaders Issue Defence of Global Trade Cooperation

Leaders from a host of international economic organisations met with German Chancellor Angela Merkel on Monday 11 June, calling for global approaches to policy problems of international concern, while warning that failing to do so could make it harder to ensure a long-term economic recovery and meet sustainable development objectives.

Merkel met with top officials from the International Monetary Fund (IMF), the Organisation for Economic Co-operation and Development (OECD), the International Labour Organization (ILO), the World Trade Organization (WTO), and the African Development Bank (AfDB). While these meetings occur at least annually, this event marked the first time that the head of the AfDB was present, and also came after a notably contentious meeting of G7 leaders just days before in Charlevoix, Canada. (For more on the G7, see story in this edition)

Trade collaboration of "utmost importance," officials say

Trade was one of the headline items of the meeting's agenda, which took place in the German capital city of Berlin. The past several months have seen growing public rifts and debates among the international community on trade, as different international policy steering bodies, country coalitions, and policy analysts have all issued warnings over the worsening state of trade tensions among major players.

Other related concerns include what these trade tensions could mean not just for the post-war international economic order that has laid the groundwork for present-day commercial relations, but also what they mean for the global economic recovery, especially for other countries of varying economic weights.

"Trade policy cooperation and coordination are more than ever of utmost importance to us," leaders said in their joint press statement. "Increasing protectionist tendencies provide us with a clear incentive and opportunity to express our strong support for the multilateral trading system."

The press statement also highlighted the importance of the WTO in this context, including in its role as a stabilising force in the global economy. More specifically, they referred to the need to “strengthen” the Geneva-based trade club, highlighting in particular the organisation’s dispute settlement arm.

The statement did not refer specifically to how country governments and others should do so, however. The WTO is facing a challenging moment in its history, as members debate how to resolve a relatively recent impasse with the US that has caused the organisation’s Appellate Body to have three of its seven seats vacant, along with dealing with more long-standing questions on how to reinvigorate its negotiating arm and strengthen the work of its regular, non-negotiating bodies.

“Many would agree that the trading system is imperfect and that it needs reform. I would agree with that, but I would also say that the core principles of the system have tremendous value,” [said](#) WTO Director-General Roberto Azevêdo, who was on hand at the Berlin meet.

The impact of the US’ tariffs on imported steel and aluminium have been among the most controversial topics in recent international meetings, and officials referred to the challenges of unilateral trade actions in their press conference with journalists later that day.

“I must point out that the US has focused much more on bilateral, unilateral action. This is not something that would greatly support the rules-based trading system. We also do not see the US proactively advancing, bringing in initiatives, or taking the lead in negotiations. Nor have they been constructive with the WTO Appellate Body, including the dispute settlement mechanism of the WTO,” said Azevedo, according to an informal translation of his [remarks](#) to reporters.

He did note, however, that the US is participating in WTO negotiations, along with Washington’s role in an e-commerce initiative currently being pursued by a subset of the organisation’s membership.

During the same press conference, other officials also referred to the discussions of last weekend’s G7, and what it could mean if some recent approaches in the trade and economic landscape become longer-term trends.

“The sun is still shining, not only here in Berlin, but also in the global economy as a whole. We did not have to revise our forecasts for economic growth, [which were at] 3.9 percent for this year, 3.9 percent for next year. But these clouds, which have appeared on the horizon six months ago, are getting darker, especially since the last weekend, if I may say so,” said IMF Managing Director Christine Lagarde.

Among these “clouds” she referred to were the growing build-up of mistrust among some countries, including on trade, as well as limitations on financial flows and questions about confidence in multilateral institutions.

Agenda 2030, Paris Agreement

Global challenges, along with international frameworks for addressing them, were also hot-button topics on the Berlin meeting agenda, with leaders again touting the value of cooperation in this context.

“We live in a time of multiple, overlapping crises that affect us all: climate shocks and natural disasters, pandemic emergencies, and conflict, violence, and forced displacement,” they said.

Across multiple policy areas, 2018 is set to be a pivotal year for either crafting new international frameworks or assessing the implementation of others.

On climate change, UN negotiators are due to reconvene in September and in December, with the goal of wrapping up a “rulebook” for implementing the Paris Agreement on climate change. A previous meeting this year in Bonn saw limited progress in this effort, with delegations dealing with both renewed political divergences on allocation of responsibilities among countries, along with the technical challenges inherent in many issue areas. (See Bridges Weekly, [17 May 2018](#))

“In our efforts to improve prospects for present and future generations around the globe, we are guided by the internationally agreed 2030 Agenda as well as the Paris Agreement,” leaders said in Berlin this week. The 2030 Agenda they referred to is the UN framework endorsed by leaders in late 2015, which also set up the Sustainable Development Goals (SDGs).

“We require new ideas and sustainable approaches to fighting poverty and tackling inequality worldwide; including ramping up climate-related investments, providing innovative bonds to insure countries against natural disasters, and responding to major health crises like the Ebola outbreak,” officials added in Berlin, highlighting the role of international organisations in this respect.

They later devoted a full paragraph to climate action, and the role that each agency involved in the Berlin meeting could play “within their mandates,” with a particular focus on the role of climate finance.

Coming up

Merkel is due to reconvene the same group in October to review the state of play of these various issue areas. By then, it will be just over one month before the G20 leaders' summit in Argentina, as well as the annual UN climate conference, which will be held this year in Katowice, Poland.

In the near term, some other key events on the international calendar with sustainable development implications include a ministerial-level meeting of the Global Forum on Excess Steel Capacity, which is expected in the coming weeks, as well as the annual gathering of the [High-Level Political Forum](#) (HLPF) under the UN Economic and Social Council.

That latter event is set for next month and will look at the implementation of select Sustainable Development Goals (SDGs), as well as voluntary national reviews from various country governments.

That meeting will also come after key elections in various major advanced and emerging economies, including congressional midterm elections in the United States and presidential elections in Mexico and Brazil, to name a few, which could give some clarity to the direction of political and policy discussions.

ICTSD reporting.

GLOBAL ECONOMY

G7 Summit in Charlevoix Sees Intense Debate on Trade, Climate Action

This year's G7 annual summit drew to a close on Saturday 9 June, capping two days of leaders' level discussions that focused heavily on the implications that unilateral trade measures could have on the global economic recovery, while tackling a hefty agenda that also included ocean conservation and preservation as well as climate action.

Canada, which holds the group's rotating presidency, hosted the annual summit of advanced economies in Charlevoix, Québec. The G7 group consists of Canada, France, Germany, Italy, Japan, the United Kingdom, and the United States. The EU is also represented by the presidents of the European Council and the European Commission, along with representatives from the European Bank and Eurogroup.

As many commentators expected, trade tensions between the US and the other members took centre stage at the summit, though were far from being the only items on a packed G7 agenda. However, these trade irritants, combined with US President Donald Trump's [insistence](#) that Russia should be readmitted to the G7, could have lasting implications for the G7 coalition as a policy steering body, according to some experts.

Joint communiqué, with some abstentions

By the end of the Charlevoix meeting, the G7 managed to produce a joint [communiqué](#) that all countries agreed to, at least initially, though the US later withdrew its endorsement. Additionally, not all parts of the communiqué were agreed by consensus, with some paragraphs approved by subsets of the G7 membership.

For example, given US President Donald Trump's intention to withdraw from the Paris climate agreement, the US did not sign on to the communiqué's language on climate change. The group also developed a [G7 Ocean Plastics Charter](#) to address the threat plastics pose to the marine environment, but neither the US nor Japan agreed to it.

The group did find consensus language on some other areas, however, such as future job trends and gender equality issues.

Canadian Prime Minister Justin Trudeau ultimately described the group's efforts as positive, [telling](#) reporters after the summit that "not only did we come out with a consensus document supported by all seven G7 nations, not only did we move forward on significant commitments on a broad range of issues ... but we actually delivered almost C\$4 billion for women and girls in crisis and conflict-affected areas."

Broader context for trade and multilateral systems

The opening lines of the Charlevoix communiqué note the countries' shared commitment to a "rules-based international order." Its fourth paragraph emphasises the importance of "free, fair, and mutually beneficial trade and investment" as essential drivers of economic growth and new jobs.

G7 members also "recommitted" to the conclusions on trade from the 2017 G20 summit in Hamburg, Germany, specifically the "crucial role of a rules-based international trading

system" and the need to "continue to fight protectionism." (See Bridges Weekly, [13 July 2017](#))

Additionally, the leaders pledged to "modernise the WTO" and to "strive to reduce tariff barriers, non-tariff barriers and subsidies." Among the notable inclusions in this communiqué was specific language calling for kicking off formal talks aimed at creating "stronger international rules on market-distorting industrial subsidies and trade-distorting actions by state-owned enterprises."

Similar calls were issued earlier this month by the US, EU, and Japan, following a trilateral meeting in Brussels that focused heavily on industrial overcapacity and forced technology transfers. (See Bridges Weekly, [7 June 2018](#))

US withdraws endorsement amid metal tariffs spat

Industrial overcapacity, including on steel and aluminium, received repeated mentions in this year's G7 communiqué. While those issues have been high-profile concerns in recent years, they have taken on a new dimension in 2018 in light of the Trump administration's steel and aluminium tariffs. (See Bridges Weekly, [7 June 2018](#))

The tariffs, which the US has justified on national security grounds, have drawn hefty criticism from a host of trading partners. Canada and the EU among the various countries or country groups [promising](#) responsive measures over the coming weeks. The EU is also one of several WTO members that have [initiated](#) a dispute against the US tariffs at the global trade club, with Norway being the most recent member to [launch a case](#).

In response to questions from the press at the end of the summit, Trudeau briefly addressed the US steel and aluminium tariffs on Canada and others. The Canadian prime minister said that he told Trump, "it would be with regret, but it would be with absolute certainty and firmness that we move forward with retaliatory measures on 1 July, applying equivalent tariffs to the ones that the Americans have unjustly applied to us."

Trump, who had left the summit early, missing meetings on climate change, responded to Trudeau's comments via social media site Twitter, issuing a series of posts criticising the Canadian leader and retracting US support for the joint communiqué.

Trump and his aides called Trudeau's comments a change of position, with the US president [calling](#) Trudeau "very dishonest and weak." However, Trudeau's statements did not reflect new developments, but were rather an affirmation of an announcement weeks ago that Ottawa plans [to impose countermeasures](#) in response to the US tariffs.

"G6" statement on climate

Besides the underlying trade tensions, another high-profile topic this weekend was climate change and the environment.

At last year's G7 summit in Taormina, Italy, the final statement [acknowledged](#) that the US was reviewing its climate change policies and Paris Agreement commitments and was thus "not in a position to join the consensus on these topics." The remaining leaders went on to "reaffirm their strong commitment to swiftly implement the Paris Agreement." (See Bridges Weekly, [1 June 2017](#))

In Charlevoix, similar divisions between the US and the other G7 members were apparent on climate. In two paragraphs that the US did not join, the remaining nations voiced their support for climate action. They expressed a desire to adopt a common set of guidelines at the UN Framework Convention on Climate Change (UNFCCC) Conference of the Parties (COP) 24, in Poland in December. These guidelines would involve the so-called Paris rulebook, which would assist in implementing the landmark climate accord.

In addition to their reaffirmation of their support to the Paris Agreement, leaders stressed the importance of a “just transition,” including financing adaptive capacity, enhancing resilience, and reducing vulnerability.

The communiqué also emphasised the importance of carbon pricing, with G7 members minus the US reaffirming their commitments “to reach a global carbon-neutral economy over the course of the second half of the century.”

Absent from the communiqué was any mention of phasing out “inefficient fossil fuel subsidies,” which the parties had endorsed frequently in recent years. That language was also absent last year. The coalition had set out a 2025 deadline in 2016 for eliminating these subsidies. (See Bridges Weekly, [7 June 2018](#))

The communiqué included a separate paragraph describing the US position. While it acknowledged the importance of reducing air and water pollution, it did not mention climate change specifically, though it did refer to the importance of using renewable energy sources. Furthermore, that section focused on the affordability, reliability, resiliency, and security of energy systems.

“The United States will endeavour to work closely with other countries to help them access and use fossil fuels more cleanly and efficiently,” that paragraph added.

Oceans and coastal communities

In addition to climate and energy issues, the summit also addressed healthy oceans and issues affecting coastal communities, with parties endorsing the [Charlevoix Blueprint for Healthy Oceans, Seas and Resilient Coastal Communities](#).

The Blueprint seeks to address illegal, unreported, and unregulated (IUU) fishing; marine pollution and plastic litter; and climate change effects such as ocean warming and acidification, sea level rise, and extreme weather events. It also stressed the importance working with local, indigenous, and remote coastal and small island communities to address these issues.

The US did not join the Blueprint's language on climate change, nor did the US and Japan endorse the Annex to the Blueprint, namely the G7 Ocean Plastics Charter.

The nations agreeing to the Plastics Charter committed to moving towards a “resource-efficient lifecycle management approach to plastics,” with a number of specific targets set for 2030 and 2040. This commitment is in step with recent European Commission [proposed rules](#) on plastics to reduce marine litter, as well as UN Environment's [initiative](#) to beat plastics pollution.

As part of the focus on oceans, Trudeau hosted a roundtable discussion with leaders of Small Island Developing States (SIDS), as well as bilateral meetings with a number of other coastal nations, including Argentina, which will host the G20 summit from 30 November-1 December.

ICTSD reporting; “After a year of nice, Trump brings Trudeau to brink of trade war,” REUTERS, 10 June 2018; “Trump administration moves to keep failing coal and nuclear plants open, citing national security,” CNBC, 4 June 2018; “EU initiates WTO case against U.S. steel, aluminum tariffs: WTO official,” REUTERS, 1 June 2018; “EU presses ahead with retaliation to US steel tariffs,” FINANCIAL TIMES, 6 June 2018; “Trump again calls for readmitting Russia to G7, blames Obama for Crimea's annexation,” CNN, 10 June 2018.

TRADE FACILITATION

Shanghai Cooperation Organisation Endorses Trade Facilitation Plan

The Shanghai Cooperation Organisation (SCO) endorsed a statement aimed at facilitating trade across its members' borders, with the regional economic grouping also pledging to support the multilateral system and warning against the escalation of trade tensions among major economies.

Leaders from the SCO met in the Chinese city of Qingdao on Sunday 10 June, just over one year after they welcomed India and Pakistan into their ranks, joining China, Russia, Kyrgyzstan, Kazakhstan, Tajikistan, and Uzbekistan. The Qingdao meet was the first with the Indian and Pakistani leaders in attendance since joining the group.

The SCO was formed 17 years ago with regional security objectives in mind, and has since taken on an increasingly wider agenda focusing on issues of shared economic concern, along with tackling subjects like energy and the environment.

"The SCO goals are becoming more attractive, close and understandable to millions of people around the world. An increasing number of countries and international organisations, including those outside the SCO area, are striving to cooperate with the Organisation," [said](#) Rashid Alimov, the group's Secretary-General.

As the host of this year's meeting, Chinese President Xi Jinping highlighted regional cooperation's achievements so far, as well as its future potential, while also acknowledging the wider global context on trade and the economy.

"While unilateralism, trade protectionism and backlash against globalisation are taking new forms, in this global village of ours where countries' interests and future are so interconnected, the pursuit of cooperation for mutual benefit represents a surging trend," he said, according to a [transcript](#) of his remarks published in Xinhua.

Lowering trade costs, cutting border lag times

Among the milestones announced by leaders on Sunday was a joint [communiqué](#) focused on "simplifying trade procedures," specifically on trade in goods.

The brief statement referred to the "significant potential for further developing mutual trade between the SCO member states, based on [their] close geographic location." It also referred to past work within the coalition on simplifying such processes.

Within this context, leaders also called for continued regional cooperation in Central Asia to cull back on customs "formalities" for trading goods and for those in transit, along with outlining other steps focused on improving customs and border agency cooperation and transparency.

The communiqué provides limited further detail, calling for continuing talks among members on how they can tackle bottlenecks at the border. They also referred to taking into account "the importance of joint efforts needed to support and strengthen the multilateral trade system based on the standards and principles of the World Trade Organization."

The WTO already has in place a Trade Facilitation Agreement (TFA) focused on streamlining customs procedures, improving transparency, and otherwise helping ensure that goods can pass across country borders more easily, thus lowering trade costs. The TFA is the WTO's newest global trade agreement, taking effect in February of last year.

Of the SCO's current members, China, India, Pakistan, Russia, Kazakhstan, and Kyrgyzstan have all ratified the WTO's TFA. Tajikistan has not yet done so, though it is a WTO member. Uzbekistan is not yet a member of the WTO, but does have observer status. How the SCO's plans will build on existing TFA provisions is not yet clear.

Crafting deeper regional ties

Simplifying trade procedures was one of many regional economic issues on the SCO meeting agenda, with other topics including any potential cooperation between the Belt and Road Initiative, the Chinese-led plan for building and improving new infrastructure across the region by both land and sea, with other regional projects such as the Eurasian Economic Union.

"We need to build a powerful engine to achieve common development and prosperity. We should increase complementarity of our respective development strategies, continue to advance the Belt and Road cooperation under the principle of delivering shared benefits through extensive consultation and joint contribution, accelerate regional trade facilitation, and step up the implementation of the Agreement on International Road Transport Facilitation and other cooperation documents," said Xi this weekend.

Reports indicate, however, that not all SCO members were on board with language in the "Qingdao Declaration" on developing closer links between the Belt and Road Initiative and the Eurasian Economic Union. An "information report" published by the SCO referred to all countries endorsing the move towards greater cooperation, with the omission of India from that list. New Delhi has reportedly expressed regional security concerns, along with raising other questions over some of the projects being considered within the Belt and Road context.

Leaders also referred to cooperating with regional development banks, as well as the potential of setting up an "SCO Development Bank" and "SCO Development Fund" in the future.

Commentators such as Jonathan Hillman of the Washington-based Center for Strategic and International Studies (CSIS) have also noted that the Belt and Road Initiative has a long way to go before being fully operational, and that regional cooperation still has to overcome some challenges in practice.

"There have been few examples of tangible cooperation, and several infrastructure projects in the Far East remain stalled," he said in an [online article](#) published by CSIS last week. Hillman did highlight, however, the significant potential value of improving regional trade facilitation initiatives.

"Onerous customs requirements, outdated technology, and other challenges all result in long waits to cross borders. One study of a road journey from Almaty, Kazakhstan, to Berlin, Germany, found that roughly half of the transit time was spent at border crossing points," he said.

Supporting a global agenda

Commentators were quick to highlight the differences with another summit that took place this past weekend, the G7 leaders' gathering in Charlevoix, which saw heated discussions over the use of unilateral trade measures, with the US ultimately withdrawing its endorsement of the final communiqué. (For more on the G7, see related story, this edition)

The SCO leaders' statement referred repeatedly to the importance of safeguarding the WTO system and pushing back against protectionist pressures, along with avoiding the "fragmentation of trade relations."

"The member states stand for the improvement of the architecture of global economic governance and the development of trade, economic, and investment cooperation. They proceed from the belief that the World Trade Organization is the key platform for discussing the agenda for international trade and adopting the rules of a multilateral trade system," the Qingdao leaders' [declaration](#) said.

Next year's SCO summit will be held under the presidency of Kyrgyzstan, though further details on exact date and venue were not immediately clear at press time.

ICTSD reporting; "Opinion: How trade facilitation within SCO contributes to multilateralism," CGTN, 12 June 2018; "A West in Crisis, an East Rising? Comparing the G7 and the SCO," THE DIPLOMAT, 12 June 2018; "G7 chaos is a PR win for China," CNNMONEY, 11 June 2018; "SCO's Qingdao Declaration: India refuses to endorse Xi Jinping's OBOR as part of statement; full text," FIRST POST, 11 June 2018; "Full text of Chinese President Xi Jinping's speech at the 18th SCO Qingdao summit," XINHUA, 10 June 2018.

TRADE AGREEMENTS

EU-Mercosur Trade Talks Resume in Montevideo, Though 2018 Timeframe Remains Unclear

Trade negotiators for the EU and Mercosur resumed formal talks last week, with officials announcing "constructive progress" thereafter while stopping short of announcing a timeframe for concluding the long-awaited trade deal.

Though negotiating efforts towards a trade accord between the 28-nation European Union and the South American customs bloc Mercosur, which includes as full members Argentina, Brazil, Paraguay, and Uruguay, have seen greater momentum over the past two years than they had for some time, questions remain over whether a deal will be possible this year, as previously anticipated. (See Bridges Weekly, [9 May 2018](#))

Montevideo meetings

Representatives from the European Union and Mercosur gathered in Montevideo from 4-8 June in a negotiating round expected to focus on a series of technical issues, as officials indicated that they were not anticipating news of an "agreement in principle" that week.

"The Parties achieved progress on several issues such as services and exchanges were constructive overall but there is still work to be done, notably on cars and car parts, geographical indications, maritime transport and dairy," said a brief [summary](#) from the European Commission issued on 12 June. The issues listed as requiring more work are among those known to be especially sensitive politically.

Despite tamping down expectations for last week's talks, some EU officials said prior to the Montevideo meet that this round would still serve as a "beginning of the end," according to an unnamed negotiator cited by Reuters. The official explained, for example, that greater clarity was emerging on specific "red lines" in the talks.

Multiple reports indicate, however, that the thorny subject of geographical indications for various food and drink products remains challenging for both sides. Beef, automobile, and ethanol market access have also been politically challenging subjects on both sides of the Atlantic.

A [report](#) from one of the more recent negotiating rounds in Asunción, Paraguay, indicated that while some political sensitivities and technical work remained, other areas such as the government procurement chapter, rules of origin chapter, trade defence instruments chapter, services chapter, and the wine and spirits annex are well advanced.

Region-to-region connections

As recently as last month, Brazilian President Michel Temer declared that the talks were "practically done" while EU Trade Commissioner Cecilia Malmström told news outlets that she still expects the conclusion of a deal this year. (See Bridges Weekly, [9 May 2018](#))

Nevertheless, the prolonged negotiating process and repeated delays have fuelled doubts about a deal's near-term feasibility, even as both sides also pursue trade negotiations with other key economic and strategic partners. For example, Mercosur is also involved in nascent trade negotiations with Canada and South Korea, among others, while the EU will be

launching trade talks with Australia and New Zealand within weeks, and has just [finished](#) the third round of negotiations to update an existing accord with Chile.

The EU-Mercosur trade talks' decades-long history has brought to the fore the various structural, political, and institutional issues involved in clinching a deal between economies of that size.

The planned trade deal would serve as part of a region-to-region Association Agreement, building on an earlier deal that has been in effect since 1999. Since then, many issues have emerged as negotiators have worked to reach a possible trade deal between the blocs. The sheer size of both economic markets has meant that special sectoral interests and sensitivities have been challenging to balance, given the potential domestic adjustments and trade-offs involved.

Mercosur is currently the world's fifth-largest trade bloc while the EU remains the largest. According to [EU data](#), the four Mercosur countries cover a market of approximately 260 million consumers and are collectively a destination for €42 billion of EU goods and €22 billion of EU services, according to 2016 and 2015 figures, respectively. (See Bridges Weekly, [1 February 2018](#))

New political hurdles may still emerge in the coming months, with Brazilian elections slated for October. Argentina and Uruguay will hold general elections in October 2019, potentially complicating the conclusion of any deal during the electoral cycles.

Likewise, Brexit is due to occur in late March 2019, kicking off the subsequent "transition period" between the EU and UK. It is not clear how things will proceed with an EU-Mercosur trade deal if negotiations extend into this Brexit transition period. Meanwhile, EU institutions will see transitions and elections of their own in the new year, while also juggling other regional priorities such as the crafting of a multi-year budget for 2021-2027.

Even when a deal is confirmed, analysts also warn that there may be difficulty winning over some constituencies in the countries and regions involved. For example, French and Irish farmers have been among the more vocal groups pushing back against significant agricultural market access concessions in a deal.

ICTSD reporting; "EU, Mercosur trade talks resume with renewed optimism," REUTERS, 3 June 2018; "Mercosur: Don't sacrifice our food standards and tropical forests for trade," EURACTIV, 7 June 2018; "Cecilia Malmström underlines South American bloc's challenge of coordination in trade talks with EU," AGENCE EUROPE, 23 May 2018; "Para la Unión Europea "no habrá acuerdo" sobre el Mercosur esta semana en Uruguay," INFOBAE, 5 June 2018.

EUROPEAN UNION

Revamp of EU Trade Defence Rules Takes Effect

New EU trade defence rules are now in place as of 8 June, completing what officials called a significant and long-awaited "[overhaul](#)" of the bloc's trade defence instruments (TDIs). The changes are meant to modernise the set of trade defence tools at the EU's disposal, including its anti-dumping and anti-subsidy rules, in light of an evolving global economy.

The new legislation complements an updated [anti-dumping methodology](#) that went into effect in December 2017 and focused on tackling alleged "market distortions," including with industrial overcapacity situations. (See Bridges Weekly, [12 October 2017](#))

The TDI modernisation package now in force covers a suite of trade defence issues, with the objective of improving trade rule enforcement while curbing the length of trade remedy probes, along with making it easier for smaller companies and other stakeholders to get involved in the process. Officials say these changes could have benefits for business planning, reducing uncertainty along with making it easier for investigators to account for sustainability issues in trade remedy probes.

European Trade Commissioner Cecilia Malmström [said](#), "I am very confident that this provides us with the necessary tools to efficiently defend our industries from unfair trade practices."

"We believe in open, rules-based trade. Now, we are better equipped to stand up for our companies if other countries don't stick to the rules," she added.

Years in the making

The new rules reflect several years of negotiations and technical discussions with various stakeholders. Officials say that the changes are designed to benefit not only European manufacturing, but also importers, downstream users, and other actors of varying size across value chains.

[According](#) to the European Commission, the updates were necessary to ensure continued effectiveness of the EU's trade defence in light of new global challenges, along with domestic concerns such as the ability of companies of varying sizes to use the EU trade remedy tools at their disposal.

For example, new policies include setting up better systems to support smaller companies when navigating the trade remedy process. Another innovation, officials say, are provisions to give trade unions a specific role in trade defence investigations, including the option of pairing up with companies to lodge petitions for remedy and otherwise being involved in cases, though with some limitations.

[Streamlining and curtailing](#) the length of EU trade remedy probes are also among the main changes now in force, allowing for the EU executive to put provisional anti-dumping measures in place sooner and requiring that trade remedy probes be closed within 14 months.

Another change is focused on allowing European industry more time to prepare for "provisional" measures being imposed on imports from abroad, and thus adjusting their own practices accordingly. This includes, for example, giving the parties involved or affected by a case advance warning. To head off the concern that some importers may use that extra

time to “stockpile” imports within this period, officials say that specific preventative measures will be adopted, and the EU executive will review the effects of this policy in 2021 to judge whether it is working as intended.

Other changes include compensation to businesses when the Commission decides to terminate a measure, such as anti-dumping or countervailing duties, with some conditions. The latter are also sometimes known as anti-subsidy duties.

The TDI package also improves the accuracy of calculations of injuries by incorporating a more complete set of costs, according to Brussels officials. This should allow the Commission to impose higher duties than under previous rules, officials say, better accounting for certain conditions in exporting countries. The new rules also aim to close a loophole for offshore dumping, expanding the reach of TDIs to activities on the “continental shelf,” with Brussels officials citing offshore wind farms or oil rigs as examples where these instruments can now be applied.

Incorporating a greater sustainability dimension

Proponents of the updated TDI package have also highlighted its new mechanisms aimed at supporting European sustainable development objectives, and has also pledged to track and report on these mechanisms' progress regularly. The 28-nation bloc has repeatedly noted the importance of building its trade rules and international trade agreements around shared values, including under its current “Trade for All” strategy. (See Bridges Weekly, [15 October 2015](#))

Most of the changes involve incorporating the costs of sustainability standards or objectives, while also taking into account how these costs may evolve over the duration of a trade remedy measure. Examples where this could prove especially useful, the Commission says, include for instance in the context of carbon pricing mechanisms, which are an essential aspect of the bloc's climate action policy.

Other changes involve both the adoption and interim review of “price undertaking” agreements, which the EU's executive arm can now drop in cases when an exporting country has not ratified important international environmental or labour agreements, or has changed its involvement with these agreements or other sustainability standards during the application of a trade remedy measure.

A price undertaking agreement is where an exporting producer commits to meeting a “minimum import price” as an alternative to paying duties, where the price floor is meant to eliminate the potential effects caused by alleged dumping or subsidies. Among the most notable use of price undertaking deals in recent years was the one in place between the EU and China on certain imported solar products. (See Bridges Weekly, [5 September 2013](#))

ICTSD reporting.

EVENTS & RESOURCES

Events

Coming Soon

15 June, London, UK. GLOBAL TRADE LANDSCAPE SERIES: US TRADE IN AN AGE OF PROTECTIONISM. This Chatham House event will explore the implications of the Trump administration's economic rhetoric on global trade policy. Presenters will address what the future of US trade policy may look like, and whether it will benefit the US economy and US job growth. The event will also consider risks for the rules-based multilateral system if trade tensions worsen on different fronts. This event is for Chatham House Corporate Members only. For more information, visit the event [website](#).

15 June - 27 July, Webinar. COURSE: THE PARIS AGREEMENT ON CLIMATE CHANGE AS A DEVELOPMENT AGENDA. This course from the UN System Staff College aims to help participants develop a deeper understanding of the relationship between the UN's Paris Agreement on climate change and the UN's 2030 Agenda for Sustainable Development and related Sustainable Development Goals (SDGs). It is being offered jointly with UN Climate Change. For more information and to enrol, visit the course [website](#).

18 June, Berlin, Germany. 2018 STATE OF THE EU ETS – BERLIN MEETING. This event is part of the International Centre for Trade and Sustainable Development's (ICTSD) outreach meeting series on the 2018 State of the EU Emissions Trading System (ETS) Report. During the event, the authors will present their independent research on the issue to add to the policy debate. Stakeholders will then be given an opportunity to discuss report findings in a roundtable setting. To learn more and to register, visit the event [website](#).

18-19 June, Bonn, Germany. GREEN TRANSFORMATION AND COMPETITIVE ADVANTAGE: EVIDENCE FROM DEVELOPING COUNTRIES. This conference focuses on challenges that poorer countries may have in regards to the financial and institutional ability to internalise environmental costs of growth. It seeks to question the view that such economies should "grow first and clean up later," examining topics such as economic co-benefits and costs of green transformations. For more information, visit the event [website](#).

18-21 June, Cape Town, South Africa. ADAPTATION FUTURES 2018. This is the fifth edition of this international climate change adaptation conference, which brings together scientists, practitioners, business leaders, and policymakers from around the world in order to facilitate debates among stakeholders on climate action. The conference will have a strong focus on developing country adaptation issues, with a focus on moving beyond problem identification and towards solutions and innovations. For more information, visit the event [website](#).

19 June, London, UK. THE FUTURE OF US-UK TRADE RELATIONS. This Chatham House roundtable event focuses on the likely key issues of a potential US-UK bilateral trade agreement. Panellists will discuss the geopolitical landscape for negotiation of an agreement, as well as issues that may hamper an agreement and how they might be resolved. To learn more and to register, visit the event [website](#).

20 June, Webinar. RESOURCE WATCH – MONITORING THE PLANET'S PULSE. This webinar, curated by experts at World Resources Institute (WRI), covers a new platform built by WRI and over 30 partners, which aims to provide trusted and timely data for a sustainable future. The platform brings together hundreds of data sets on natural resources and human well-

being in one place. Data visualisation and analysis tools allow users to more effectively understand how issues overlap. To learn more and to register, visit the event [website](#).

21-22 June, Cuenca, Ecuador. A TERRITORIAL RIGHTS BASED APPROACH TO BIODIVERSITY. Alongside its annual General Assembly, the Network of Regional Governments for Sustainable Development (nrg4SD) will host this international conference on biodiversity. The event presents an opportunity for government representatives, policymakers, academic experts, and civil society members to debate and discuss biodiversity and sustainable development. Discussion themes include biodiversity as it relates to the UN Sustainable Development Goals (SDGs), climate change and the role of regional governments, gender, local communities, and indigenous peoples, among others. For more information, visit the event [website](#).

22 June, Prague, Czech Republic. 2018 STATE OF THE EU ETS – PRAGUE MEETING. This event is part of the International Centre for Trade and Sustainable Development's (ICTSD) outreach meeting series on the 2018 State of the EU Emissions Trading System (ETS) Report. During the event, the authors will present their independent research on the issue to add to the policy debate. Stakeholders will then be given an opportunity to discuss report findings in a roundtable setting. To learn more and to register, visit the event [website](#).

WTO Events

An updated list of forthcoming WTO meetings is posted [here](#). Please bear in mind that dates and times of WTO meetings are often changed, and that the WTO does not always announce the important informal meetings of the different bodies. Unless otherwise indicated, all 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.

18 + 20 June: Trade Policy Review Body - Norway

19 June: 29th Round of the Director General's Consultative Framework Mechanism on Cotton - Cotton Development Assistance

19-20 June: Committee on Regional Trade Agreements

19 June: Informal Committee on Technical Barriers to Trade

20-21 June: Committee on Technical Barriers to Trade

20 June: Informal Committee on Safeguards

Other Upcoming Events

25 June, Gothenburg, Sweden. FRONTIERS OF RESEARCH ON CARBON MARKETS: THEORY AND EVIDENCE FOR POLICY. This event, organised by the Grantham Research Institute at the London School of Economics, brings together academics and policymakers to discuss the latest research on carbon markets and implications for policymaking, covering topics such as permit market responsiveness, firm performance, ambition levels, anti-leakage provisions, and inter-connectedness. To learn more and to register, visit the event [website](#).

25 June, Washington, US. THE NEW DYNAMICS OF GLOBAL ENERGY: A CONVERSATION WITH INTERNATIONAL ENERGY AGENCY (IEA) EXECUTIVE DIRECTOR FATIH BIROL. The Cross-Brookings Initiative on Energy & Climate will host Fatih Birol in a discussion facilitated by Initiative Co-Chair David G. Victor. The discussion will focus the latest updates in global energy policy, including market trends, along with what this means for climate change and climate action. For more information and to register, visit the event [website](#).

28 June, Geneva, Switzerland. STRATEGIES FOR SDG NATIONAL REPORTING. This webinar focuses on national data reporting for the UN Sustainable Development Goals (SDGs), featuring presenters from the Center for Open Data Enterprise (CODE). As part of its SDG National Reporting Initiative, CODE provides information to governments and international organisations to help them better understand key policy and technical considerations for SDG reporting. The webinar presentation will focus on current progress towards SDG reporting, strategic considerations, existing approaches and the benefits they provide, as well as country experiences from different regions around the world. To learn more and to register, visit the event [website](#).

4-6 July, Toulouse, France. GEO BLUE PLANET SYMPOSIUM. The fourth Blue Planet Symposium focuses on ocean and coastal information needs for sustainable development, "Blue Growth," and societal awareness. The event brings together producers of ocean and coastal information and potential users of this information. The goal of the GEO Blue Planet Initiative is to ensure the sustained development and use of ocean and coastal observations for the benefit of society. For more information, visit the event [website](#).

2-4 October, Geneva, Switzerland. WTO PUBLIC FORUM. This annual WTO outreach event will have as its theme "Trade 2030." More specifically, the three-day meeting will consider "sustainable trade" between now and 2030, addressing topics such as technology-enabled trade and making the trading system more inclusive. Please note that the deadline for submitting proposed sessions is 4 June 2018. More information is available at the WTO's dedicated site for the Public Forum [here](#).

22-26 October, Geneva, Switzerland. WORLD INVESTMENT FORUM 2018. Over the course of 50 events including roundtables, summits, and private sector-led sessions, this annual forum, hosted by the UN Conference on Trade and Development (UNCTAD) will address global challenges for international investment in the era of globalisation and industrialisation. Stakeholders from governments, investment treaty negotiation teams, global companies, and other significant areas will come together to discuss investment-related policymaking, particularly in relation to sustainable development. For more information and to register, visit the event [website](#).

January 2019, location TBC. FIRST CARBON PRICING LEADERSHIP COALITION (CPLC) CONFERENCE. This event will be the first research conference on carbon pricing held by the Carbon Pricing Leadership Coalition (CPLC). It will bring together researchers, policy makers, and practitioners in this field, aiming for an exchange of ideas and information that can help resolve the gaps that exist between theory and existing practice. More information will be made available closer to the date. To learn more, visit the CPLC [website](#).

Resources

CRAFTING A FRAMEWORK ON INVESTMENT FACILITATION. Published by the International Centre for Trade and Sustainable Development (ICTSD) (June 2018). This new policy brief, released under ICTSD's "WTO: Paths Forward" initiative, examines the current discussions on investment facilitation among WTO members and in other contexts, as well as providing an overview of options that stakeholders can consider as these processes evolve. The brief is available at the ICTSD [website](#).

NEGOTIATING DISCIPLINES ON DOMESTIC REGULATIONS IN SERVICES. Published by the International Centre for Trade and Sustainable Development (ICTSD) (June 2018). This new policy brief, released under ICTSD's "WTO: Paths Forward" initiative, examines the current WTO discussions on domestic regulation in services, as well as what options may be available for negotiators as they move to the next stage of these talks. The brief is available at the ICTSD [website](#).

WORLD INVESTMENT REPORT 2018: INVESTMENT AND NEW INDUSTRIAL POLICIES. Published by the UN Conference on Trade and Development (UNCTAD) (June 2018). This report looks at trends in foreign direct investment (FDI) at the global, regional, and national levels. Noting that global flows of FDI fell by 23 percent in 2017, it emphasises the importance of open, transparent, and non-discriminatory global investment policies. The report also analyses developments in national investment policies and highlights trends in investment treaties and investment dispute settlement. It makes recommendations for reforms in the investment treaty regime and argues that the new industrial revolution calls for a strategic review of investment policies. To download the report, click [here](#).

RENEWABLES 2018 GLOBAL STATUS REPORT. Published by Renewable Energy Policy Network for the 21st Century (REN21) (June 2018). REN21's annual report aims to provide a comprehensive overview of the global state of renewable energy. Main sections cover the policy landscape, finance flows, and market and industry trends in renewable energy. Another section discusses distributed renewables as a means of energy access. The report includes sections on energy systems technology and energy efficiency, as well as a feature on corporate sourcing of renewable energy. To read the report, visit the REN21 [website](#).

INTERNATIONAL ENERGY AGENCY (IEA): TRACKING CLEAN ENERGY PROGRESS. Published by the IEA (2018). This newly-enhanced online tracker aims to provide a comprehensive assessment of energy technologies and sectors that are instrumental in the transition to a clean-energy global economy. It includes updated information for the current state of technologies and needed improvements relative to IEA's Sustainable Development Scenario. This scenario outlines the path to meeting the Paris Agreement's "well below 2 degrees Celsius" climate goal, delivering universal energy access, and significantly lowering air pollution. Users are able to access detailed assessments of recent trends and progress by sector on the IEA's [website](#).

DATA-RELATED CHALLENGES AND SOLUTIONS IN BUILDING CHINA'S NATIONAL CARBON EMISSIONS TRADING SCHEME. By Xuelan Zeng, Maosheng Duan, Zhi Yu, Weichi Li, Mengyu Li and Xiaoyan Liang (May 2018). This paper discusses the importance of data in the development of China's national carbon emissions trading scheme (ETS). It presents a comparative analysis of the data requirements for China's national ETS and identifies data availability and data quality gaps. Based on the experiences of international ETSs and pilot-program experiences in China, the authors propose short-term strategies and long-term solutions for meeting data challenges from both technical and management perspectives. To download the paper, visit the publisher's [website](#).

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

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of publications is most welcome; if interested,
please contact Andrew Crosby, Managing
Director at +41-22-917-8335.

Contributors to this issue are Sofía Alicia Baliño,
Matthew Flaherty, and Ada Siqueira. The Senior
Editor of Bridges Weekly Trade News Digest is
Sofía Alicia Baliño.

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

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