

Environmental Goods Agreement – promoting EU environmental objectives through trade

EGA Stakeholder Event – 3 June 2015 Bruxelles

Peter C. Brun

Managing Director, SETI Alliance

What is the SETI Alliance?



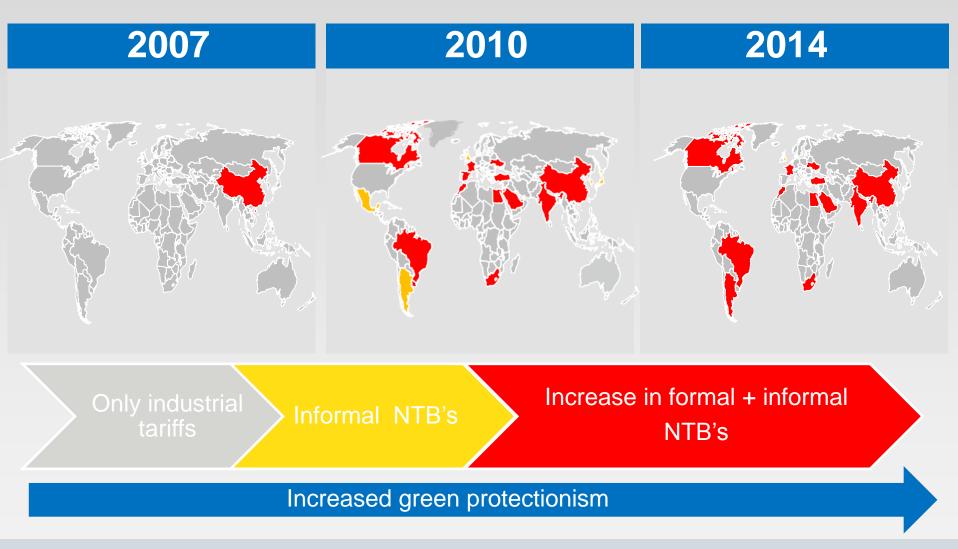
The SETI Alliance is a coalition of likeminded partners, which works towards supporting and developing initiatives to promote a scale-up of innovation, production and deployment of sustainable energy goods and services through trade.



With the integration of the AFASE Campaign and the Trade Associations in the Wind Industry the SETI Alliance represents more than 1800 European solar, wind & energy efficiency companies

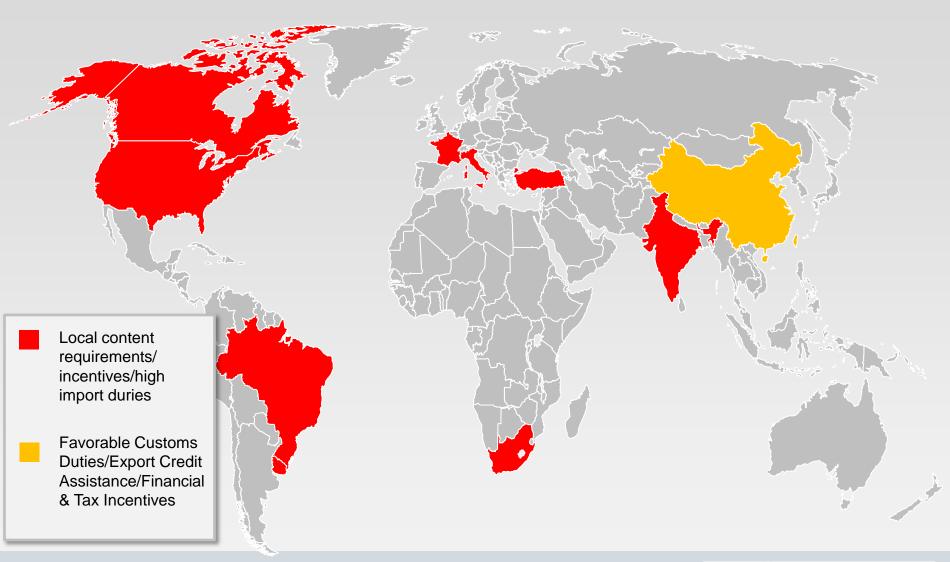


What is the problem #1 – Case from Wind Industry



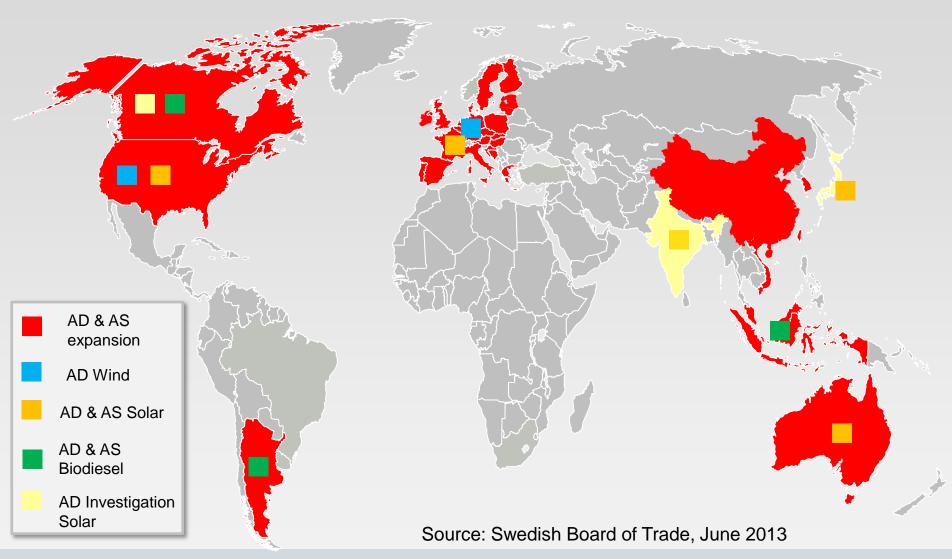


What is the problem #2 – case from Solar Industry





What is the problem #3 – case of AD & CVD measures in Renewables





What is the problem #3 - Evidence of trade conflicts

<u>Disputes in WTO – panel cases</u>

- 13 Sep 2010-6 May 2013, Japan and EU vs Canada, FITs and LCRs in RE Sector Ontario (DS 412). AB ruling issued.
- 22 Dec 2010-present, China vs US, Chinese subsidies for Wind Power Equipment (DS 419). In consultations. China ended the challenged subsidies, so the case didn't proceed further.
- 25 May 2012-present, China vs US, US imposition of CVDs on several products from China including solar panels and wind towers (DS 437). Panel composed on 26 Nov 2012.
- 17 Aug,2012-present. **Argentina vs EU (Spain), Discriminatory and de-facto restrictive measures against biodiesel imports from Argentina**. (DS 443). In consultations.
- 5 Nov 2012-present, China vs EU, FiTs and LCRs in Italy and Greece (DS 452). In consultations.
- 6Feb 2013-present, US vs India, LCRs for Solar Cells and Modules in India (DS 456).
 In consultations. In Feb 2014, the US filed an addendum to these consultations, as a result to India starting the next phase of its NSM.



What is the impact of trade barriers to Green/Clean industry?



Why are trade restrictions a problem for climate change?

Higher COE prize

Trade restrictions slows down price reduction of green energy solutions & makes them less cost compettive with fossil fuel solutions.

Fewer green jobs

Slower tech. shift

Tariff-Duties &NTB's increases the cost of green technologies and slows down the cllimate technology mitigation

Slower climate change mitigation Slower Green technology dessimination

Local content requirements restrict market competition and increases the cost of technology in a given market Less competition

> Slower R/D

Manufactures forced to localise supply-chains with smaller volumes (than a global supply chain).
Consequence: rising cost on project

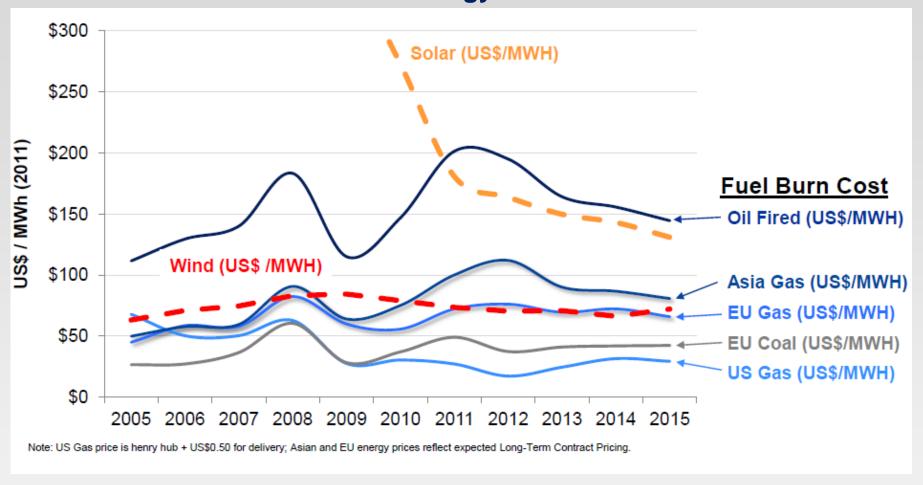


A/D and trade defense restrict trade flows seriously and can close a market effectively Worse cost competitiveness with fossil fuels

Source: SETI-Alliance illustration



Main Challenge: Cost of energy will be decisive for the clean technology shift



Source: IHS Emerging Energy Research, 2012



Turning a negative development towards the positive Sustainable Development Triangle

Scalability and flexibility of supply chain/sourcing on SETA

Secure investments in local jobs

Economic

Social

Social: More and better jobs, increased security, improved health, poverty alleviation

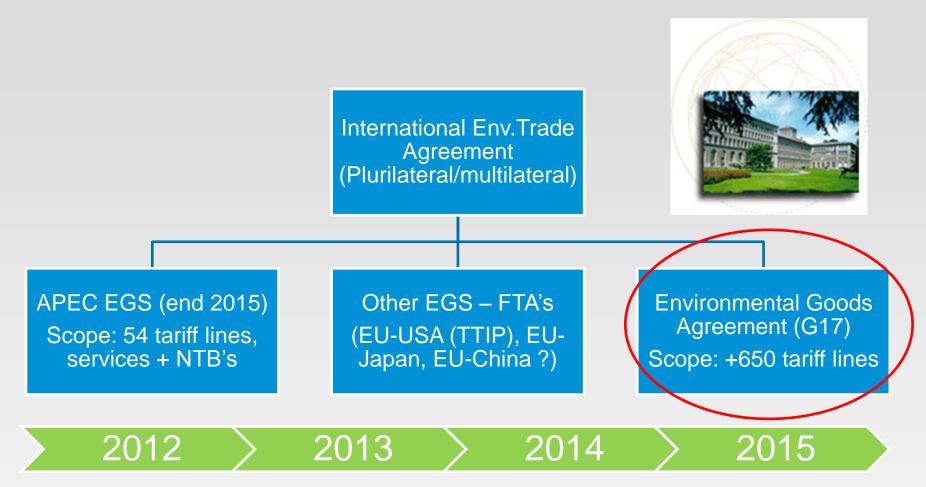
Economic: Green growth, competitiveness, reduced vulnerability due to reliance on fossil fuels



Negotiation process and stakeholder perspectives

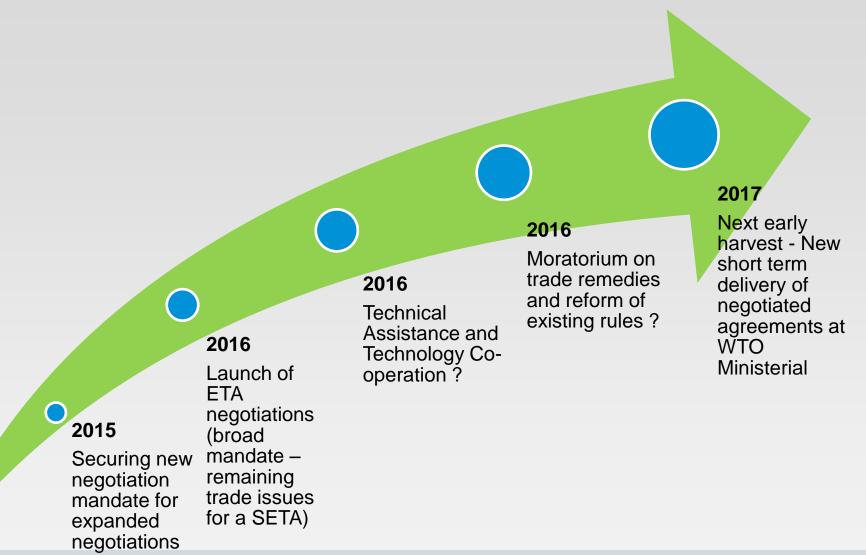


"Building Blocks" towards an International Environmental Trade Agreement (ETA)





From EGA to ETA (Phase 2)









Thank you for your attention!

Go visit our web page with more information:

www.seti-alliance.org