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Panel established to determine India's compliance with solar power ruling

At its meeting on 28 February, the Dispute Settlement Body (DSB) agreed to establish a panel to determine whether India has complied with a previous ruling regarding its domestic content requirements for solar cells and solar modules. The DSB also adopted a panel ruling regarding anti-dumping duties imposed by the European Union on biodiesel imports from Indonesia and a compliance panel ruling regarding Chinese anti-dumping and countervailing duties on broiler products from the United States.

uest for the establishment of a panel to determine its compliance with the recommendations and rulings of the DSB in this dispute; the first request was blocked by the United States at a DSB meeting on 9 February. India reiterated that it has complied with the findings in DS456 and that the logical course for disagreements over whether a member has complied with a WTO ruling is recourse to compliance proceedings under Article 21.5 of the WTO's Dispute Settlement Understanding (DSU).

The United States once again declared that India has no basis for asserting compliance with the ruling and that India continues to apply the WTO-inconsistent measures. The US also said it reserved its right to move forward with its request for WTO authorization to take countermeasures under Article 22.6 of the DSU, but that it remains willing to work with India to find a resolution to the dispute. The DSB agreed to establish the compliance panel as requested by India. The European Union, Singapore, Korea, China, Canada, Japan, Chinese Taipei, Indonesia, Norway and the Russian Federation reserved their third party rights to participate in the panel proceedings.

Experts discuss how to measure services trade in the digital age

Experts from the WTO Secretariat and the United Nations Conference on Trade and Development (UNCTAD) met at WTO headquarters on 1 March to discuss how to better measure trade in services in the digital age. The event was the first in the "Simply Services" speaker series, an informal platform for sharing the latest information on trends in services trade.

Andreas Maurer, Chief of International Trade Statistics at the WTO, described efforts currently under way among international agencies to enhance measurement of digital trade. He underlined how current statistics address elements relevant for digital trade and highlighted some of the challenges ahead from a statistical standpoint. His presentation is available here. Diana Korka, from UNCTAD's Information and Communications Technology (ICT) Policy Section, presented UNCTAD's project on measuring exports of ICT-enabled services. She noted that the increasing importance of services delivered over ICT networks offered increasing opportunities for developing countries. As a result, there was greater demand for better data to capture services exported in such a manner. Pilot implementation of the project had been conducted in three developing countries in 2017.Her presentation is available here.

UK economic growth revised downwards

The UK economy expanded by less than previously thought in the last three months of 2017, official figures say.GDP grew by 0.4% in the October-to-December period, the Office for National Statistics (ONS) said, down from the initial estimate of 0.5%.The revision was due to slower growth in production industries, the ONS said.

In 2017 as a whole, the economy grew by 1.7%, also slightly lower than previously thought and the weakest since 2012.The ONS had previously estimated that the economy grew by 1.8% last year. The statistics body said that household spending grew by 1.8% last year, also the slowest annual rate since 2012. It said the slowdown was partly because of shoppers facing higher prices in stores."A number of very small revisions to mining, energy generation and service were enough to see a slight downward revision to quarterly growth overall," said ONS statistician Darren Morgan.

One drag on the UK economy at the end of last year was the shutdown of the Forties pipeline system for a large part of December 2017.The closure of one of the UK's most important oil pipelines cost about £20m a day in lost activity, according to Oil and Gas UK. Chris Williamson, chief economist at IHS Markit, said that some areas of the UK economy looked "worryingly weak" in the final months of last year. The data suggested the construction industry is in recession, business investment was stagnant and household spending was seeing only "modest" growth, he said. Households have been squeezed by rising inflation coinciding with weak wage growth.

The Bank of England is a bit more optimistic about growth prospects. Last month, it raised its growth forecast for the

UK economy to 1.8% this year, from its previous forecast of 1.6% made in November. At the time, the Bank indicated that the pace of interest rate increases in the UK could accelerate if the economy remained on its current track. One nagging problem for the UK has been a lack of productivity growth since the financial crisis of 2007.

Federal Reserve policymakers more confident about economy

The US Federal Reserve is preparing for stronger-than-expected economic growth this year, a view that boosts the case for higher interest rates. But some policymakers remain doubtful that the gains will appear in the form of rapid inflation and higher wages. Those members urged their colleagues to be "patient" as they weigh future rate rises. The views were revealed in minutes published on Wednesday from the Fed's January meeting. The meeting, the final gathering led by former Federal Reserve chair Janet Yellen, concluded 31 January.

It preceded turmoil in the stock market that has been pinned partly on investor calculations that the Fed might raise interest rates more rapidly than anticipated. Investors were reacting to data, including wage increases, that suggested inflation might be stronger than in recent years, prompting the Fed to raise rates more quickly.US stocks jumped after the minutes were released, but sank again as the afternoon continued, reflecting continuing uncertainty about the bank's future course.

The Fed has been shifting away from the policies aimed at economic stimulus it enacted during the recession, including ultra-low interest rates. The bank took no action to raise rates at its January meeting, but markets expect at least three rate rises this year, and predict the Fed will take its next action in March. Investors are also watching carefully to see if new Fed chair Jerome Powell takes a more aggressive stance than Ms Yellen, who was viewed as moving relatively slowly to raise rates.

At the January meeting, "almost all" Fed members - more than previously - said they expect inflation to hit the bank's 2% target over the medium term, bolstering the case for future rate rises.A number of Federal Reserve members also "marked up" forecasts for 2018 growth to reflect stronger economic data since December, according to the minutes. However, the record showed the participants continued to hold a wide range of views about inflation and wage pressures.While some see the possibility of rapid inflation, others see "little solid evidence" of inflation or wage pressures, the minutes said."They judged that the committee could afford to be patient".

Ken Matheny, executive director for US economics at Macroeconomic Advisers by IHS Markit, said the discussion was "consistent" with predictions of several rate rises in 2018.Mr Matheny, whose firm is predicting four rate rises this year, said he expects inflation will finally hit the Fed's 2% target causing "dovish sentiments to fade".

Chinese officials urge Trump not to abandon global trade order

After Trump announces tariffs on steel and aluminum imports, a spokesperson for the Chinese Ministry of Foreign Affairs says, "If countries around the world all follow the step of the U.S., it will definitely inflict serious impacts to the international trade order."

The spokesperson for the Chinese People's Political Consultative Conference says, "What is worrisome to many World Trade Organisation members is the unilateral actions and voices from the United States."

After the U.S. Department of Commerce announces its final determination on Chinese aluminum foil dumping, the head of China's Ministry of Commerce Trade Remedy and Investigation Bureau says, "The Chinese side will take necessary measures to uphold our legitimate rights against the wrongdoings of the U.S. side."

Chinese officials urged the U.S. to support global trade in the wake of President Donald Trump's announcement on Thursday of new steel and aluminium tariffs. Trump said the U.S. will set tariffs of 25 percent for steel and 10 percent for aluminum imports. The duties are set to take effect as early as next week. The tariffs are broad, and no specific country is targeted. But China is an ongoing focus of the Trump administration's trade policy.

Hua Chunying, spokesperson for the Chinese Ministry of Foreign Affairs said:

"If countries around the world all follow the step of the U.S., it will definitely inflict serious impacts to the international trade order. ... We urge the U.S. to be restrained in taking trade protection measures, follow the multilateral trade rule, and positively contribute to the global economic and trade order."

"What is worrisome to many World Trade Organisation members is the unilateral actions and voices from the United States. Let me say, as important members of the WTO, both China and U.S. need to uphold the authority of WTO rules and together improve the rules based fair and open multilateral trade system centered around the WTO."

In a separate announcement Tuesday, the U.S. Department of Commerce said it made a final determination by how much Chinese companies are selling aluminum foil in the U.S. below market value and being helped by subsidies. The department said it will levy duties accordingly.

"The Chinese side was strongly against it," Wang Hejun, head of China's Ministry of Commerce Trade Remedy and

Investigation Bureau, said in an online statement Friday, referring to Tuesday's news. Wang did not comment directly on Trump's tariff announcement.

"The unreasonable and excessive use of trade remedy measures will not realize the renaissance of U.S. aluminum foil industry but will affect its domestic employment and impair the interests of U.S. consumers," Wang said. "The Chinese side will take necessary measures to uphold our legitimate rights against the wrongdoings of the U.S. side."Chinese President Xi Jinping's top economic advisor Liu He met with U.S. Treasury Secretary Steven Mnuchin, White House economic advisor Gary Cohn and U.S. Trade Representative Robert Lighthizer on Thursday, the same day Trump announced the tariffs."We discussed ways to ensure fair and reciprocal trade," a White House official said in a Reuters report.

Fear of Coming crisis: Forecast by Desmond Lachman

A key ingredient for a global economic crisis is asset price bubbles and credit risk mispricing. On that score, today's financial market situation would appear to be very much more concerning than that on the eve of the September 2008. Whereas then, asset price bubbles were largely confined to the U.S. housing and credit markets, today, asset price bubbles are more pervasive being all too much in evidence around the globe.

It is not simply that global equity valuations today are at lofty levels experienced only three times in the last one hundred years. It is also that we have a global government bond market bubble, the serious mispricing of credit risk in the world's high yield and emerging market corporate-bond markets and troublesome housing bubbles in major economies like Canada, China and the United Kingdom.

Another key ingredient for a global economic crisis is a very high debt level. Here too today's situation has to be very concerning. According to IMF estimates, today the global debt-to-GDP level is significantly higher than it was in 2008. Particularly concerning has to be the fact that far from declining, over the past few years Italy's public debt has risen now to 135 percent of GDP. That has to raise the real risk that we could have yet another round of the Eurozone debt crisis in the event that we were to have another global economic recession.

Today's asset price bubbles have been created by many years of unusually easy global monetary policy. The persistence of those bubbles can only be rationalized on the assumption that interest rates will remain indefinitely at their currently very low levels. Sadly, there is every reason to believe that at least in the United States, the period of low interest rates is about to end abruptly due to an overheated economy.

UK trade deficit grows as oil price rise pushes up cost of fuel imports

An increase in fuel imports and lower levels of fuel exports were the main culprit in pushing up the trade deficit. Britain's trade position with the rest of the world worsened in December as rising global oil prices pushed up the cost of importing fuel, while the continuing weak pound failed to lift sales of UK-made goods abroad.

The difference between the total value of goods and services imported to Britain and sold overseas widened by £1.2bn from November to £4.9bn in December, according to the Office for National Statistics. While there was an increase in goods export volumes, it came at less than half the pace of imports.The latest trade figures should temper hopes that the economy is rebalancing away from domestic consumption by shoppers on the high street and shifting towards greater levels of global trade and exports. They are also likely to disappoint ministers seeking to expand trade with the rest of the world as Britain leaves the EU.

The monthly trade deficit was the worst reading since September 2016, and was labelled by City analysts as "pretty poor" given that exporters should have benefited from the lower level of the pound since the Brexit vote and rebounding global economic growth. The increase in the trade deficit came amid an increase in imports from non-EU countries at a faster rate than exports.

China Manufacturing growth has slowed down

Growth in China's manufacturing sector in February cooled to the weakest in over 1-1/2 years, raising concerns of a sharper-than-expected slowdown in the world's second-biggest economy this year as regulators tighten the screws on financial risks. The weakness was driven by disruption of business activity due to the Lunar New Year holidays and curbs to factory output from tougher pollution rules, but there are worries of a bigger loss in momentum."Although a recovery looks possible in the short-run as the anti-pollution campaign winds down, the risk is still that the economy fares worse this year than is generally expected," said Julian Evans-Pritchard, senior China Economist at Capital Economics. The official Purchasing Managers' Index (PMI) released on Wednesday fell to 50.3 in February, from 51.3 in January. But it remained just above the 50-point mark that separates growth from contraction on a monthly basis - the 19th straight month of expansion. The sharper drop, however, may raise some concerns for China's leaders as they prepare for the start of the National People's Congress (NPC) next week where Beijing will unveil its economic targets for this year.

Aian shares extended losses on Wednesday and bonds were sold off on the weak factory data, with markets in China and Hong Kong also skidding sharply. Globally, solid demand has kept many export-reliant economies humming over the past year or so, though a move towards tighter policy in advanced nations could cut into growth this year. The latest PMI's sub-index of new export orders fell to 49.0, the lowest in at least a year, as the yuan currency appreciated against the dollar. Chen Zhongtao, an official with China Logistics Information Center (CLIC), said that "13.6 percent of firms reported concerns over the appreciating Chinese currency and greater currency fluctuations," the highest number of companies to do so since March 2017.

CLIC said in a statement export sluggishness is expected to continue this year as steel firms are more reluctant to ship goods in the face of rising global protectionism.

OPEC tries follow US shale oil after initial hitch and competition

For the past year, both figures have been climbing as OPEC oil production cuts led to higher prices, spurring added drilling activity in the U. S. But the rise in the latter inevitably threatens the former. With the number of rigs up almost a third over the last year, U. S. production has surged above 10 million barrels a day, surpassing the all-time high set in 1970. That, in turn, puts downward pressure on crude prices, disrupting OPEC's plans. And a lot more shale oil is coming, both in 2018 and beyond, executives and traders said.

"At current prices, the market is incentivizing US shale companies to produce more," said David Garza, a veteran oil executive who runs the Houston office of energy trading house Gunvor Group Ltd.

The Organization of Petroleum Exporting Countries has been struggling with US shale for almost a decade now. For the first few years, it downplayed the production as a mere blip. Then, in 2014, with the market oversupplied, it decided to fight head-on, opening the spigots and sending oil prices to below $30 a barrel in a war of attrition. After a two-year pump-at-will period, OPEC blinked first and cut production in 2016 in an effort to revive prices.

"Shale oil, I don't know how we are going to live together," former OPEC Secretary General Abdalla Salem El-Badri told US oilmen in 2016.

After downplaying and then attacking, OPEC has spent the last year making nice with its US shale adversaries, in an effort to understand the magnitude of the problem and perhaps convince the rival producers to show restraint. But despite dinner invitations and behind-closed-doors conversations, shale continues to increase output and grab market share.

Rising global oil demand has so far absorbed the extra US crude barrels, limiting the impact on prices. But for the cartel, shale remains as intractable as in the past.

"OPEC is struggling to understand shale," said Daniel Yergin, the oil historian and vice-chairman of consultant IHS Markit Ltd.

In part, OPEC created its own nemesis. After it flooded the market in 2014, oil prices crashed, forcing shale producers to reshape themselves into fitter, leaner and faster versions that can thrive with oil at $50 a barrel. As oil prices recovered, so did drilling.

A year ago, Mohammad Barkindo, the current OPEC secretary-general, invited his shale rivals for dinner in Houston during the annual CERA Week industry conference. It was a first-of-its-kind event and both sides exchanged pleasantries. But if anyone expected that shale would help the cartel, it's now clear that US oil barons are fine with remaining free riders as OPEC seeks to instill market discipline. Since the salad-and-chicken dinner last March, US output has risen roughly 1.1 million barrels a day -- the equivalent of OPEC member Libya.

Barkindo plans to meet his shale frenemies again for dinner during CERA Week, which beings Monday and gathers thousands of oil executives, traders, bankers and investors in Houston. "One of the lessons learned from this oil-price cycle is that as producers we are all in the same boat," he said in an interview.

Others inside OPEC are sounding exasperated as the resurgence in shale output could force the cartel to prolong its output cuts beyond the end of 2018. Suhail Al Mazrouei, the United Arab Emirates oil minister, believes shale producers should show gratitude. "If you are a shale oil producer, who brought you back? It was OPEC," he said at a recent industry conference in London. "Without OPEC there'd be chaos in the market."