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The review “Russian economy in 2017. Trends and outlooks” has been published by the Gaidar Institute since 1991. This publication provides a detailed analysis of main trends in Russian economy, global trends in social and economic development. The paper contains 6 big sections that highlight different aspects of Russia's economic development, which allow to monitor all angles of ongoing events over a prolonged period: the socio-political issues and challenges; the monetary and budget spheres; financial markets and institutions; the real sector; social services; institutional changes. The paper employs a huge mass of statistical data that forms the basis of original computation and numerous charts confirming the conclusions.

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4.9. Russia's participation in the WTO trade dispute settlement system¹

The Russian Federation acceded to the World Trade Organization (WTO) on August 22, 2012, and was therefore authorized to participate in the WTO trade dispute settlement system. The WTO dispute settlement system is in place pursuant to the Dispute Settlement Understanding (DSU)². Hence the Russian Federation has been entitled since August 2012 to resort to the system to uphold its trade interests. Dispute settlement proceedings in the WTO is a five-stage process:

- 1) *bilateral consultations* (within 60 days from filing a request for consultations);
- 2) *establishment and composition of a Panel* at the request of any party in dispute to consider the subject matter in dispute (within 45 days from filing a request for Panel composition);
- 3) *Panel stage* (within 6–9 months from date when the Panel kicks off), and the Dispute Settlement Body (DSB) has authority to adopt a Panel report and to issue recommendations (about 60 days of the Panel report);
- 4) *Appellate Body report proceedings*, if a party to a dispute has filed an appeal (60–90 days from filing an appeal), the DSB has authority to adopt the Appellate Body report and to circulate the DSB's recommendations and rulings to the parties (30 days of the Appellate Body report);
- 5) *surveillance of the implementation* of the DSB's recommendations and rulings (not more than 15–18 months of DSB's adoption of the Panel report or the Appellate Body report).

According to the 2017 year-end data, the Russian Federation was a party to 54 disputes in the WTO: as the complaining party in 6 disputes, as the responding party in 8 disputes, as a third party in 40 disputes.

In 2017 the Russian Federation filed to the DSB two new complaints: against the European Union over the imposition of anti-dumping measures affecting certain cold-rolled flat steel products from Russia (DS521) and against Ukraine over restrictions, bans, requirements and procedures relating to trade in goods and services and transit (DS525). In 2017, Ukraine filed WTO complaint against the Russian Federation over restrictive measures affecting the importation and transit of certain Ukrainian products (DS532). The Russian Federation has brought its measures into conformity with the WTO rules and regulations in two disputes to which it is the responding party (DS475 and DS485) (see *Table 51*).

In 2017, the Russian Federation reserved its third-party rights to 9 disputes, some of which were settled. In some cases, the Russian Federation gained indirectly benefits from the participation in the WTO dispute settlement system.

¹ This section is written by Marina Baeva, RANEPА, VAVT under Russian Ministry for Economy; Alexander Knobel, the Gaidar Institute, RANEPА, VAVT under Russian Ministry for Economy.

² https://www.wto.org/english/tratop_e/dispu_e/dispu_e.htm.

Table 51

Russia as complaining or responding party to WTO trade disputes

Dispute	Subject matter at issue	Current status of disputes (as of 2017 year end)
1	2	3
Complainant		
DS474: The European Union – Cost Adjustment Methodologies and Certain Anti-Dumping Measures on Imports from Russia (December 23, 2013 ¹)	The European Union used “cost adjustment” methodologies for the calculation of dumping margins in anti-dumping investigations and reviews (The European Union rejected cost and price information of producers and exporters in the country of origin (Russia)). The European Union verified the expiration date of the anti-dumping measures without having adequate data on continuation and collection of anti-dumping duties and injury caused.	Panel composition stage (July 22, 2014)
DS476: The European Union – Certain Measures Relating to the Energy Sector (April 30, 2014)	The European Union's Third Energy Package: Gas producers may not own trunk pipelines located on the EU territory. Operators that are controlled by foreign persons must be subject to a special certification procedure.	Panel proceedings (March 7, 2016)
DS493: Ukraine – Anti-Dumping Measures on Ammonium Nitrate (May 7, 2015)	When conducting anti-dumping investigations of ammonium nitrate imports from the Russian Federation, Ukraine failed to base its findings on electric power prices offered by Russian producers in the Russian Federation and used instead third countries' prices (cost adjustment).	Panel proceedings (February 2, 2017)
DS494: The European Union – Cost Adjustment Methodologies and Certain Anti-Dumping Measures on Imports from Russia (May 7, 2015)	When conducting anti-dumping investigations of imports of welded pipes and ammonium nitrate imports from the Russian Federation to determine dumping margins, the European Union failed to take account of the information on producer and export costs and prices and, instead, relied on third countries' prices (cost adjustment).	Panel composition stage (December 16, 2016)
DS521: Anti-dumping measures on certain cold-rolled flat steel products from Russia (January 27, 2017)	When conducting anti-dumping investigations, the European Union failed to base its findings on the information provided by Russian producers and instead had replaced it with unfounded data and incorrect estimates.	Consultations stage (January 27, 2017)
DS525: Ukraine – Measures relating to trade in goods and services and transit (May 19, 2017)	A complex complaint against Ukraine's restrictive measures affecting the trade in goods and services from the Russian Federation.	Consultations stage (May 19, 2017)
Respondent		
DS462: The Russian Federation – Recycling fee on motor vehicles (complaint by the European Union, July 9, 2013)	The Russian Federation imposed measures, the so called “recycling fee”, on motor vehicles while exempting, under certain conditions, domestically manufactured motor vehicles. Fee assessment provides too much of a difference in fee size between brand new and secondhand motor vehicles.	Panel composition stage (November 25, 2013)
DS463: The Russian Federation – Recycling fee on motor vehicles (complaint by Japan, July 24, 2013)	The Russian Federation imposed extra measures (the recycling fee) on imported motor vehicles while exempting, under certain conditions, domestically manufactured motor vehicles.	Consultations stage (July 24, 2013)
DS475: The Russian Federation – Measures on the importation of live pigs, pork and other pig products from the European Union (complaint by the European Union, April 8, 2014)	Russia's ban on the importation of pork and other pig products from the European Union constitutes a disproportional measure because just a few minor outbreaks of African swine fever (ASF) of wild boars were confirmed, and promptly contained, near the border with Belarus. The European Union challenges the Russian Federation's ASF regionalization of the EU territory.	Request for complaining party's retaliatory measure. Oral hearing (January 3, 2018)
DS479: The Russian Federation – Anti-dumping duties on light commercial vehicles from Germany and Italy (complaint by	Russia's anti-dumping investigations and determination of dumping margins on light commercial motor vehicles are inconsistent with the WTO rules, particularly Determination of Dumping, Determination of Injury, Evidence, Definition of Domestic Industry, Public Notice and Explanation of Determinations.	Appeals filed. Appellate Body report proceedings (February 20, 2017)

¹ Parenthesized is the date of request for consultations.

the European Union, May 21, 2014)		
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Cont'd

1	2	3
DS485: The Russian Federation – Tariff treatment of certain agricultural and manufacturing products (complaint by the European Union (EU), October 31, 2014)	Russia's 15 percent or 10 percent duty rates on goods such as paper and paperboard were applied in excess of the 5 percent bound rate. Customs duties on certain types of goods are above the bound rate when their customs value is below the bound rate.	The responding party met the DSB's recommendations and rulings (June 8, 2017)
DS499: The Russian Federation – Measures affecting the importation of railway equipment and parts thereof (Ukraine, October 21, 2015)	The Russian Federation has suspended validation of certificates issued to manufactures of railway equipment and railway rolling stock until after new technical regulations are introduced. The Russian Federation has rejected applications for new certificates.	Panel proceedings (December 16, 2016)
DS512: The Russian Federation – Measures Concerning Traffic in Transit (complaint by Ukraine, September 14, 2016)	The Russian Federation imposes restrictions on traffic in transit from Ukraine via the Russian Federation to the Republic of Kazakhstan or the Republic of Kyrgyzstan: Ukrainian railway and motor cargo traffic in transit to the Republic of Kazakhstan and the Republic of Kyrgyzstan through the Russian Federation must go strictly from the Republic of Belarus, provided that certain terms and conditions are met. Additionally, a ban was imposed on goods in transit with other than zero tariff rates, and a ban was imposed on the goods in transit covered by Russia's sanctions.	Panel proceedings (June 6, 2017)
DS532: The Russian Federation – Measures concerning the importation and transit of certain Ukrainian products (complaint by Ukraine, October 13, 2017)	The Russian Federation imposed restricting measures affecting imports and transit of juice products, beer, beer-based beverages and other alcoholic beverages, confectionary products, wall paper and similar wall coverings originating from Ukraine via the Russian Federation to third countries. Exports of the above Ukrainian products fell considerably, with a halt in exports of a few items.	Consultations stage (October 13, 2017)

Source: own compilation based on data posted on the WTO official website: https://www.wto.org/english/tratop_e/dispu_e/dispu_by_country_e.htm.

4.9.1. 2017 updates on WTO trade disputes to which Russia is the complaining party

DS493: Ukraine – Anti-dumping measures on ammonium nitrate from Russia (complaint by the Russian Federation)

On 7 May 2015, the Russian Federation requested consultations with Ukraine regarding anti-dumping measures imposed by Ukraine on imports of ammonium nitrate originating from the Russian Federation.¹

The Russian Federation challenged that Ukraine, while conducting anti-dumping investigations of ammonium nitrate imports from Russia, had failed to base its findings on the electric power prices of offered by Russian producers in the Russian Federation and instead had relied on third countries' prices (cost adjustment). Furthermore, the Russian Federation claims that Ukraine's measures are inconsistent with some other terms and provisions of the Anti-Dumping Agreement.

Since consultations failed to settle the dispute between the Russian Federation and Ukraine, the Russian Federation requested on February 29, 2016 the establishment of a Panel. At its meeting on 22 April 2016, the DSB established a Panel. On 2 February 2017, the Panel was

¹ https://www.wto.org/english/tratop_e/dispu_e/cases_e/ds493_e.htm.

composed. The Panel expected to issue its final report to the parties not before the first quarter of 2018, in light of the amount and complexity of the work involved.

DS521: The European Union – Anti-dumping measures on certain cold-rolled flat steel products from Russia (complaint by the Russian Federation)

On January 27, 2017, the Russian Federation filed a request to the WTO for consultations with the European Union in respect to anti-dumping measures affecting certain cold-rolled flat steel products from the Russian Federation.¹ Since August 5, 2016, the European Union further extended the EU anti-dumping duties on cold-rolled flat steel products from the Russian Federation at the request of the European Steel Association (Eurofer), which accused Russian and Chinese steel companies of deliberately cutting prices for cold-rolled flat steel products. Russia's exports of the products at issue to the European Union in 2016 dropped 84 percent from 2015, marking a decline in total exports of the products to 10 percent in 2016 from 46 percent in 2015.² The anti-dumping duties are 34 percent for PAO Severstal, 18.7 percent for OAO Magnitogorsk Iron & Steel Works, 36.1 percent for PAO NLMK and the rest of the companies. The Russian Federation claims the investigation was inconsistent with the Anti-Dumping Agreement and GATT 1994.

The Russian Federation expressed concerns about the European Union had failed to base its findings on the information provided directly by Russian producers and instead had replaced it with unfounded data and incorrect estimates. The Russian Federation claimed that the determination of injury and the examination of causal relationship between the alleged dumping imports and the injury to the domestic industry had been performed in violation of respective rules and regulations.

The Russian Federation previously filed complaints against the European Union over anti-dumping measures in respect of the application of “cost adjustment” practice during anti-dumping investigations (DS474), and anti-dumping measures affecting imports of welded pipes and ammonium nitrate from the Russian Federation (DS494).

DS525: Ukraine – Measures relating to trade in goods and services and transit (complaint by the Russian Federation)

On May 19, 2017, the Russian Federation filed a request to the WTO for consultations with Ukraine in respect to restricting measures, bans, special requirements and measures against Russian goods, services and persons as well as traffic in transit via Ukraine in force since 2014. The request is a complex request that challenges³:

- The import ban covers a number of categories of food products (in particular meat products, dairy products, fish products, confectionary, tea, potato products, such as crisps, etc.), spirits and beer, cigarettes, railway and tram track equipment, diesel-electric locomotives, octanol, potash, chloride, detergents, certain agricultural chemicals, certain plant products, etc.;
- The special treatment of sanitary, phytosanitary and veterinary control in respect of food, light industry products, cosmetic products and household chemicals originating from the Russian Federation;
- The special measures on imports of Russian books and other printed materials. Imports and distribution of printed materials originating from, manufactured in and/or delivered from

¹ https://www.wto.org/english/tratop_e/dispu_e/cases_e/ds521_e.htm.

² UN COMTRADE data base// <http://comtrade.un.org/>.

³ <http://www.interfax.ru/business/563152>.

Russia are prohibited, except materials approved by the Ministry of Information Policy of Ukraine. Furthermore, not more than 10 items of printed materials in the luggage of individuals entering Ukraine are allowed;

- The special tax treatment on imports of used motor vehicles from the Russian Federation;
- The prohibition and discriminatory restrictions on the involvement of many Russian companies in Ukrainian industries such as engineering industry, banking sector, service industry (including the Internet), software, air transport services, etc.;
- Residents of the Russian Federation and persons directly or indirectly controlled by or acting on behalf of residents of the Russian Federation may not participate in privatization;
- The restrictive measures on transactions involving the national currency of Ukraine;
- The ban on accreditation of journalists and representatives of certain Russian news agencies and other mass media.

The Russian Federation claimed that the above measures make the treatment granted to products of the Russian Federation less favorable than the one granted to like products from Ukraine and other countries. The measures have an unreasonably restrictive and distorting impact on trade. Furthermore, the measures were not published in a manner that would enable governments and traders to become acquainted with them. Interested persons were not granted an opportunity to comment on proposed regulation. No reasonable period of time between publication and the effective date of the regulation was allowed. The measures were not duly notified to the WTO. According to the Russian Federation, the measures are inconsistent with some of the provisions set forth by the GATT 1994, the Sanitary and Phytosanitary Agreement¹, the Agreement on Technical Barriers to Trade², the Agreement on Import Licensing Procedures, the GATS³ and the Protocol of Ukraine's Accession to the WTO. The WTO dispute settlement system helps the Russian Federation demonstrate that Ukraine itself is affected by an adverse economic effect of its restrictive measures, underlining the importance of observing the WTO principles.⁴

4.9.2. 2017 updates on WTO trade disputes to which Russia is the responding party

DS475: The Russian Federation – Measures on the importation of live pigs, pork and other pig products from the European Union (complaint by the European Union)

Early in April of 2014 the European Union filed a request to the WTO for consultations with the Russian Federation concerning certain measures adopted by the Russian Federation that affect the importation of live pigs and their genetic material, pork, pork products and certain other commodities from the European Union, purportedly because of concerns about African swine fever outbreaks and the imposition of a ban on the importation of all types of finished pig products originating from Poland and Lithuania.⁵

Since consultations failed to settle the dispute, the European Union requested on June 27, 2014 the establishment of a panel. At its meeting on July 22, 2014, the DSB established a Panel. On August 19, 2016, the Panel report was circulated to Members. The

¹ Sanitary and phytosanitary measures.

² Technical barriers to trade.

³ General Agreement on Trade in Services.

⁴ <https://www.gazeta.ru/business/2017/05/20/10683623.shtml#page1>.

⁵ https://www.wto.org/english/tratop_e/dispu_e/cases_e/ds475_e.htm.

Panel found that the restricting measures were inconsistent with the standards set out in the OIE (Office International des Epizooties) and, therefore, with the Agreement on the Application of Sanitary and Phytosanitary Measures (SPM). The Panel also found that the Russian Federation failed to duly assess risks based on scientific data for the application of the principle of regionalization whereby trade may be conducted with certain areas of a country that are claimed pest- or disease free or of low pest or disease prevalence, provided that the rest of the country's territory is facing an unfavorable situation. The Russian Federation instead imposed a EU-wide ban on the importation of pork and live pigs. The Panel also resolved that the imposed measures were applied in a discriminatory manner and constituted a hidden ban on trade.

On September 23, 2016, the Russian Federation notified the DSB of its decision to appeal to the Appellate Body report certain issues of law and legal interpretations in the Panel report. On September 28, 2016, the European Union notified the DSB of its decision to cross-appeal. The Appellate Body report issued its report on February 23, 2017. The DSB adopted the Appellate Body report on March 21, 2017. The Appellate Body report confirmed the Panel report's inferences about the restrictive manner of Russia's measures imposing a EU-wide import ban on live pigs and certain pork products. The Appellate Body report upheld the Panel report's inferences that the import ban on live pigs and certain pork products from all the EU countries was a restrictive measure of the Russian Federation, and the Appellate Body report also upheld that no limits whatsoever on Panel's assessment of the EU requirements for the restrictive measures were imposed under the terms and conditions of Russia's WTO accession. According to the Ministry of Economic Development of Russia, the inferences were not in line with the previously stated Russia's stance and triggered issues that should be discussed with the European Union on a bilateral basis. In particular, it follows from the Panel report's inferences that the measures are inconsistent with the WTO agreement, and therefore the Russian Federation has no obligation to use the enclosed documents for pig products supplies as previously agreed with European Union. The Appellate Body report thus disowned the Russian obligation to the European Union under the Protocol of Russia's Accession to the WTO to observe the terms and conditions of pork supply, under which live pigs, pork meat and raw meat worth hundreds of millions of euro had already been supplied, and suggested the European Union to reach new agreements with the Russian Federation. In its report, the Appellate Body reported in a more general manner that Russia not only can but also must make, on a unilateral basis, amendments to the bilateral veterinary certificates as previously agreed with other WTO members.¹

The Appellate Body report upheld in general the Panel report's inferences, the DSB's recommended that the Russian Federation bring the measures found to be inconsistent with the WTO rules and regulations. On April 19, 2017, the Russian Federation notified the DSB, pursuant to Article 21.3 of the DSU, that it intended to implement the recommendations and rulings of the DSB in accordance with its WTO obligations. The Russian Federation explained that it needed a reasonable period of time for the implementation of the DSB's recommendations and rulings. On June 2, 2017, the Russian Federation and the European Union notified the DSB that they had agreed on a reasonable period of time of 8 months and 15 days from the date of the adoption of the Appellate Body report. Accordingly, the reasonable period of time was set to expire on 6 December 2017, and the Russian Federation had met the DSB's requirements by that time: the ban on the importation of live pigs, pork meat and raw meat preparations from the entire territory of the European Union and its Member States was

¹ http://pticainfo.ru/news/?ELEMENT_ID=53214.

removed, excluding ASF affected administrative territories as set out in a respective Appendix. Furthermore, the Russian Federation adopted the EU-Russia agreed forms of bilateral veterinary certificates. Additionally, the Ministry of Economic Development of Russia noted that the ban on food imports imposed in retaliation to European sanctions would stay in force, and was therefore not a subject matter of the dispute.¹

The European Union claimed the Russian Federation had failed to bring its measures into compliance with the DSB's recommendations and rulings. Therefore, on December 19, 2017, the European Union made a request seeking retaliatory measures of suspending concessions under the covered agreements in 1.39 billion euro a year (total value of the relevant exports in 2013) plus a yearly increase rate of 15 percent. The Russian Federation objected to this request. Oral hearing was scheduled for January 3, 2018. On January 25, 2018, the Russian Federation, in its turn, filed a request to the WTO for consultations with the European Union over its compliance assessment with the DSB's recommendations and rulings (the original Panel normally performs compliance assessment).

DS479: The Russian Federation – Anti-dumping duties on light commercial vehicles from Germany and Italy (complaint by the European Union)

May 21, 2014 the European Union filed a request to the WTO for consultations with the Russian Federation over the Russian Federation's levy of anti-dumping duties on light commercial vehicles from Germany and Italy.² In May 2013, the Eurasian Economic Commission (EEC) imposed 5-year anti-dumping duties on light commercial vehicles from Germany, Italy and Turkey, ranging within a rate of 11.1, 23 or 29.6 percent depending on a specific manufacturer. The measures led to an anti-dumping investigation that the EEC conducted at the request of OOO Sollers Yelabuga.

A Panel was established on October 20, 2014. The Panel presented its report late in January 2017. The Panel found that the EEC's investigation incorrectly defined "the domestic industry", considered only one manufacturer (that submitted its application) while disregarding the GAZ Group, which, according to the Panel, had led to wrong inferences in the examination of the alleged injury to the domestic industry and in the examination of causal relationship between dumping imports and the injury. In addition, the Panel found that the EEC's price analysis had failed to consider appropriately the effect of the financial crisis of 2009 and to assess correctly the amount of dumping margin (the amount by which the normal value of goods in exporting country exceeds the export price). The Panel found that the Russian Federation was acting inconsistently with some of the provisions set forth by the Anti-Dumping Agreement, whereas it rejected most of the EU complaints, recommending the Russian Federation to bring its measures in conformity with the WTO obligations. In February 2017, Russia and the European Union filed their appeals. The Appellate Body failed to present within the recommended period of time its final report to the parties, in light of the amount and complexity of the work involved. The appellate proceedings are pending.

DS485: The Russian Federation – Tariff Treatment of Certain Agricultural and Manufacturing Products (complaint by the European Union)

On October 31, 2014, the European Union filed a request to the WTO for consultations with the Russian Federation regarding the tariff treatment that it accords to certain goods in both

¹ <https://www.rbc.ru/rbcfreenews/5a27ccc99a79474b20fce4f8>.

² https://www.wto.org/english/tratop_e/dispu_e/cases_e/ds479_e.htm.

agricultural and manufacturing sectors, which are inconsistent with Russia's obligations as a WTO member.¹ In particular, duty rates of 15 percent or 10 percent on goods such as paper and paperboard, were applied in excess of the 5 percent bound rate. Furthermore, when the customs value was below a certain value, customs duties on certain goods were charged in excess of the bound rate, thus violating the WTO agreement on customs valuation.

At its meeting on March 25, 2015, the DSB established a panel. On August 12, 2016 the Panel report on the trade dispute between the European Union and the Russian Federation regarding Russia's import duties on certain agricultural and manufacturing products was circulated to Members. The Panel rejected the EU charges of the systemic nature of Russia's violations of its WTO commitments regarding import tariff on paper, palm oil and refrigerators, which is an important resolution for the Russian Federation. On November 10, 2016, the Russian Federation and the European Union notified the DSB that they had agreed on a reasonable period of time of 7 months and 15 days to comply with the DSB's recommendation and rulings. The period expired on May 11, 2017. On June 8, 2017, the Russian Federation notified the DSB that it had adopted the respective ECE rulings in order to comply with the DSB's recommendations and rulings.

DS499: The Russian Federation – Measures affecting the importation of railway equipment and parts thereof (complaint by Ukraine)

On October 21, 2015, Ukraine filed a request to the WTO for consultations with Russia over measures affecting the importation of railway equipment and parts thereof (in particular, railway cars and railway points).²

Ukraine claims that the Russian Federation has suspended the conformity assessment certificates previously registered to Ukrainian producers of railway products until new technical regulations are introduced and therefore rejected applications for new conformity assessment certificates. Ukraine's key complaints are that the Russian Federation discriminates goods originating from Ukraine, whereas no discriminatory measures have been imposed on liked products originating from other WTO members and Russia-made products. The foregoing measures have raised unnecessary barriers to the international trade, and no reasoned explanations for the imposed measures were provided by the Russian Federation authorities to Ukrainian exporters and to the Ukrainian authorities. Ukraine claims that the Russian Federation authorities have failed to duly meet some of the conformity assessment procedures. Furthermore, the Russian Federation authorities' conformity assessment requirements have been in excess of the information and payment size requirements. On November 10, 2016, Ukraine requested the establishment of a panel. The Panel proceedings are pending since March 2, 2017. The Panel expects to circulate its report in April 2018.

DS512: The Russian Federation – Measures Concerning Traffic in Transit (complaint by Ukraine)

On September 14, 2016, Ukraine filed a request to the WTO for consultations with the Russian Federation regarding alleged multiple restrictions on traffic in transit from Ukraine through the Russian Federation to third countries (in Central/Eastern Asia and Caucasus).³ In July 2016, the Russian Federation introduced a requirement for Ukraine to ensure that international railway and motor cargo traffic in transit from Ukraine to the Republic of

¹ https://www.wto.org/english/tratop_e/dispu_e/cases_e/ds485_e.htm.

² https://www.wto.org/english/tratop_e/dispu_e/cases_e/ds499_e.htm.

³ https://www.wto.org/english/tratop_e/dispu_e/cases_e/ds512_e.htm.

Kazakhstan and the Republic of Kyrgyzstan through the Russian Federation go strictly from the Republic of Belarus, provided that cargo spaces of motor and railway vehicles, spaces and containers and other places in which goods are or may be contained are equipped with means of identification (stamps), including means of identification that are operated using the technology of Global Navigation Satellite System (GLONASS), as well as drivers of cargo motor vehicles are required to obtain certain registration cards when entering the territory of the Russian Federation. Additionally, a ban was imposed on goods in transit with other than zero tariff rates in conformity with the EEU unified customs tariff, as well as a ban was imposed on sanctioned (by Russia) goods in transit.¹

Ukraine claimed the Russian Federation imposed the measures in response to the Free-Trade Agreement between Ukraine and the European Union (in effect since January 1, 2016), which were inconsistent with the WTO's provisions concerning free transit, because they violated free transit across the territory of the Russian Federation via the easiest routes for international traffic in transit from Ukraine, and also because Russia's treatment of traffic in transit was based on the national flag on vehicles and the origin of goods. The Russian Federation is treating the traffic in transit from Ukraine less favorably than other goods in transit into/from third countries. Ukraine also claimed that the publishing of Russia's respective rules and regulations was deliberately ill-timed so that the Ukrainian government and business community had no opportunity to review them. Ukraine claimed the Russian measures were inconsistent with the WTO provisions concerning the overall abolishment of quantitative restrictions, as well as the Protocol of Russia's Accession to the WTO. According to data from Ukraine, Ukraine's trade with Central/ Eastern Asian and Caucasian countries dropped by 35.1 percent year-on-year in January-June 2016 as a result of Russia's restricting measures affecting goods in transit.

On February 9, 2017, Ukraine requested the establishment of a panel. The Panel was established on March 21, 2017. The dispute is on pending status at the Panel stage since November 17, 2017. The Panel expects to circulate by the end of 2018 the final report to the parties to the dispute.

DS532: The Russian Federation – Measures Concerning the Importation and Transit of Certain Ukrainian Products (complaint by Ukraine)

On October 15, 2017, Ukraine filed a request to the WTO for consultations with the Russian Federation over restrictive measures affecting the trade of juice products, beer, beer-based beverages and other alcoholic beverages, confectionary products, wall paper and similar wall coverings from Ukraine.² In its consultations request, Ukraine asserts that these measures apply separately and in addition to those previously challenged under DS512, Russia – Traffic in Transit. In 2013–2015, the Russian Federation imposed measures restricting the importation of Ukrainian juice products, beer, beer-based beverages and other alcoholic beverages, confectionary products, wall paper and similar wall coverings. Furthermore, the Russian Federation prohibits traffic in transit of certain of those products from Ukraine, through its territory, to third countries. The exportation of the Ukrainian products at issue from Ukraine to the Russian Federation has dropped significantly, with cessation of exports of a few product items. The exportation of Ukrainian beer into the Russian Federation in 2015 tumbled

¹ Russian President's Executive Order No. 319 of July 1, 2016, an update to the Russian President's Executive Order of No. 1 January 1, 2016 On Measures in the Provision of Economic Security and National Interests of the Russian Federation in International Cargo Transit from the Territory of Ukraine to the Territory of the Republic of Kazakhstan via the Territory of the Russian Federation.

² https://www.wto.org/english/tratop_e/dispu_e/cases_e/ds532_e.htm.

99.8 percent from 2012, sugar and confectionary products were down 93 percent, wall paper and liked wall coverings fell 72 percent. Ukrainian beer exports into the Russian Federation plummeted to 1 percent of Russia's total beer exports in 2015 from 73 percent in 2012, and to 0.2 from 33 percent, respectively, of Russia's total beer imports.¹

Ukraine claims that the measures were applied in a non-transparent and unpredictable manner by the Russian Federation, and were not published and duly administered, and are inconsistent with some of the provisions set forth by the GATT 1994, the Trade Facilitation Agreement (TFA), the Agreement on Technical Barriers to Trade, the Sanitary and Phytosanitary Agreement and the Protocol of Russia's Accession to the WTO. This is the first case of trade dispute that includes complaints against inconsistency with the TFA provisions in force since February 22, 2017.

4.9.3. 2017 updates on WTO trade disputes to which Russia is a third party

Since the date of accession to the WTO Russia has reserved its right as a third party in 40 WTO trade disputes, about 30 percent of them have been settled. Russia's third-party participation is commonly driven by not just a substantial trade interest, but mostly by the participation practice in certain types of trade disputes as well as an issue of systemic interest in the application of WTO rules and regulations. Technically different disputes initiated by various complaining parties often have common measures imposed by responding parties. WTO disputes to which the Russian Federation is a third party have the following subject matters in general (see *Table 52*).

Table 52

Russia's third-party participation in WTO trade disputes

Subject matter	Disputes
1. Restrictive (environmental or otherwise) measures on imports	DS400, DS401, DS469, DS484, DS495
2. Safeguard investigations and measures (anti-dumping measures, countervailing measures and special safeguards)	DS414, DS437, DS449, DS454, DS468, DS471, DS473, DS480, DS488, DS490, DS496, DS513, DS516, DS518, DS523
3. Restrictive measures on exports	DS431, DS432, DS433, DS508, DS509
4. Intellectual property rights	DS441, DS458, DS467
5. Subsidies (including tax incentives and other types of allowances)	DS502, DS456, DS472, DS487, DS497, DS489, DS510, DS511, DS522
6. Tariffs and tariff quotas	DS492, DS517
7. Economic and trade sanctions	DS526

Source: Baeva M.A. (2014) WTO Trade disputes to which Russia is a party, and the WTO trade dispute settlement mechanism // Russian Foreign Economic Journal, 3. PP. 75–90.

Table 53 presents updates on WTO disputes with Russia's third-party participation until 2017. The following is summary of nine trade disputes to which the Russian Federation reserved its right as a third party in 2017.

Table 53

Status of WTO trade disputes with Russia's third-party participation until 2017

Dispute	Subject matter at issue/updates in 2017, interest to Russia
DS456: India – Certain Measures Relating to Solar Cells and Solar	The DSB found that the Indian government's decision to restrict the use of foreign-made components to meet the domestic content requirements for solar cells and solar modules was inconsistent with WTO non-discriminatory obligations. December 19, 2017, the United States requested the authorization of the DSB to

¹ UN COMTRADE data base// <http://comtrade.un.org/>.

Dispute	Subject matter at issue/updates in 2017, interest to Russia
Modules (complaint by the United States, February 6, 2013)	suspend concessions or other obligations on the grounds that India had failed to comply with the DSB's recommendations and rulings. This dispute is of importance for Russia from the perspective of having the opportunity to ramp up Russia's exports of the products at issue to India as soon as the restrictions are lifted, given that exports of this type of products to India account for about 5 percent of total Russia's exports of of the like goods. ¹ The highly important issue of developing alternative types of energy in Russia has elevated the interest in using the domestic content of products in manufacturing as well as subsidies that may be deemed inconsistent with the WTO rules and regulations.
DS471: The United States – Certain Methodologies and their Application to Anti-Dumping Proceedings Involving China (complaint by China, December 3, 2013)	When doing anti-dumping investigations, the United States used zeroing under the exceptional weighted average-to-transaction (WA-T) methodology: the average-weighted price of export transactions higher than or equal to the normal value is zeroed; therefore, such transactions are excluded from the determination of a single dumping margin rate, thus increasing it. China claims the foregoing methodology is inconsistent with the Anti-Dumping Agreement, in particular Determination of Dumping, Evidence, Imposition and Collection of Anti-Dumping Duties. The Panel upheld nearly all of the China's complaints. Following the Appellate Body report, in May 2017, the DSB recommended the United States to bring its measures in conformity with the WTO rules and regulations on a date not later than August 22, 2018. Anti-dumping investigations and measures were the subject matter of most of the disputes initiated by the Russian Federation, indicating that participation in such disputes is an issue of systemic interest of the Russian Federation. In April 2017, the United States initiated anti-dumping investigations into hot-rolled rods against companies from Russia. Therefore, the Russian Federation has interest in the methodologies used by the United States when doing anti-dumping investigations.
DS472, DS497: Brazil – Certain Measures Concerning Taxation and Charges (complaint by the European Union, December 19, 2013 and Japan, July 2, 2015)	The complaining parties claimed that Brazil employed specific programs in the automotive sector and the electronics and technology industry, and tax advantages and government support were granted for Brazilian producers and exporters, which was inconsistent with the WTO basic principle (the National Treatment). Domestically manufactured goods enjoyed lower taxes than imported goods, tax advantages were granted when using domestic intermediate goods and subsidies for exporters on a contingency basis. The Panel report was circulated on August 30, 2017. The Panel upheld in general the Brazil's complaints and recognized that the measures were inconsistent with the respective WTO rules and regulations. The Panel found that the discriminatory measures of the program might facilitate the creation of a competitive and sustainable domestic industry that could ensure enough supply to the domestic market. Brazil, however, failed to prove that the imposition of the measures was needed to ensure "continuity of supply" because it failed to consider properly imports. The Panel concluded that the other approaches (such as non-discriminatory subsidies or lifting of trade barriers for imported digital TV equipment) proposed by the complaining parties were in conformity with the WTO rules and regulations and more efficient for the achievement of the stated goals. Brazil and the European Union filed their appeals in the fall of 2017. The Russian Federation has interest in this dispute from the perspective of application of taxation and charging practices, as well as from the settlement perspective of disputes arising therefrom.
DS473: The European Union – Anti-Dumping Measures on Biodiesel from Argentina (complaint by Argentina, December 19, 2013)	Argentina challenged Basic Regulation No. 1225/2009 dated November 30, 2009, anti-dumping investigations and EU measures on biodiesel fuel, particularly the application of "adjustment of costs" methodology. On October 26, 2016, the DSB adopted the Appellate Body report and the Panel report and recommended to bring the foregoing measures into conformity with WTO rules and regulations. Although the application of "adjustment of costs" practice was not held inconsistent with the WTO rules and regulations, the EU anti-dumping investigations and measures affecting biodiesel fuel from Argentina were found inconsistent with the same. At the DSB meeting on October 23, 2017, the European Union notified the DSB that the WTO-inconsistent anti-dumping measures on biodiesel (Regulation (EU) 2017/1578) had been amended to ensured the full implementation of the DSB recommendations and rulings in this dispute. Argentina welcomed the EU status report and reiterated its satisfaction with the adoption of the Implementing Regulation and further indicated that it was closely monitoring the appeal brought to the European Court of Justice by the EU Commission against the decision of the EU General Court annulling the imposition of a definitive anti-dumping duty on imports of biodiesel from Argentina. In addition, Argentina reiterated its serious concern about the European Biodiesel Board's announcement of its intention to submit a petition to the EU Commission to initiate a subsidy investigation against Argentinean biodiesel imports. Russia noted that the amendments to the EU Regulations were made at the time (in 2002) when the Russian Federation was granted the full market economy status. In particular, the amendments authorized the European Union to adjust costs recognized in documents provided by producers/exporters on the basis of "information on other representative markets." The Russian Federation claims this practice is inconsistent with the WTO rules and regulations. Under the Anti-Dumping Agreement, data must reflect costs relating to the manufacture and sales of goods under investigation. The Russian Federation posits that the meaning of the term "damping" has nothing to do with prices of manufacturing assets.

¹ UN COMTRADE data base // <http://comtrade.un.org/>.

Dispute	Subject matter at issue/updates in 2017, interest to Russia
<p>DS484: Indonesia – Measures Concerning the Importation of Chicken Meat and Chicken Products (complaint by Brazil, October 16, 2014)</p>	<p>Brazil challenged restrictive measures and procedures affecting the importation of Brazilian chicken meat and chicken products into the Indonesian market; in particular, the non-recognition of the Brazilian sanitary certificate, the imposition of non-automatic import licensing regime, the need for pre-approval of the importation of goods at issue by the Indonesian Ministry of Agriculture, restrictions on transit, etc. On November 17, 2017, the DSB adopted the Panel report and recommended Indonesia to bring the measures in conformity with the WTO rules and regulations. The Panel found that the Indonesia’s measures were inconsistent with the provisions of WTO agreements, but some of the respondent’s complaints were rejected (transit restrictions). In December 2017, that it required a reasonable period of time to comply with the DSB’s recommendations and rulings.</p> <p>The Russian Federation does not export chicken meet and chicken products to Indonesia because of the above Indonesian restricting measures on imports. However, respective export contracts might be signed if the above measures are removed. Russia’s participation in the dispute is explained by its interest in the application of Sanitary and Phytosanitary Measures and technical barriers to trade in conformity with the WTO rules and regulations, as well as the practice of resolving such disputes.</p>
<p>DS487: The United States – Conditional Tax Incentives for Large Civil Aircraft (complaint by the European Union) (December 19, 2014)</p>	<p>In November 2013, the United States broadened largely the scope of aerospace conditional tax incentives as extra subsidies aimed at promoting the Boeing manufacture of new models of large 777X civil aircraft in relation to the development, manufacture, and sale of large civil aircraft in the State of Washington. The European Union alleges that the measures constitute specific subsidies that are prohibited by the WTO. In its report the Appellate Body rejected the EU appeal. The Appellate Body resolved with the regard to the US appeal that the Panel had failed to prove that the tax rate at issue constituted a subsidy that was deemed inconsistent with the WTO rules and regulations. On September 22, 2017, the DSB adopted the Appellate Body report and the Panel report and resolved that no further actions were required on the side of the responding party.</p> <p>The Russian Federation has interest in the settlement of the above trade dispute from the perspective of domestic content of products in manufacturing, as well as tax incentives that may lead to specific subsidies that can be deemed inconsistent with the WTO rules and regulations, particularly in the airspace industry.</p>
<p>DS488: The United States – Anti-Dumping Measures on Certain Oil Country Tubular Goods from Korea (complaint by Korea, December 22, 2014)</p>	<p>Korea claimed that the U.S. anti-dumping investigations and measures affecting oil country tubular goods (OCTG) were inconsistent with the WTO rules and regulations. The United States used the constructed normal value for the determination of normal value, without properly considering actual data of the Korean respondents and actual third-country market sales. The Panel circulated its report in November 2017, rejecting 7 out of the 8 Korean complaints, upholding that the United States had failed to construct correctly the CV profit, without properly considering the data of the Korean respondents. The Panel rejected requests relating to the consistency with the WTO rules and regulations and the U.S. laws and regulations concerning the determination of normal value and export value, proceedings, public notice.</p> <p>The dispute concerns the application of methodologies for anti-dumping investigations, which is an issue of systemic importance of the Russian Federation. U.S. exports of goods at issue account for 35 percent of total Russian exports of the like goods and for 4 percent of total U.S. imports.¹</p>
<p>DS490, DS496: Indonesia – Safeguard on Certain Iron or Steel Products (Chinese Taipei, February 12, 2015 and Viet Nam, June 1, 2015)</p>	<p>The complaining parties claimed that investigation and special safeguard measures imposed on imports of certain flat-rolled iron or steel products were inconsistent with the WTO requirements. Using outdated data on imports Indonesia failed to provide evidence of substantial growth in imports and that it had caused a serious injury (or posed a threat of serious injury) to the domestic industry. No evidence was presented of how factors that were not related to imports could have caused the damage. No opportunity for consultations was provided. The measures are inconsistent with the general MFN-treatment because they were imposed on imports from selected countries – Indonesia excluded imports originating in 120 developing countries, including the Russian Federation, from the application of the specific duty. The Panel report was circulated on August 18, 2017, founding that the measures did not constitute special safeguard measures. The Panel recommended to bring the measures in conformity with the MFN-treatment. Appeals were filed in the fall of 2017.</p> <p>The Russian Federation is interested in how disputes over the application of safeguard measures and respective investigations are settled in practice. Russia’s interest in the participation in the above dispute is indirectly related to the effect of Indonesia’s anti-dumping measures in force since December 27, 2013 to December 26, 2018 on imports of Russian flat-rolled iron or steel products (some companies are subject to 20 percent tax duties).²</p>
<p>DS492: The European Union – Measures Affecting Tariff Concessions on Certain Poultry Meat Products (complaint by China, April 8, 2015)</p>	<p>The European Union renegotiated tariff concessions for poultry meat products imported from Thailand and Brazil that were determined as the only WTO Members that held a “principal” or “substantial” supplying interest in the tariff concessions at issue, whereas China was denied negotiations although it held a principal or substantial supplying interest, too. Tariff-rate quotas (TRQ) were applied almost in full to Brazil and/or Thailand, and out-of-quota rates are far above the rates that were prior to the modifications of concessions. The Panel report was circulated in March 2017. With respect to two of the ten TRQs at issue in this dispute, the Panel found that the European Union’s allocation of TRQ shares among supplying countries was inconsistent with the requirements. Furthermore, the Panel found that the European Union’s allocation of TRQ shares among</p>

¹ UN COMTRADE data base// <http://comtrade.un.org/>.

² A review of existing restrictions on Russian goods in foreign markets // http://www.ved.gov.ru/rus_export/partners_search/torg_exp/.

Dispute	Subject matter at issue/updates in 2017, interest to Russia
	<p>supplying countries was inconsistent with the requirements of GATT 1994 and upheld China's claim that its increased ability to export poultry products to the European Union following the relaxation of the SPS measures in July 2008 was a "special factor" that had to be taken into account by the European Union when determining which countries had a "substantial interest" in supplying the products concerned, or when determining the TRQ shares to be allocated to the category of "all other" countries that were not recognized as substantial suppliers (including China). The Panel rejected China's other claims in this dispute. The DSB recommended the European Union to bring its measures in conformity with the WTO requirements, the parties to the dispute sought to reach an agreement on a reasonable period of time.</p> <p>The dispute is of interest from the perspective of updates to bound tariffs lists, understanding of negotiation procedures, etc. Furthermore, the European Union has quotas, albeit on insufficient volumes, for the Russian Federation (about 30,000 tons of poultry meat or poultry meat products).¹</p>

Source: own compilation based on data posted on the WTO official website: https://www.wto.org/english/tratop_e/dispu_e/dispu_by_country_e.htm.

DS510: The United States – Certain Measures Relating to the Renewable Energy Sector (complaint by India)

On September 9, 2016, India filed a request to the WTO for consultations with the United States in respect to U.S. measures relating to domestic content requirements and subsidies instituted by the governments of some of the US states² through programs that provide performance-based incentives for using domestic content for customers of light and power business for generating electricity through solar, wind and anaerobic digestion technologies, in particular programs on renewable energy cost recovery incentive payment, self-generation, water and power's solar incentives, as well as tax incentives for ethanol production and tax credits for biodiesel blending and storage, etc. India claims that the above measures are incompliant with the US obligations under the National Treatment on Internal Taxation and Regulation, subsidies and quantitative restrictions. On January 17, 2017, India requested the establishment of a panel. The Panel was established on March 21, 2017. However, the dispute was still at the Panel composition stage at the end of 2017 although the recommended dates were up.

The Russian Federation reserved its third-party right in 2017. On the one hand, this trade dispute, as well as the like trade dispute between the United States and India (DS456),³ to which Russia is a third party, is of importance to Russia from the perspective of increasing exports of like goods to the above countries. Russian exports of like goods to India as a percentage of total Russian exports of the like goods dropped to approximately 5 percent in 2016 from 8 percent in 2013.⁴ On the other hand, the development of alternative sources is significant enough so that the Russian Federation pay due consideration to the use of domestic content in production as well as subsidies that may be regarded inconsistent with the WTO rules and regulations.

DS511: China – Domestic Support for Agricultural Producers (complaint by the United States)

On September 13, 2016, the United States filed a request to the WTO for consultations with China regarding certain measures through which China appears to provide domestic support in favor of agricultural producers, in particular, to those producing wheat, India rice, Japonica rice and corn.⁵ The United States challenges China's statutory and regulatory enactments of 2011–

¹ Ibid.

² https://www.wto.org/english/tratop_e/dispu_e/cases_e/ds510_e.htm.

³ https://www.wto.org/english/tratop_e/dispu_e/cases_e/ds456_e.htm.

⁴ UN COMTRADE data base// <http://comtrade.un.org/>.

⁵ https://www.wto.org/english/tratop_e/dispu_e/cases_e/ds511_e.htm.

2016 aimed at accelerating the promotion of agricultural science and technology innovation and continuing to strengthen the capacity to guarantee agricultural product supplies, accelerating the development of modern agriculture and further increasing rural development dynamism, further deepening reform of the grain distribution system, raising the wheat and rice minimum purchase price, national temporary reserve purchases of corn, etc.

The United States claims that China's measures are inconsistent with its WTO obligations because the level of internal support to Chinese agricultural producers is in excess of its commitment level at China's accession to the WTO. In particular, internal support to Chinese agricultural producers, as measured by the current aggregate measurement of support τ (AMS), is in excess of its commitment level in 2012–2015 due to internal support to producers of wheat, rice, corn, etc. Annually, China provides domestic support in excess of its product-specific de minimis level of 8.5 percent for each of wheat, Indica rice, Japonica rice, and corn.

The Panel proceedings have been underway since June 27, 2017. The Russian Federation reserved its third-party rights in 2017. The Russian Federation has significant interest in the dispute because during the implementation of the challenged China's statutory and regulatory enactments Russian exports of the products at issue to China as a percentage of total Russian exports of the like products fell to 0.2 percent in 2016 from 7 percent in 2012 as Russian rice exports were down to 0.7 percent from 16 percent.¹

DS513: Morocco – Anti-Dumping Measures on Certain Hot-Rolled Steel from Turkey (complaint by Turkey)

On October 3, 2016 Turkey filed a request to the WTO for consultations with Morocco regarding the imposition of definitive anti-dumping measures, and certain aspects of the underlying investigation, by Morocco on imports of certain hot-rolled steel from Turkey². Turkey considers that the Moroccan “preliminary import declaration” requirements for goods that are subject to anti-dumping duties appear disputable. Turkey considers that the imposition of provisional anti-dumping measures appears to be an additional impermissible “specific action against dumping” that is inconsistent with the WTO rules and regulations.

The complaining party considers that the anti-dumping investigations and measures by themselves cannot be reconciled with the GATT 1994, and the Anti-Dumping Agreement, in particular because the Moroccan authorities failed to conclude the investigation within the maximum 18-month deadline. The Moroccan authorities rejected all the data on sales, costs and other data from Turkish exporters, and instead applied “facts available” to determine the dumping margins. For a reason inconsistent with the WTO standards, the Moroccan authorities determined incorrectly Turkish exporters' failure to disclose the required data or otherwise denied access to the required data. Not all the essential facts were disclosed with respect to the decision to use available data as well as decisions on whether the data from the exporters were reliable or not and why secondary source data were used. Furthermore, the Moroccan authorities failed to make analysis of injury to the domestic industry, in particular they failed to provide a reasoned and adequate explanation of their finding of injury and causation of the factors in their entirety.

The Panel proceedings are pending since May 17, 2017. The Panel expects to circulate its report not sooner than in the middle of 2018. The Russian Federation has a substantial trade interest in the dispute because in 2016 Russian iron exports to Morocco accounted for 6 percent

¹ UN COMTRADE data base// <http://comtrade.un.org/>.

² https://www.wto.org/english/tratop_e/dispu_e/cases_e/ds513_e.htm.

of total Russian exports of the like products, 1 percent of total Moroccan imports of the like products.¹ The Russian Federation has a systemic and practical interest in anti-dumping disputes.

DS516: The European Union – Measures Relating to Price Comparison Methodologies (complaint by China)

On December 12, 2016, China filed a request to the WTO for consultations with the European Union concerning certain provisions of the EU regulation pertaining to the determination of normal value for “non-market economy” countries in anti-dumping proceedings involving products from China.² When determining normal value, the European Commission will be able to reject data on internal prices and costs in an exporting country if the country has “significant distortions for the goods in question”, in which case data on prices and costs (including raw materials) from producers and exporters are not resulting from the play of competitive market forces due to the effect of government participation. The list of such cases remains open. China was treated as “a non-market economy country” within the 15-year transition period following the China’s accession to the WTO. Although the period ended on December 11, 2016, the European Union continues to determine normal value using a special methodology. Therefore, China considers that the European Union acts inconsistently with the WTO rules and regulations. The Panel is on pending status since 10 July 2017. The Panel expects to circulate its report not sooner than the second half of 2018.

The Russian Federation filed complaints to the WTO against the European Union over the use of the cost-adjustment methodology during anti-dumping investigations (DS474 and DS494). China and the European Union are Russia’s essential trade partners. In 2016, Russian exports to the European Union accounted for 46 percent of total Russia’s exports as imports from the European Union represented 38 percent of total Russia’s imports, with 10 and 21 percent, respectively, in exports and imports with China.³

DS517: China – Tariff Rate Quotas for Certain Agricultural Products (complaint by the United States)

On December 15, 2016 the United States filed a request to the WTO for consultations with China concerning China's administration of its tariff rate quotas, including those for wheat, short- and medium- grain rice, long grain rice, and corn.⁴ The United States claimed that China had failed to meet its obligations under the Protocol of China’s accession to the WTO because tariff rate quotas for wheat, rice and corn are non-transparent and unpredictable. Furthermore, the United States claimed that China acted inconsistently with provisions of the GATT 1994 because of bans or restrictive measures affecting imports outside duties, taxes and other charges, failed to notify publicly of quantities allowed for imports of each tariff rate quota, and of their updates. On August 18, 2017 the United States filed a request to the WTO for the establishment of a panel. The Panel was established on August 31, 2017.

The Russian Federation has significant interest in the dispute because in 2016 Russia’s exports of like products to China fell to 0.2 percent of Russia’s total exports of like products from 7 percent in 2012 as rise exports dropped to 0.7 percent from 16 percent, respectively.⁵

¹ UN COMTRADE data base// <http://comtrade.un.org/>.

² https://www.wto.org/english/tratop_e/dispu_e/cases_e/ds516_e.htm.

³ UN COMTRADE data base// <http://comtrade.un.org/>.

⁴ https://www.wto.org/english/tratop_e/dispu_e/cases_e/ds517_e.htm.

⁵ UN COMTRADE data base// <http://comtrade.un.org/>.

DS518: India – Certain Measures on Imports of Iron and Steel Products (complaint by Japan)

On December 20, 2016, Japan filed a request to the WTO for consultations with India concerning certain measures imposed by India on imports of iron and steel products into India. Japan challenged temporal special safeguard measures imposed by India on imports of “hot-rolled flat products of alloy or non-alloy steel in coils of a width of 600 mm and beyond”. On September 14, 2015, a safeguard measure in the form of a 20 percent safeguard duty came into force for a period of 200 days. Final special safeguard measures in the form of ad valorem duty minus anti-dumping duties, if any, progressively being brought down from 20 to 10 percent up until March 13, 2018 were imposed on March 29, 2016. The duties were imposed on products with minimum import prices.

Japan claims that India was acting inconsistently with some of the provisions set forth by the GATT 1994 and the Agreement on Safeguards. In particular, India failed to make reasoned and adequate findings and inferences in its determination with respect to the alleged unforeseen developments, and how those alleged unforeseen developments resulted in increased imports of the products concerned causing or threatening serious injury to domestic producers. India failed to make reasoned and adequate findings and inferences in its determination as to the causal link between the alleged increase in imports and the alleged serious injury and/or threat of serious injury to the domestic industry, and how that effect has resulted in increased imports. India failed to provide reasonable public notice to all interested parties and appropriate means in which interested parties could present evidence and their views, including the opportunity to respond to the presentations of other parties and to submit their views. India failed to notify the Committee on Safeguards upon starting investigation concerned causing or threatening serious injury and the reasons for the investigation. India failed to provide adequate opportunity for prior consultations with Members having a substantial export interest of the products concerned. The Panel proceedings are pending since June 22, 2017.

The Russian Federation has significant interest in the findings of investigations. Russia’s exports of all the like products to India contracted 44 percent in 2016 from 2015 and one produce ceased to be exported following India’s imposition of the above measures.¹

DS522: Canada – Measures Concerning Trade in Commercial Aircraft (complaint by Brazil)

On February 8, 2017, Brazil filed a request to the WTO for consultations with Canada with respect to measures concerning trade in commercial aircraft.² That was Brazil’s fourth dispute against Canada in respect to Brazilian measures against Canada concerning government support of the aircraft industry. Brazil challenges alleged government subsidies to Bombardier, in particular though the C-Series Aircraft Program. Brazil considers that the government of Quebec, holding a 49 percent interest in Bombardier, invested C\$1.3 billion in the Canadian manufacturer of planes, knowingly violating the market competition.³ Furthermore, Brazil considers that the measures appear to be prohibited subsidies and inconsistent with the Agreement on Subsidies and Countervailing Measures. The panel composition is on pending status since September 29, 2017.

¹ UN COMTRADE data base// <http://comtrade.un.org/>.

² https://www.wto.org/english/tratop_e/dispu_e/cases_e/ds522_e.htm.

³ <https://aeronautica.online/2016/12/23/brazil-vs-canada-in-wto/>.

In 2015, the Russian Federation already reserved its third-party rights in a like dispute launched by the European Union against the United States with regard to aircraft industry subsidies (DS487, Airbus and Boeing). The industry, the application of measures of support to the industry, the practice of challenging measures that appear to be inconsistent with the WTO rules and regulations, as well as systemic issues of such disputes are critical to the Russian Federation.

DS523: The United States – Countervailing Measures on Certain Pipe and Tube Products (complaint by Turkey)

On March 8, 2017, Turkey filed a request to the WTO for consultations with the United States with respect to countervailing measures imposed by the United States on certain types of pipe and tube products from Turkey.¹ Turkey complains that the United States acted inconsistently with the United States’ obligations under the Agreement on Subsidies and Countervailing Measures and the GATT 1994, particularly the United States’ determination that certain entities are “public bodies”, providing an alleged financial impact that conferred a benefit (within the meaning of Article 1 (*Definition of a Subsidy*) of the Agreement on Subsidies and Countervailing Measures); the United States’ determination whether a subsidy is specific to an enterprise or industry or group of enterprises or industries within the meaning of Article 2 (*Specificity*) of the Agreement on Subsidies and Countervailing Measures, because of the United States’ failure to substantiate its determination of specificity on the basis of positive evidence; the United States’ use of facts available, and application of adverse inferences, in calculating subsidy rates; the United States’ determination of injury based on cumulated imports, including imports from countries not subject to countervailing duty investigations or reviews (Article 15.3 (*Determination of Injury*) of the Agreement on Subsidies and Countervailing Measures).

The Panel proceedings are pending since September 14, 2017. Apart from having interest in practicing countervailing investigations and respective measures, as well as challenging measures that appear to be inconsistent with the WTO rules and regulations, the Russian Federation has significant practical interest in findings of the dispute. In 2016, Russia’s export of like products to the United States dropped nearly 60 percent year-on-year, and Russia’s exports to the United States fell 6 percent of total Russia’s exports in 2016 from 14 percent in 2015.²

DS526: The United Arab Emirates – Measures Relating to Trade in Goods and Services, and Trade-Related Aspects of Intellectual Property Rights (complaint by Qatar)

On July 31, 2017, Qatar filed a request to the WTO for consultations with the United Arab Emirates (DS526)³, Bahrain (DS527)⁴ and Saudi Arabia (DS528)⁵ over measures relating to trade in goods and services as well as trade-related aspects of intellectual property rights. In June 2017, the foregoing countries and then a few other Arab nations announced they were cutting off all diplomatic relations with Qatar over Qatar’s alleged involvement in activities aimed at destabilizing the region. In addition, they imposed economic and trade sanctions against Qatar, including a transit blockade to/from Qatar. The states put forward claims and

¹ https://www.wto.org/english/tratop_e/dispu_e/cases_e/ds523_e.htm.

² UN COMTRADE data base// <http://comtrade.un.org/>.

³ https://www.wto.org/english/tratop_e/dispu_e/cases_e/ds526_e.htm.

⁴ https://www.wto.org/english/tratop_e/dispu_e/cases_e/ds527_e.htm.

⁵ https://www.wto.org/english/tratop_e/dispu_e/cases_e/ds528_e.htm.

demands on Qatar. Qatar appealed to the WTO over the measures imposed against Qatar in the context of attempts at economic isolation by the United Arab Emirates, Bahrain and Saudi Arabia (hereafter we consider only the dispute between Qatar and the United Arab Emirates, to which the Russian Federation reserved its rights as a third party).

The UAE appears to institute or maintain prohibitions or restrictions, other than duties, taxes or other charges, on the importation of products of the territory of Qatar, and on exportation of products to the territory of Qatar. The UAE bans Qatari nationals from travelling to and remaining in the UAE in order to provide services, as well as bans on the provision of services by Qatari service suppliers established in the UAE. They include bans on the supply of (digital and other) services from Qatar to consumers of the UAE as well as prohibitions on nationals of the UAE to travel to and remain in Qatar in order to consume Qatari services. Furthermore, the UAE appears to deny freedom of transit through the territory of the UAE, via the routes most convenient for international transit, for traffic in transit to or from the territory of Qatar, which prevents Qatari service suppliers from supplying services. Attempts at economic isolation entail interference with intellectual property rights enjoyed by nationals of Qatar. Specifically, these measures include prohibitions or restrictions on displaying and accessing television content over which Qatari nationals hold copyrights and related broadcasting rights. Qatar considers the above measures are inconsistent with the GATT 1994, the GATS and the TRIPs.

As of the end of 2017, the dispute was at the panel composition stage. Many WTO members, including the Russian Federation, reserved their third-party rights in the dispute between Qatar and the UAE dispute. The Russian Federation has interest in this dispute from the perspective of further mastering the complaint procedure in retaliation of economic and trade sanctions because like disputes are normally not disputed by the DSB, which is a hot issue to the Russian Federation because it is already under sanctions. The Russian Federation also filed a complaint against Ukraine over restrictions, bans, requirements and procedures relating to trade in goods and services and transit (DS525). Furthermore, the complaining parties also demanded closure of Al Jazeera, which is somewhat similar to the restrictions against RT America, a Russian television station which broadcasts on cable in the United States, because both of them provide an alternative content.

* * *

The Russian Federation continues to participate actively in the WTO trade disputes settlement system. In 2017, the Russian Federation was faced with 12 new trade disputes in the WTO: as the complaining party to two disputes, as the responding party to one dispute and as a third party to nine disputes. Only two out of the six disputes initiated by the Russian Federation in the period between 2012 and 2017 were pending as of the end of 2017. Reports on the disputes against the European Union over the European Union's Third Energy Package (DS476) and against Ukraine over anti-dumping measures on ammonium nitrate (DS493) are expected not sooner than late in 2017 and not sooner than in Q1 2018, respectively.

The Russian Federation has brought its measures in conformity with the WTO rules and regulations as a result of two out of the eight disputes to which the Russian Federation is the responding party (DS475 and DS485). The European Union, however, requested for retaliatory measures against one of the above disputes. One dispute against the Russian Federation over anti-dumping duties on light commercial vehicles from Germany and Italy is at Appellate Body stage (DS479). Two disputes initiated by Ukraine are at the Panel stage (DS499 and DS512). Panel reports are expected in April 2018 and late in 2018, respectively.

Most of the WTO disputes to which the Russian Federation is the complaining or responding party are disputes with the European Union and Ukraine. From the complainant's perspective, the Russian Federation has interest mostly in anti-dumping investigations and anti-dumping measures, particularly in steel and chemical industries. Most of the complaints against the Russian Federation concerned technical trade barriers, sanitary and phytosanitary measures, anti-dumping measures, investment measures that affect trade, tariffs, restrictions on traffic in transit.

The Russian Federation tends to reserve its third-party rights in disputes over measures relating to steel products, agricultural produce, automotive and aircraft products, as well as renewable energy sources. A special emphasis is placed on disputes over anti-dumping investigations that lead to anti-dumping measures. The Russian Federation reserves its third-party rights in disputes not only because it has significant trade interest but also the practice of participation in disputes as well as systemic interest in application of WTO rules and regulations. A good illustration is the Russian participation as a third party to the dispute between Qatar and the UAE over measures relating to trade in goods and services as well as trade-related aspects of intellectual property rights (DS526). The Russian Federation has interest in this dispute from the perspective of further mastering the complaint procedure in retaliation of economic and trade sanctions because like disputes are normally not disputed by the DSB, which is a hot issue to the Russian Federation because it is already under sanctions, and because the country filed a complaint against Ukraine over restrictions, bans, requirements and procedures relating to trade in goods and services and transit (DS525).

It's extremely important that the Russian Federation adhere to the right stance and tactics of participation in WTO disputes with a view to developing mutual trade with member-countries pursuant to the WTO rules and regulations while upholding its interests. The Russian Federation should exploit opportunities offered by the WTO trade disputes settlement system should. In addition, the country's reputation as a credible and responsible trade partner and WTO member