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SESSION 1:

TRENDS IN INFRASTRUCTURE SERVICES SECTORS

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Trade Policy Implications of Developments in Infrastructure & Energy Sectors

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Key Energy Sector Infrastructure Trends Impacting Trade Policy

1. Environmental Concerns
2. Renewable Resources
3. Local Content Requirements
4. National Security Considerations for Imports
5. National Concerns Over Exporting Energy (e.g. shale gas in U.S./Bolivia/Argentina to Chile)
6. Absence of Consistent Regulatory Systems

Environmental Concerns

- Cross Border Emissions
- Disparity of Environmental and Safety Requirements
 - Impact on Costs and Competitiveness
- Geographic Disparity Between Social Costs and Economic Benefits

Renewable Resources

- Changing Focus on Impact of Renewables
 - Driven by German Experience and Chinese Market Position
 - Less Focus on Emissions by Technology
 - More Focus on Full Cycle from Manufacturer to Impact on Dispatch and Thermal Generation
 - Resources Used to Manufacture Solar Panels and Wind Turbines
 - Dispatch and Impact of Intermittent Resources on Dispatch and New Investment

Local Content Requirements

- Energy Commodity Export Countries Require Local Content for Equipment
 - Slow Resource Exploitation vs. Economic Diversification
 - Impact on Cost Competitiveness
 - Protectionist Effects

National Security Considerations for Imports

- Geo-Political Considerations (e.g. Eastern Europe Gas)
- Priority of Use (e.g. Water in Northwest Africa and Middle East)
- Water in Mideast and Northwest Africa
- Economic Dependence/Domination Concerns (e.g. Electricity in Southern Africa)
- Reliability Concerns (e.g. Bolivian and Argentine Gas, Curtailment Priorities in Export Countries)
- Price Stability/Volatility (e.g. Itaipu, Commodity Prices)

National Concerns Over Exporting Energy and Water

- Impact on Domestic Prices (e.g. Shale Gas in U.S.)
- Impact on Domestic Supply (e.g. Electricity in South Africa)
- Geo-Political Considerations (e.g. Bolivia and Chile, Russia and Ukraine, Israel and Egypt/Jordan)
- Pros and Cons of Being Energy Farm (e.g. Ethiopia, Paraguay, Peru)

Absence of Consistent Regulatory Systems

- Consistent and Enforceable Market Rules
- Consistent/Compatible/Common Regulatory Regime(s)
- Binding, Expeditious Means of Dispute Resolution
- Role of National Champions