

OECD Work on Trade

Trade and Agriculture Directorate



Paris 2008

What is OECD?



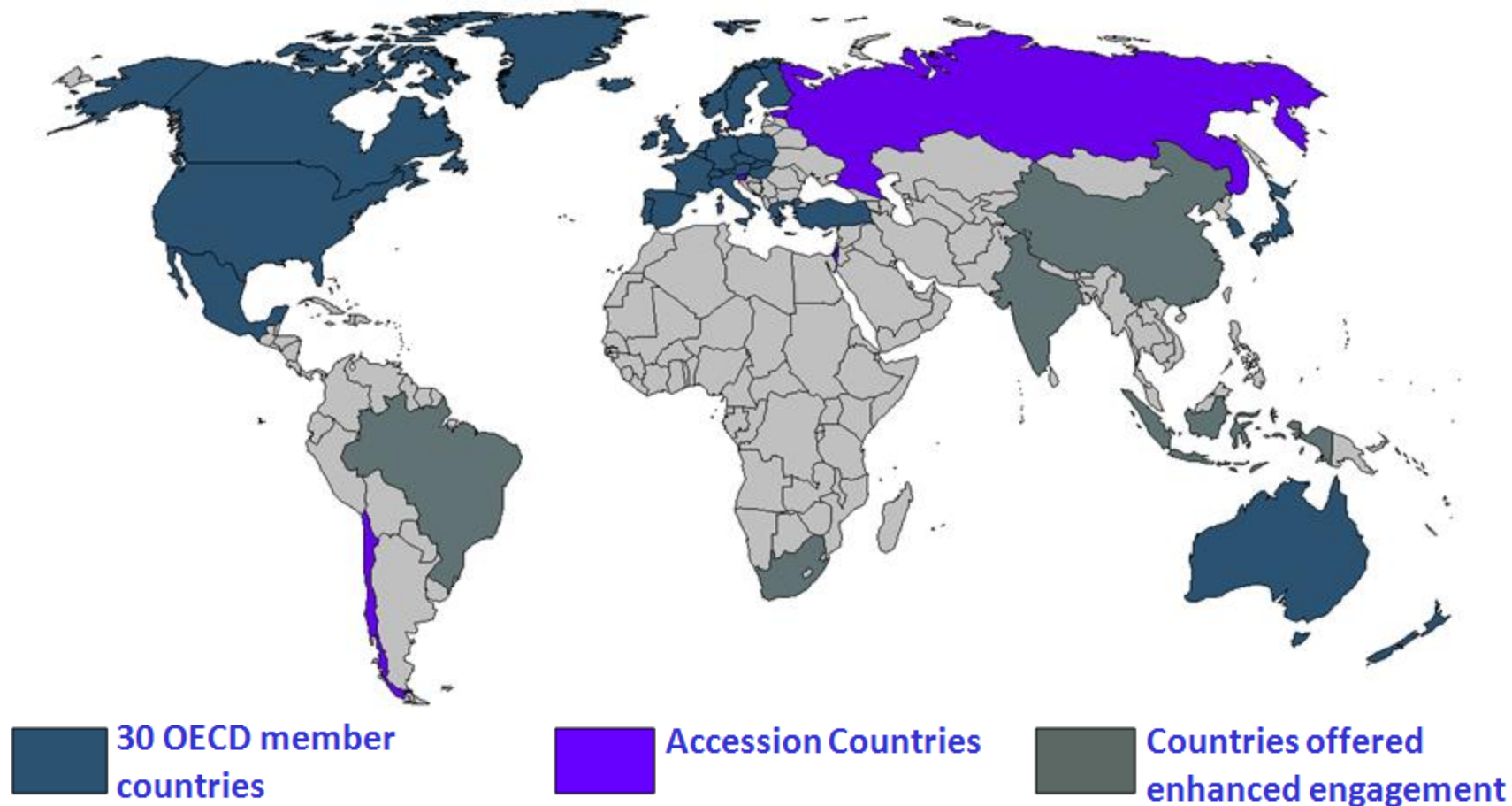
The Organisation for Economic Cooperation and Development is an inter-governmental organisation financed by its member countries, based in Paris

From 20 countries which ratified the OECD Convention in 1960, today's organisation has grown to a membership of 30 countries, and is still growing ...

Mission: to foster economic growth, sustainable development and prosperity – *acting as a hub for globalisation*



OECD – Global Partners



Membership expands through time to embrace countries committed to democracy and to the market economy. OECD is currently in accession talks with five countries and in enhanced engagement with five others

OECD - A Tool For Governments



A forum where governments work together to:

- support sustainable economic growth

- raise living standards and increase employment

- assist developing economies to grow

- contribute to growth in world trade

Aiming to maximise the benefits and to address the concerns of globalisation

OECD Main Areas of Endeavour



Economy



Finance



Governance



Innovation



Society



Sustainability





Central to OECD's work on Economy is Trade Policy, for which the Trade Committee has responsibility:

- **bringing Governments together with regular meetings (Committee celebrates its 150th session in 2008)**
- **providing the analytical framework for multilateral trade liberalisation (since OECD's beginning)**
- **reviewing the work mandated to the Secretariat (OECD Staff, based in Paris)**

How OECD makes a difference



Providing economic and policy advice to support government efforts to improve the domestic and international performance of their trade policies, particularly in response to globalisation, and through:

**Trade Policy
Analysis**

**Trade Policy
Dialogue**

**Guidelines
& Best
Practices**

Trade Policy Analysis



- **Contributing objective information and analysis to advance the on-going and future agenda of the World Trade Organisation (WTO)**
- **Supporting, as appropriate, multilateral trade negotiations**
- **Increasing understanding of evolving trade policy issues and building support for liberalised trade within a multilateral rules-based trading system**
- **Promoting coherence between trade policy and other domestic and international policies**



Trade Policy Dialogue and Cooperation

Within OECD and beyond ...

- Encouraging frank and open dialogue among OECD member countries
- Inviting new countries to join (Chile, Estonia, Israel, Russia and Slovenia)
- Enhancing engagement with emerging economies (Brazil, China, India, Indonesia, South Africa)
- Reaching out to S/E Asia and other developing countries

Guidelines and Best Practices



- **Developing common frameworks with internal and external partners to assess policy impact on trade**
- **Promoting best practices in policy making that bring together the extensive knowledge and experience of the ever-expanding OECD community**
- **Developing guidelines to set the scope for a ‘level playing field’ that encourages inclusive participation and avoids trade distortion**

Core Themes of Work on Trade



Trade Liberalisation

Trade in Services

Trade and Domestic Policies

Export Credits





Trade liberalisation is a powerful stimulus to economic growth and a key factor in integrating countries into the world economy

Trade Committee work includes:

- Analysing the benefits, the effects and the possible costs of Globalisation
- Evaluating the *Doha Development Agenda Agreement (DDA)*
- Strengthening trade policy dialogue with developing countries, focusing on integration into the multilateral trading system



Services have become the single largest sector in many economies. An efficient services sector is therefore crucial for the success of the overall economy.

Trade Committee work includes:

- **Developing the *Services Trade Restrictiveness Index (STRI)* to provide policy makers with a tool for assessing the impact of regulatory and trade reforms in services**
- **Improving data and knowledge on trade flows and on trade relevant regulatory reform**
- **Analysing the interaction between trade technology and regulation**



Guiding policy makers to identify and implement appropriate policies to achieve domestic objectives without creating unnecessary obstacles to international trade

Trade Committee work includes:

- **Quantifying and understanding the price impacts of non-tariff measures (NTMs) on international trade flows**
- **Assessing the economic and trade impact of specific trade facilitation instruments**
- **Examining how trade rules can support climate-change objectives**



The Arrangement on Official Export Credits lays down the international rules for the provision of export credits, thereby setting the scope for a 'level playing field' with minimum trade distortion

Trade Committee work:

- Implementing and developing, with the *Participants to the Arrangement on Officially Supported Export Credits*, the *Rules of the Arrangement* through analytical reports, monitoring and evaluation and external collaboration
- Ensuring efficiency and relevance of *the Rules* in light of policy objectives and evolving market practices
- Monitoring and improving the effectiveness of instruments of the *Export Credits Group*

Main Policy Advice



**Trade
protection is
too costly**

- **Stifles innovation and growth**
- **Raises prices, unemployment**
- **Creates greater inequality**



Main Policy Advice



A Multilateral trading system ensures

- Global economic stability
- Technology to developing countries
- Rules-based trading



Main Policy Advice



**Trade is crucial
to successful
economies**

- Fuels domestic growth
- Opens doors to global markets
- Improves access to goods & services



Communication



- Discussion of reports by government representatives
- Consensus building through dialogue
- Worldwide distribution of results and analysis
- Dissemination on the World Wide Web
- Proactive engagement with the media



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