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Setting Trade Policy Priorities

Bob Fisher
Managing Director
Hills & Company

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Trade Policy Objective

- Ultimate Goal
 - Trade to promote growth & development
- Immediate Task
 - Stimulate open, competitive markets domestically and internationally
 - Contribute to productivity gains

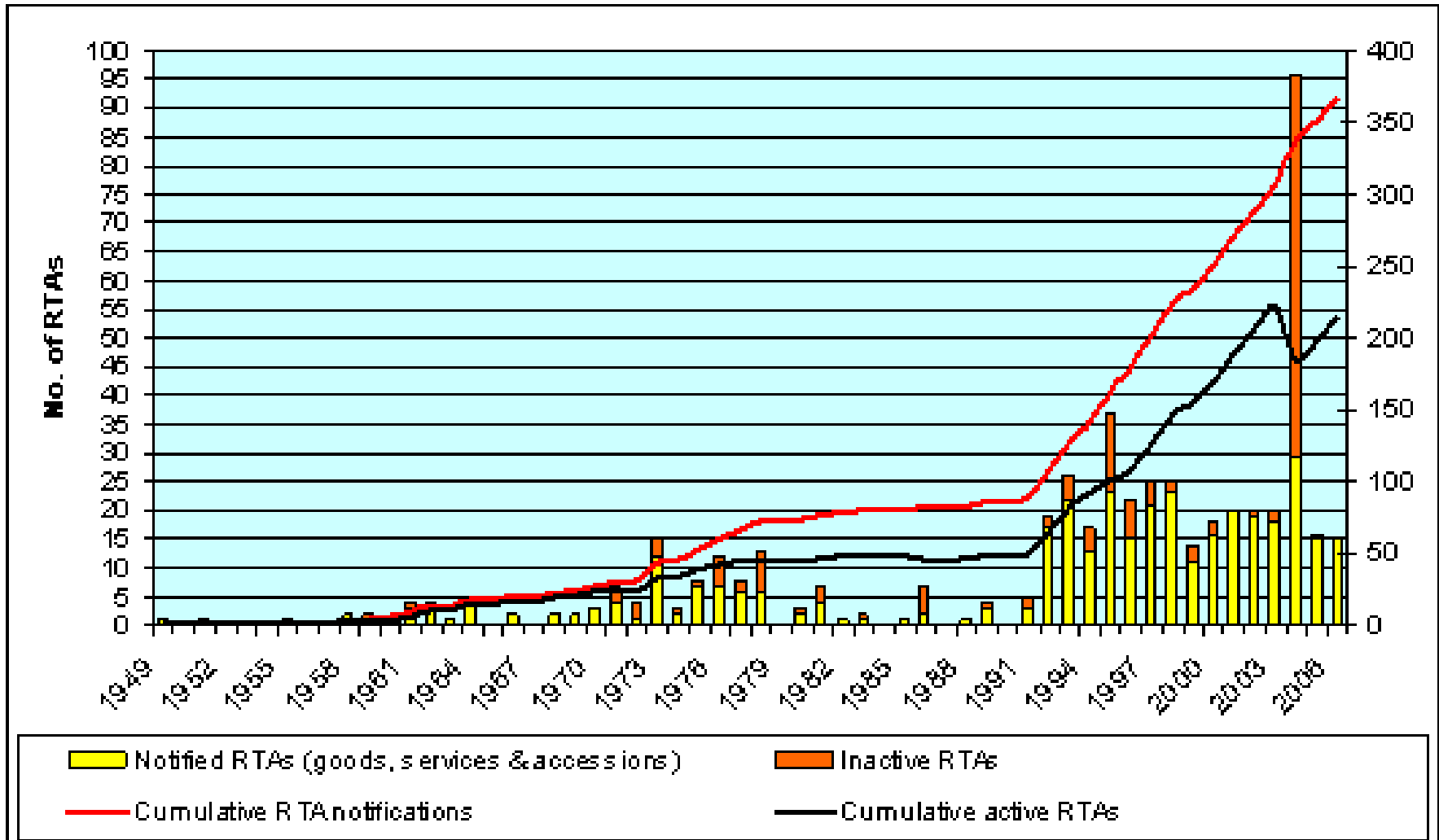
Complement to/Competition with Other Government Policies

- Host of competing interests affect trade – political, social, economic
- Even within economic sphere, variety of inter-dependent policies and programs:
 - Competition policy
 - Fiscal policy
 - Monetary and financial policies
 - Business enabling environment
 - Industrial/agricultural policy
 - Infrastructure

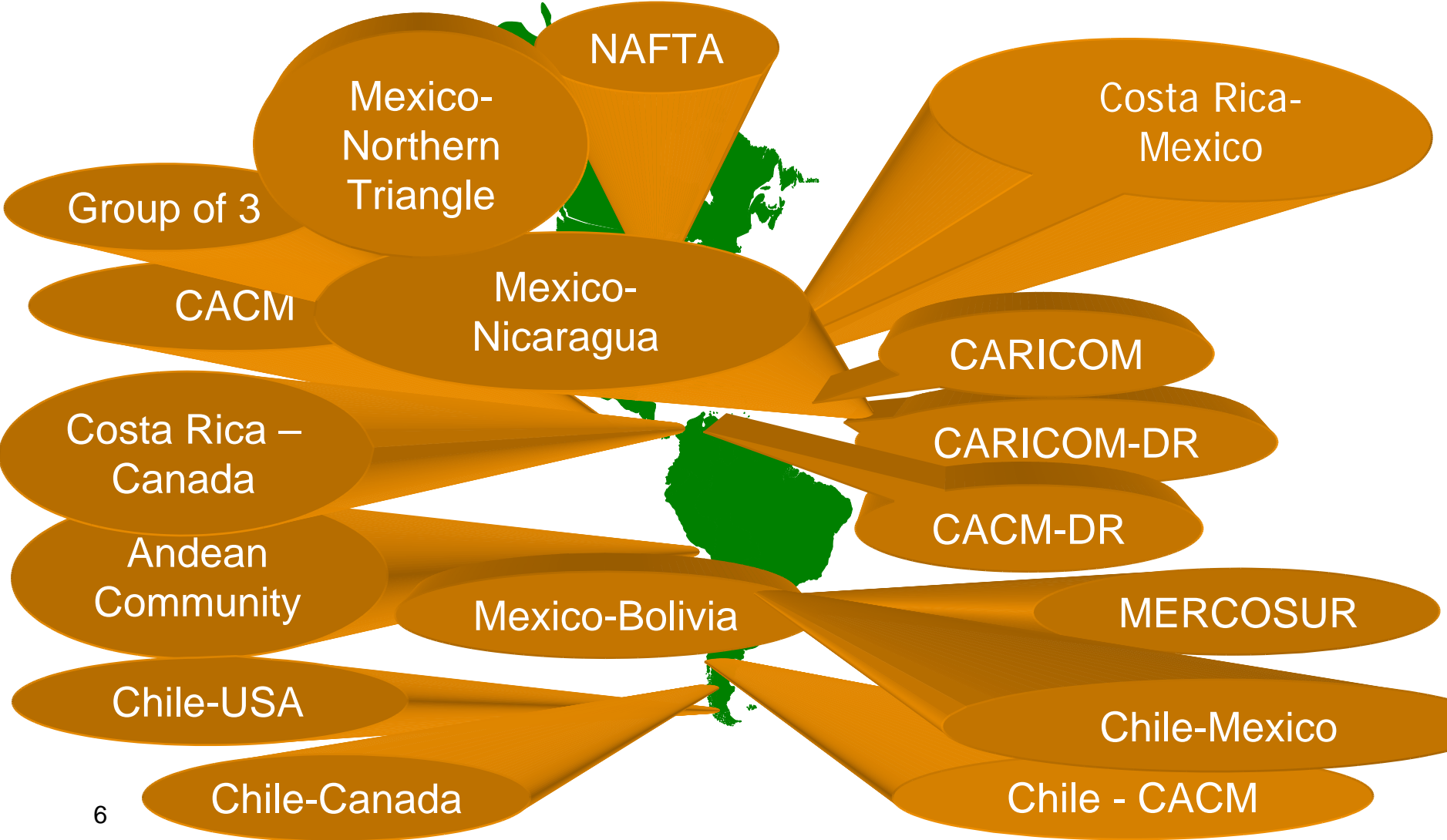
Policy Context

- National Development Strategy
 - Open, competitive markets
 - Export diversification
- Transition for sensitive sectors/address sensitive topics
- WTO
 - Compliance
 - Negotiations
 - Disputes
- Regional arrangements

RTAs Notified to WTO: Going Up



Western Hemisphere—Bilateral and subregional agreements (present)



Diagnostic Tools

- World Bank Doing Business
- WB Logistics Performance Index
- Transparency International CPI
- World Economic Forum:
 - Global Competitiveness Report
 - Business Competitiveness Index
- Integrated Framework: Diagnostic for a Trade Integration Strategy
- OECD: Policy Framework for Investment

Actions that Make a Difference

Narrow focus to issues that are:

- Important to achieve overall objective
- Credible in the context of country/negotiating circumstances
- Supported by essential stakeholders
- Able to achieve results within acceptable time

Useful Principles for Setting Priorities

- Important to have principles – without a framework, tough to develop a policy and priorities
- Useful basic principles for a trade framework might include:
 - Transparency
 - Basic WTO obligation
 - More than legal nicety: positive trade effects
 - Predictability
 - Business can adapt almost circumstance, as long as it can plan.
 - Equity
 - Priorities will be supported as long as there is a sense they were openly and fairly arrived at
 - Simplicity
 - Simpler rules are easier to understand and administer; simpler requirements ease the costs of trade, and simpler rules mean fewer chances for gaming the system

Support from Private Sector: Bottom Up

- Public-private dialogue
 - Essential to developing trade priorities
 - Knows more about specific sectors than government can
 - Source of innovative ideas and sounding board for proposed policies
 - Builds constituency for priorities/policies/programs
 - Can protect your flank and help avoid mistakes
 - But private sector not perfect
 - Represents sectoral/industry interests, not necessarily national interest
 - May use dialogue to try to delay or undermine policy initiatives

Takeaways

- Trade Policy as Complement
- Policy Context
- Diagnostics
- Concrete, achievable projects
- Principled approach
- Private Sector



Thank you
and
Discussion