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TRADE NEGOTIATIONS & AGREEMENTS

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**In-depth Trade and Investment Training
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Trade Negotiations & Agreements

- Multilateral Trade Negotiations
 - GATT/WTO & Doha Development Agenda
- Regional & Bilateral Trade Agreements

GATT/WTO & DOHA

World Trade Organization - Basics

- A contract among its members that is legally enforceable
- Single undertaking
- Framework for resolving disputes
- Structure for conducting negotiations
- Consensus-based
- Rules-based
- Transparent, predictable system of trade

Membership Requirements

- Full obligation to general rules of GATT, GATS, and TRIPS
- GATT and GATS schedules
- Dispute Settlement procedures
- Trade Policy Review mechanism

Membership Requirements (continued)

Must adhere to agreements in:

- Agriculture
- Textiles and Clothing
- Trade Related Investment Measures
- Customs Valuation
- Preshipment Inspection
- Import Licensing
- Sanitary and Phytosanitary Measures
- Technical Barriers to Trade
- Anti-dumping
- Rules of Origin
- Subsidies and Countervailing Duties

Doha Development Agenda & Negotiations

- WTO issues of interest to developing countries following the Uruguay Round
- Doha Ministerial Declaration of 14 November 2001 & Timetable.
- Complexity of Doha Development Agenda
- Key Issues – Agriculture, Services, Non-Agricultural Market Access (NAMA), “Singapore” Issues, TRIPS
- Ministerial Conferences
- Aid for Trade
- Possible Consequences of Prolonged Delay/Failure of Doha Round

Regional & Bilateral Trade Agreements

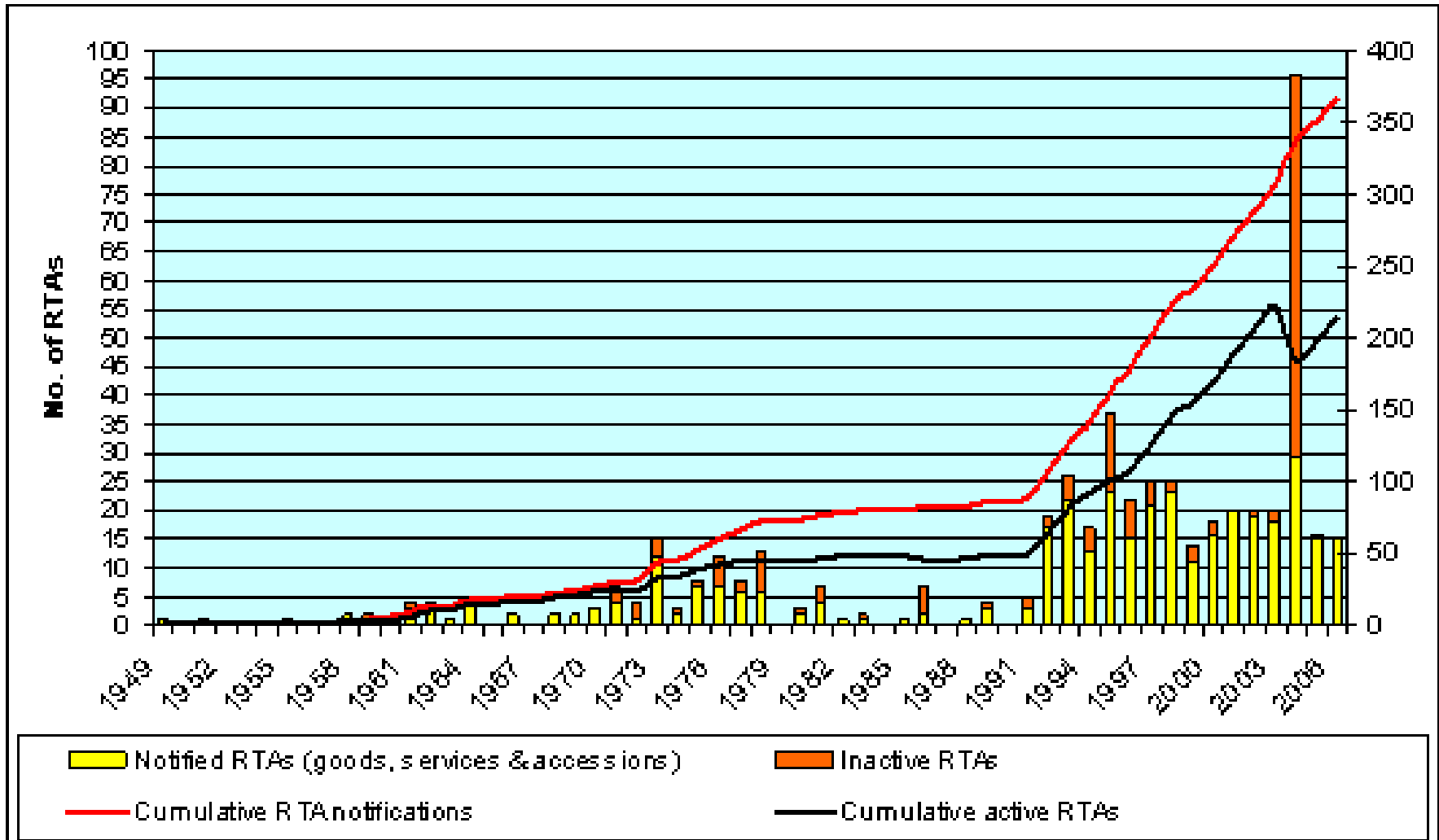
WTO “Rules on Preferential Trade”

- WTO permits exceptions to the principle of non-discrimination
 - Preferential Trade Agreements
 - Trade Agreements
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 - Generalized preferences
 - Non-generalized preferences
- Trade Agreements
 - Bilateral Trade Agreements (BTAs)
 - Regional Trade Agreements (RTAs)

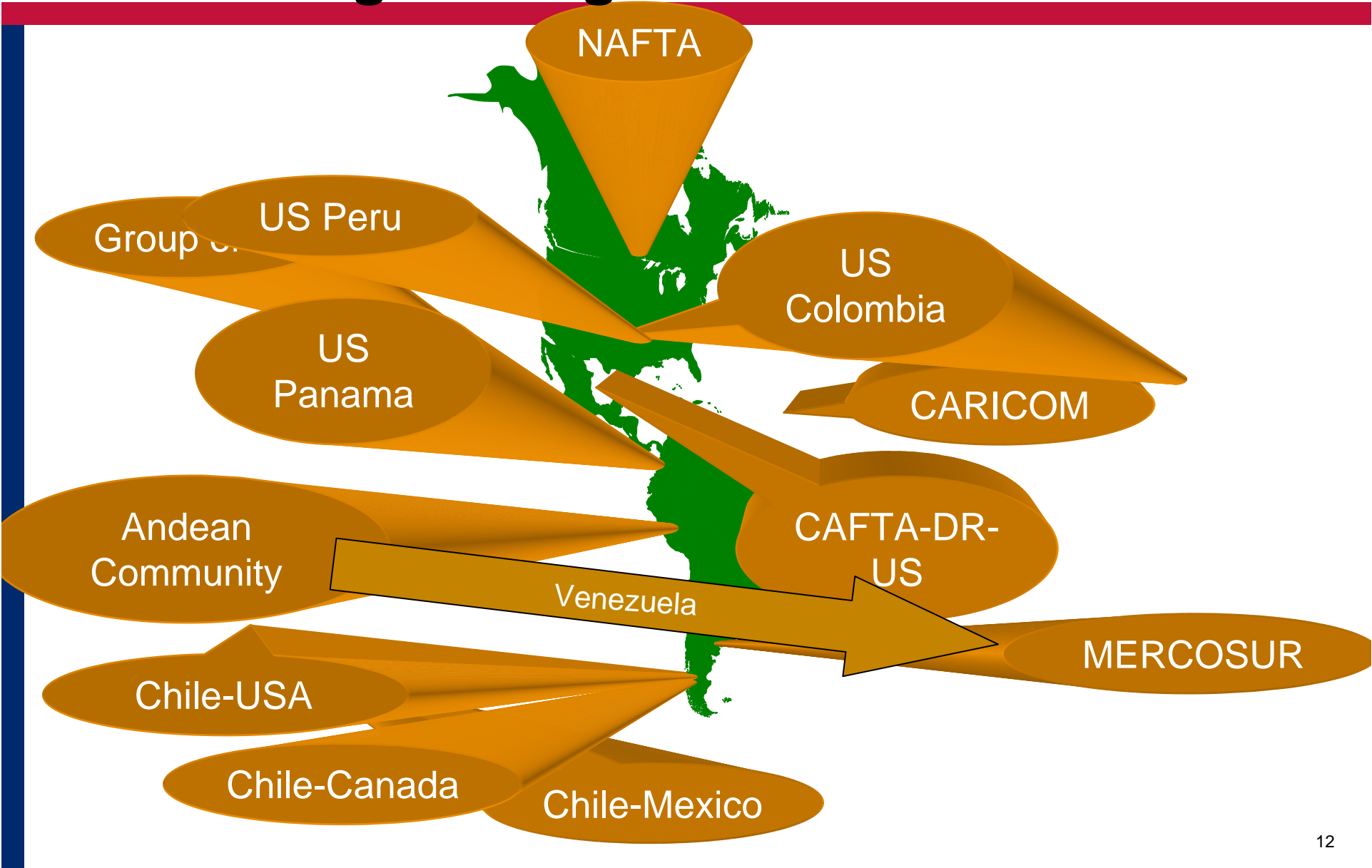
Basic Terminology

Levels of Integration	No tariffs on trade among members	No tariffs on intraregional trade and common external tariffs	Free movement of labor & capital & services	Coordination of economic policies & harmonization of standards
Free Trade Area (FTA)	■			
Customs Union (CU)	■	■		
Common Market (CM)	■	■	■	
Economic Union (EU)	■	■	■	■

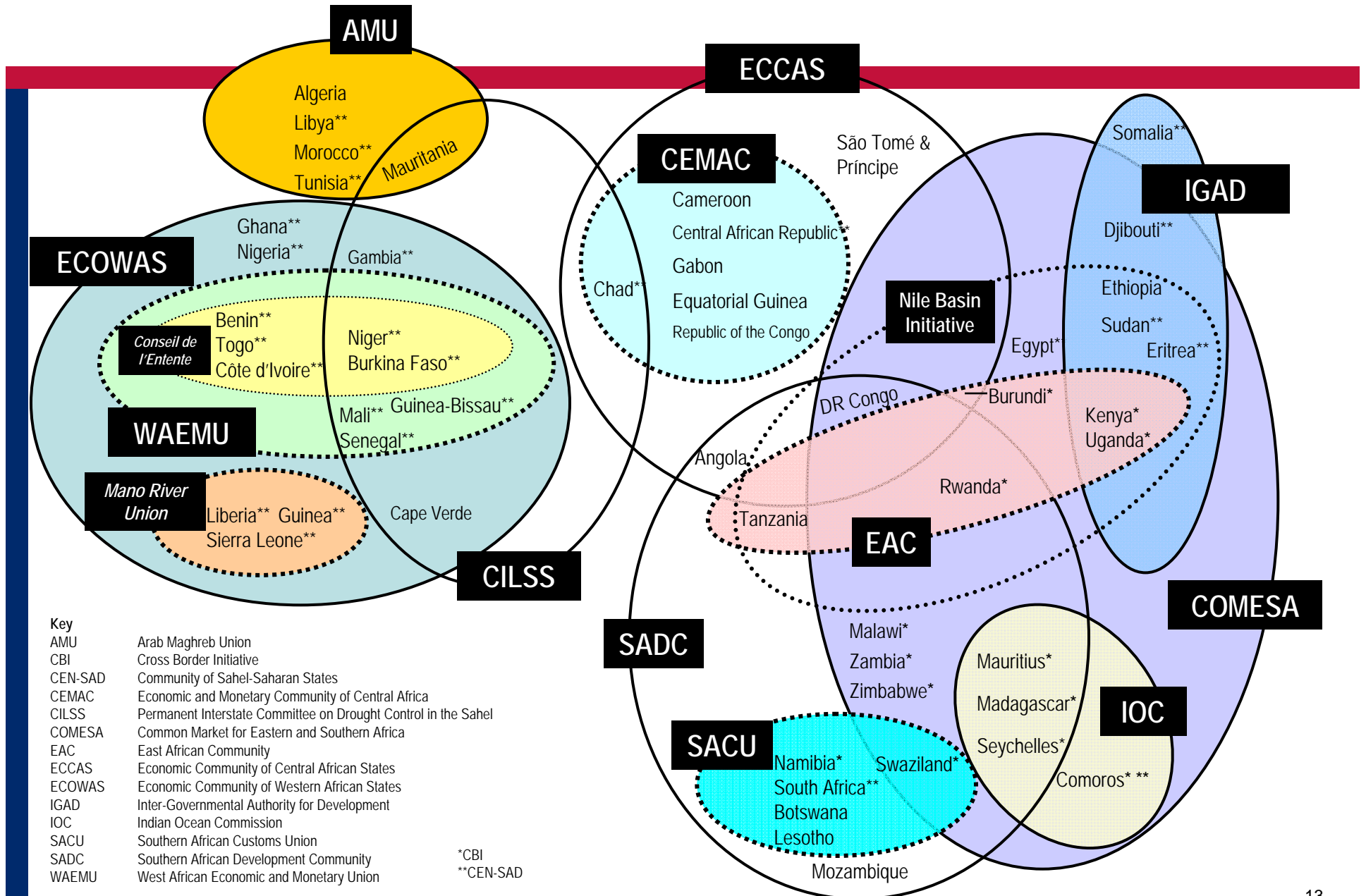
RTAs Notified to WTO: Going Up



Western Hemisphere—Major bilateral and subregional agreements

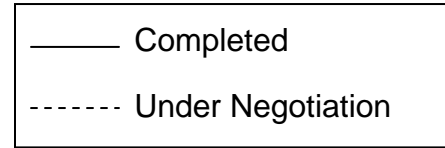


SSA regional economic integration arrangements

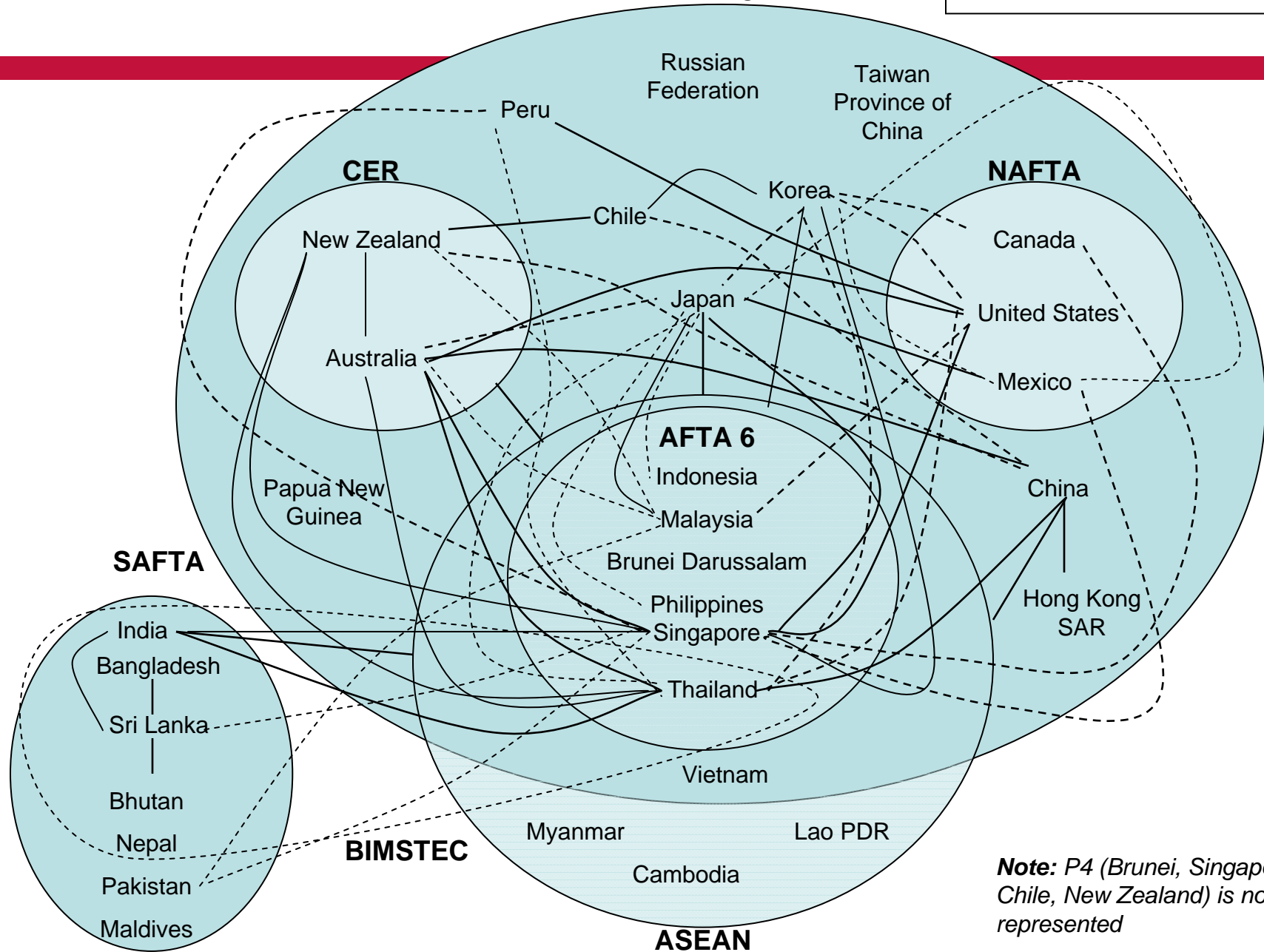


Note: CEN-SAD, COMESA, ECOWAS, EAC, ECCAS, SADC, IGAD, AMU are all pillar members of the African Economic Community

Free Trade Agreements in Asia



APEC



Note: P4 (Brunei, Singapore, Chile, New Zealand) is not represented

RTAs—Pros and Cons

- **Economic benefits**
 - TRADE CREATION
 - Increased returns from larger market size and scale
 - More attractive to FDI
 - Lower prices due to tariff elimination and trade creation
 - Increased efficiency from increased competition
- **Economic costs**
 - TRADE DIVERSION
 - Rise in prices if tariff cut absorbed in profits
 - Proliferation of complex, and difficult-to-administer rules
 - Loss of government revenue
 - Relocation of existing activity within the RTA

Building Block or Stumbling Blocks?

- Have RTAs helped multilateral trade?
- Has regionalism been more efficient?

Where to go from here?

Considering:

- The challenges in completing the Doha Round.
- The reality of regionalism today.