

Session VII: Regional and Bilateral Trade Agreements



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Overview

- Progress on WTO Doha Development Agenda (DDA)
- Today's Global Business Environment
- New Business Requirements for FTAs

Doha Development Agenda

- Importance of a successful DDA
- Conclusion as soon as possible
- WTO platform is still the only global platform to show commitment towards free and open trade

Experiences of 2009

- Fear of a downward spiral towards widespread protectionism
- Fortunately, despite several cases of protectionism, the situation was controlled
- Successful DDA conclusion to deal effectively with persisting protectionism

The Crucial Role of the Legislators

- ❑ Key to the end of the DDA standstill lies in the national capitals
- ❑ Legislators often faced with a lot of domestic pressure
- ❑ Little acts of pressure can cause a huge stumbling block to the prospects at the negotiating table
- ❑ Businesses and legislators must think broadly and be adequately informed of what is at stake

The Global Business Environment Today

- ❑ Liberalization and Facilitation
- ❑ Trade liberalization (“at-the-border” issues) achieved through WTO and FTAs
- ❑ Limit to improvements once global tariffs reach a low or zero level
- ❑ Imperative to look towards facilitation, to integrate markets, rather than simply to improve market access.
- ❑ Improve supply chain connectivity (issues “across-the-border”)
- ❑ Enhance ease of doing business (issues “behind-the-border”)

Supply Chain Connectivity

- ❑ The backbone of the global economy
- ❑ Necessary physical infrastructure ie. road networks, port facilities etc. needed
- ❑ Institutions must be in place to facilitate these flows
- ❑ Eliminate any chokepoints to these flows
- ❑ Eg. harmonize of rules of origin, or mutual recognition of authorized economic operators
- ❑ Reduce the “spaghetti bowl” effect from the large number of FTAs

Ease of Doing Business

- ❑ Structural or regulatory impediments affect how a company operates within a country
- ❑ Impact greatest on SMEs
- ❑ Is there capacity for SMEs to absorb additional costs?
- ❑ Institutional reform is required
- ❑ FTAs to protect the interests of businesses

Towards 21st Century Agreements

- Agreements that look beyond trade but encompassing enhanced services, investments and other issues of broader concern
- Chapters could cover issues on: intellectual property rights protection, standards, competition, safety and health, and labour
- Sensitive issues, challenges remain
- Level of interconnectedness between countries means we cannot ignore these aspects of doing business

Conclusion

- ❑ Businesses always move quickly, and continue to move ahead and find solutions to their problems
- ❑ Governments can help smoothen the path in which businesses operate
- ❑ Forge a closer relationship between members of parliament and the business community
- ❑ Impress upon the nature of the global business environment, the importance of keeping trade flows free and open, and the benefits in the longer term