South Asian Perspectives on the outcome of the 10th WTO Ministerial Conference and Trans Pacific Partnership

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Presentation outline

- Background
- Expectation of South Asian countries
- Nairobi package
- Trans Pacific Partnership
- Critical assessment
Unbalanced Uruguay round

Developing countries agreed to initiate new round of negotiation negotiate only on condition that development was the centerpiece of the negotiations. The round is thus commonly referred to as the ‘Doha Development Round’ (DDR).

Very slow progress in DDR

World is facing a difficult ‘trilemma’ over whether to implement all or part of the draft agreements as they stand today, to modify them substantially, or to dump Doha and start afresh
Two narratives

✓ **Developed countries, led by US:**
  ✓ World economy has changed and emerging markets are high growth economies and are thus required to make a more significant level of contribution in the Doha Round.
  ✓ ‘What is in table is not good enough
  ✓ Doha Round has failed. It is time for the international community to acknowledge this fact and move on.

✓ **Developing countries**: US and other developed countries have been unable to deliver on the promises and commitments made in the Doha mandate.
Expectations of South Asian countries (1)

Agriculture

✓ Market access

✓ improved market access,
✓ fuller liberalization of trade in tropical products,
✓ addressing the problem of preference erosion,
✓ addressing the issue of tariff escalation,
✓ continuation of special agriculture safeguard (SSG),
✓ flexibility to designate a number of products as ‘special products’ (SP), guided by indicators based on the criteria of food security, livelihood security and rural development needs and the
✓ establishment of special safeguard mechanism (SSM).
Expectations of South Asian countries (2)

✓ **Domestic support**: 
  ✓ Substantial reduction in trade distorting support in developed countries,
  ✓ enhanced Blue Box criteria to ensure that this category of support is less distorting than Amber Box support,
  ✓ review and clarification of the Green Box criteria,
  ✓ capping of product specific aggregate measure of support

✓ **Export competition**: 
  ✓ elimination of all forms of export subsidies
  ✓ appropriate rules in respect of short-term credits, export credit insurance or guarantee programme

▪ **Special and differential treatment of developing countries and LDCs**
Expectations of South Asian countries (3)

**Non Agriculture Market Access**

- Bring down tariff peaks, high tariffs and tariff escalation
- Duty free and quota free access for LDCs while ensuring that LDCs are only required to increase their level of bindings and not to apply the formula or participate at sectorals
- Preserving policy space
- Provide adequate protection for infant industry
- Maintaining unbound duties
- Addressing non-reciprocal preference erosion
- Loss of tariff revenue
Expectations of South Asian countries (4)

**Services**

- Aggressive commitments on business services, research and development services, computer services, construction and related services, management and consulting services, call-centre services, computer services, transfer of financial information and data

- Movement in natural person: harmonization of categories of service suppliers used in scheduling commitments, more commitments on lower skilled workers, the reduction of barriers involving such matter as nationality, residency and work permit requirements, tax treatment, wage parity requirement, duration of stay
Expectations of South Asian countries (5)

**Rules**

- Flexibility in multilateral rules, which reflect the concern of developing countries
- Transitional arrangements linked to the achievement of developmental objectives
- Less than full reciprocity in the commitments undertaken by developing countries
- Enhanced and targeted technical assistance and capacity building programmes that would assist countries to implement WTO rules
- Making Sand D provision mandatory
- Improved coherence arrangement to ensure that flexibilities provided in the WTO rules are not diluted
Expectations of South Asian countries (6)

Implemented related issues and concern

✔ Review TRIMS and Agreement on Subsidies and Countervailing Measures to attract FDI and to support nascent domestic industries,

✔ Cost of implementation of TRIPs and Customs Valuation Agreement,

✔ Abuse of anti-dumping, safeguards and countervailing measures as well as standards, sanitary and phyto-sanitary measures,
Nairobi Package (1)

- Recognition of crucial importance of WTO, its principle and objectives and its role as the global forum for trade rules setting and governance
- Recognition of centrality of development in the WTO work programme and role of trade in achieving SDGs
- Work programme on small economies: CTD shall continue work on small economies,
- TRIPS non-violation and situation complaints- transitional measure till 2017
- Work programme on electronic commerce
Nairobi Package (1)

- Special Safeguard measures for developing country members- recognized special safeguard measures as decided in Hong Kong, but needs to be negotiated on trigger levels
- Public stockholding for food security purpose: continuation of transitional arrangement, but no permanent solution
- Agriculture export competition
  - Developed country abolish immediately
  - Developing countries abolish by end of 2018
  - Discipline on export credits, export credit guarantees or insurance programme
  - Discipline on state trading enterprises
Nairobi Package (2)

- Cotton
- Preferential rules of origin for LDCs
  - Allows use of non-originating materials up to 75% of the final value of the product
  - Allows cumulation: Preference-granting Member, other LDCs, GSP beneficiaries, and regional cumulation
- Implementation of preferential treatment in favour of services and service suppliers of LDCs and increasing LDC participation in service trade
  - Waiver extended till 31 December 2030
  - Special priority to regulatory barriers
  - Technical assistance and capacity building measures
Trans Pacific Partnership

- A regional group comprising of Australia, Brunei, Chile, Canada, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, the US, and Vietnam
- Signed in October 2015 and accounts for 40 percent of the global economy
- Goes beyond trade and covers labour, environment, government procurement
- Adversely affects South Asian countries (Rahman and Ara, 2015)
  - Exports of south Asian countries may fall, more prominently of Bangladesh
  - South Asian agriculture and textile and clothing may fall tremendously
  - Real GDP of other South Asian countries
Critical Assessment and conclusions

✓ Death of Doha development agenda
✓ Proliferation of mega regional groups and plurilateral agreements leading trade rules formulated outside multilateral system
✓ Opening of new agenda such as e-commerce, global value chains, competition laws, labour, environment and investments.

For South Asian countries option would be further deepening south Asian cooperation and work together with other developing countries to revive DDA.
Thank you

comments/suggestions

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