



**Multi-year Expert Meeting on Enhancing the Enabling Economic Environment
at All Levels in Support of Inclusive and Sustainable Development (2nd session)**

Towards an enabling multilateral trading system for inclusive and sustainable development

Geneva, 8 – 9 December 2014

SESSION 1:

Evolving contribution of trade and the multilateral trading system to inclusive and sustainable development

**FINALIZING THE DOHA ROUND:
A STEPPING STONE TOWARDS POST-2015 DEVELOPMENT GOALS?**

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Finalizing the Doha Round: A stepping stone towards post-2015 Development Goals?

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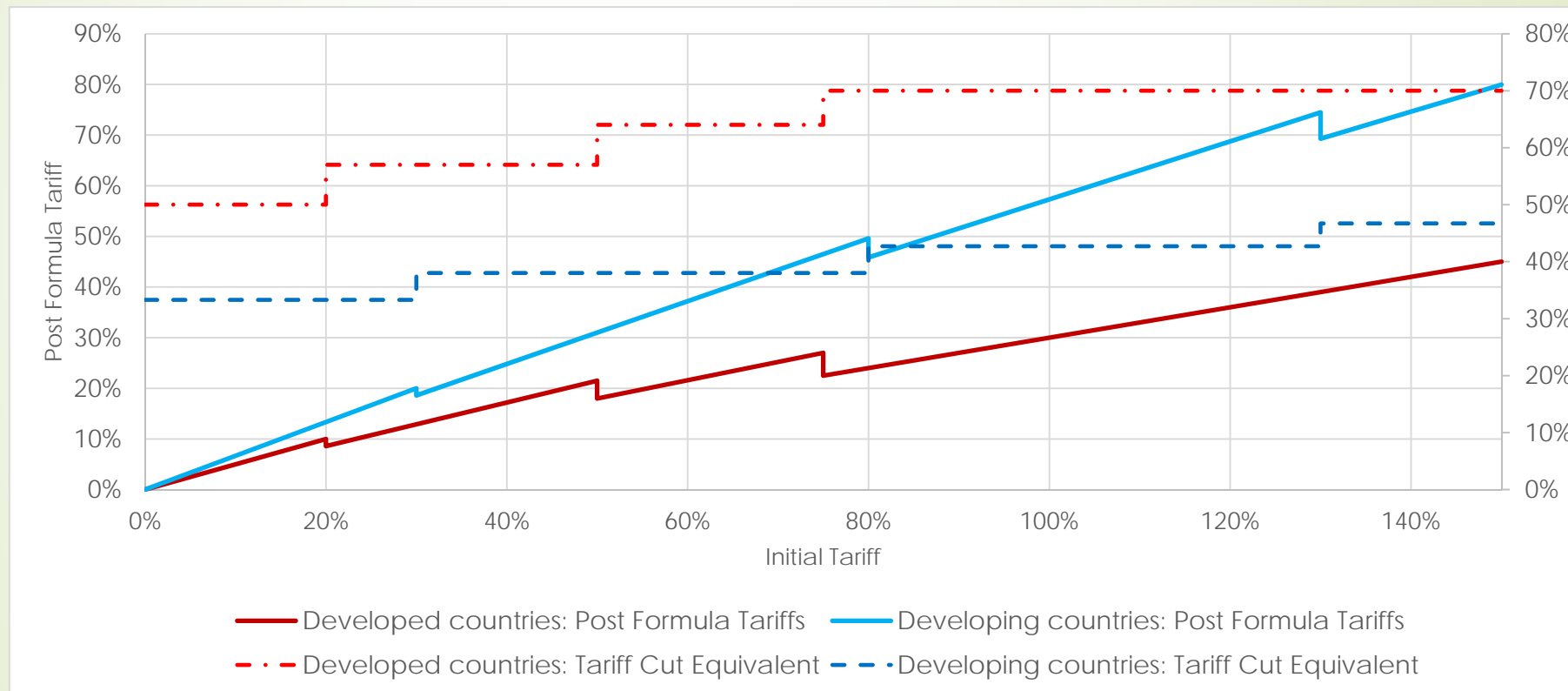
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Market Access in the DDA

Agricultural Market Access Negotiations



AMA - Developing country exceptions

- ▶ No cuts in for least-developed countries (30 members)
- ▶ Smaller cuts in small & vulnerable economies (around 50 SVEs), incl Nigeria and Côte d'Ivoire
 - ▶ Cuts [10%] smaller
 - ▶ Additional flexibilities
- ▶ Regional agreements
- ▶ Recently Acceded Members (RAMs)
 - ▶ Very RAM : no cut
 - ▶ Other RAM (inc. China) Cuts 7.5 percentage points smaller & an extra 2 years to implement
- ▶ Only 40 WTO economies under "normal" discipline (including special and differentiate treatment).
 - ▶ Egypt, Morocco, Tunisia, Turkey, UAE



Why flexibilities?

- ▶ Formula-based negotiations generally involve flexibilities
 - ▶ Typically most of the negotiations are about these flexibilities
- ▶ Can probably achieve more liberalization with some flexibilities than without
- ▶ But it is hard to know what is the right amount of flexibility
 - ▶ Too much and there is no market access gain.
 - ▶ Too little and there may not be an agreement
- ▶ Sensitive products
- ▶ Special products

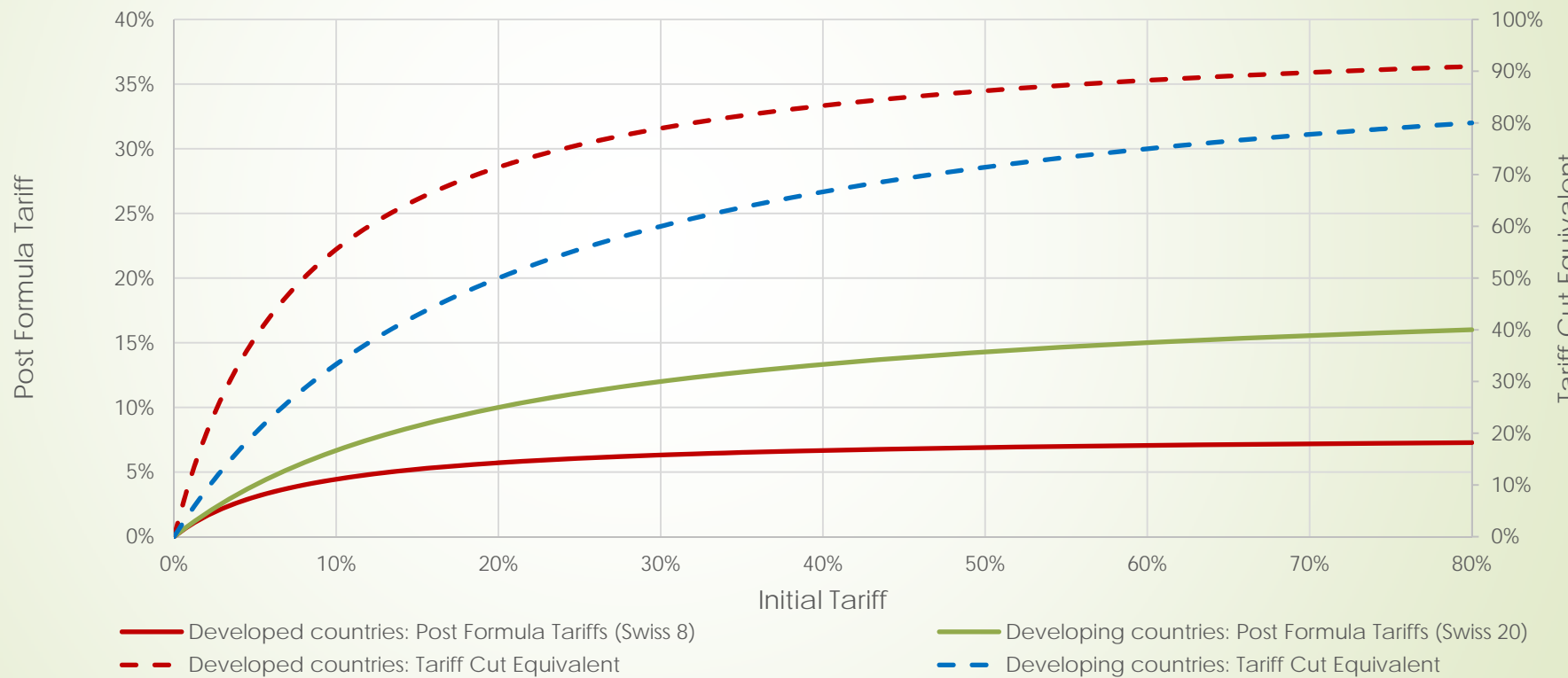
Non-Agricultural Market Access

- ▶ Swiss formula
 - ▶ Highest tariffs cut the most
- ▶ No final tariff, t_1 above the ceiling, a

$$t_1 = \frac{a \cdot t_0}{a + t_0}$$

- ▶ Industrial country ceiling of 8%, ceilings for developing countries, 20, 22, 25%
 - ▶ Only developing countries have flexibilities

NAMA Market Access



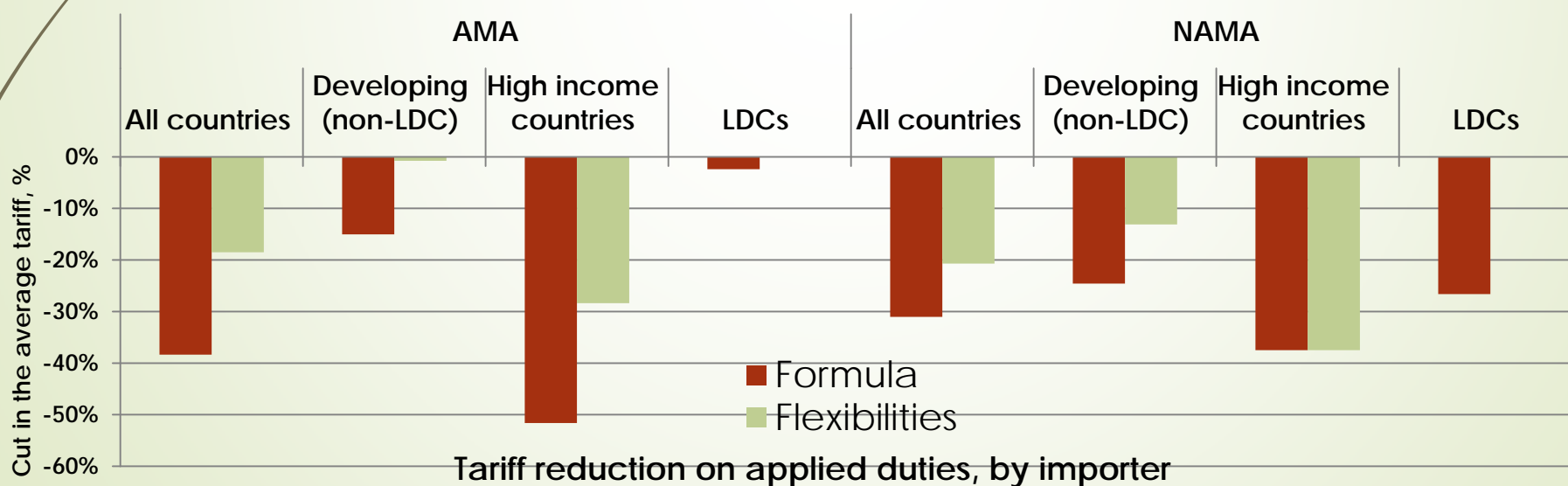


Beyond Formula for Market Access

- ▶ Disciplines on subsidies
 - ▶ Agriculture, including Food Security peace clause on public stockholding
 - ▶ Fisheries
- ▶ Services: limited ambition
- ▶ Sectoral Initiatives
- ▶ Trade Facilitation: Implications of the Bali Package
- ▶ DFQF and Aid for Trade

Average tariff reduction

Agricultural Market Access	Applied tariffs faced on exports			Applied tariffs on imports		
	Base	Formula	with flexibilities	Base	Formula	with flexibilities
All countries	14.6	9.0	11.9	14.6	9.0	11.9
Developing (non-LDC)	14.3	8.6	11.5	13.3	11.3	13.2
High income countries	15.1	9.3	12.3	15.5	7.5	11.1
LDCs	7.4	6.5	7.1	12.5	12.2	12.5
Non Agricultural Market Access	Base	Formula	with flexibilities	Base	Formula	with flexibilities
All countries	2.9	2.0	2.3	2.9	2.0	2.3
Developing (non-LDC)	2.9	1.9	2.1	6.1	4.6	5.3
High income countries	3.0	2.1	2.4	1.6	1.0	1.0
LDCs	2.8	1.5	1.8	10.9	8.0	10.9





Economic Impacts of the DDA

Effects of the DDA (no DFQF)

Sector	Real income	Exports (volume)	Terms of trade	Unskilled real wages
High-income countries	0.13	3.12	—	—
Low-income countries	0.12	2.46	—	—
LDCs	-0.09	-0.49	—	—
LDCs: Asia	-0.66	-0.82	-0.35	-0.64
LDCs: Bangladesh	-0.14	-1.54	-0.38	-0.17
LDCs: Central and South Africa	-0.11	-0.16	-0.17	-0.01
LDCs: East Africa	-0.03	-0.32	-0.05	-0.02
LDCs: Malawi	-0.24	-1.12	-0.34	-0.18
LDCs: Senegal	0.07	0.03	0.04	0.32
West Africa (mix)	-0.08	-0.01	0.09	0.01
Central Africa (mix)	0.13	0.66	-0.09	-0.23
Rest of sub-Saharan Africa (non-LDCs)	0.02	-0.10	0.04	0.12

Source: authors' calculation using the MIRAGE model.

The Role of DFQF for LDCs

Region	Real income				
	Central scenario	DFQF 97	DFQF 97L	DFQF 100	DFQF 100L
High-income countries	0.13	0.13	0.13	0.13	0.13
Middle-income countries	0.12	0.12	0.12	0.12	0.11
LDCs	-0.09	-0.02	0.03	0.01	0.29
LDCs: Asia	-0.66	-0.40	0.15	-0.34	0.68
LDCs: Bangladesh	-0.14	-0.07	-0.01	-0.05	0.34
LDCs: Central South Africa	-0.11	-0.11	-0.11	-0.11	0.02
LDCs: East Africa	-0.03	0.02	0.03	0.04	0.20
LDCs: Malawi	-0.24	2.25	3.06	2.26	5.95
LDCs: Senegal	0.07	0.15	0.15	0.60	1.25
Central Africa (mix)	-0.08	-0.08	-0.08	-0.08	-0.08
West Africa (mix)	0.13	0.17	0.18	0.18	0.37
Rest of sub-Saharan Africa (non-LDCs)	0.02	0.02	0.03	0.03	0.04

Source: authors' calculations using the MIRAGE model.



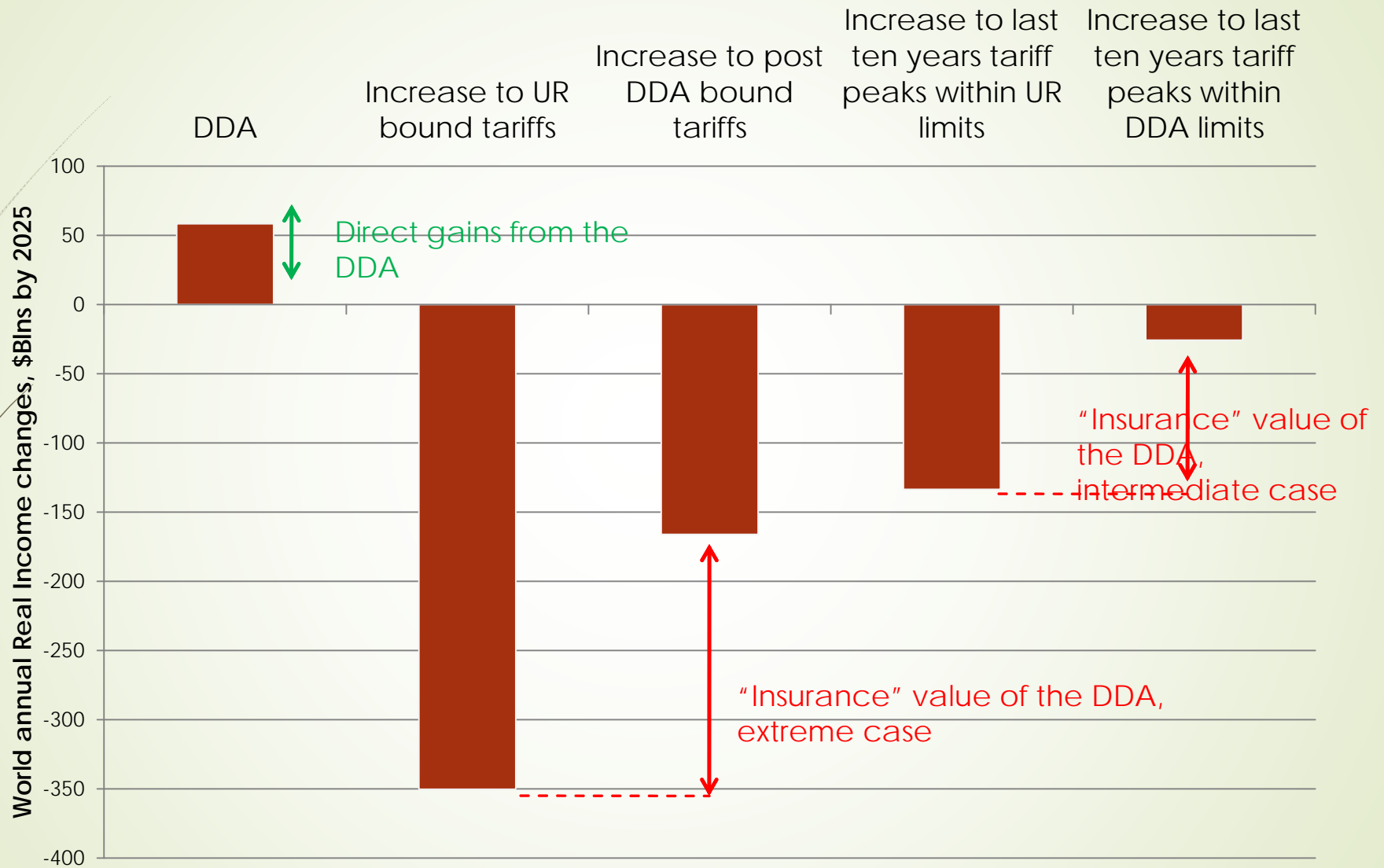
And if the DDA fails?

Rising protectionism or discriminatory regionalism

Country category/sector	Scenario						
	1	2	3	4	5	6	7
	DDA	Up-to-the-Bound	Bound & DDA	Up-to-the-Max	Max & DDA	FTA-HIC	Max & FTA-HIC
Change from baseline in 2025 (percent)							
Global goods and services exports by volume	1.90	-9.93	-5.70	-4.23	-1.19	0.56	-3.48
Agrifood sector	5.47	-20.26	-13.42	-9.36	-4.52	0.62	-8.53
Industry	1.96	-9.77	-5.07	-4.36	-0.95	0.66	-3.50
Global welfare	0.09	-0.51	-0.25	-0.19	-0.04	0.01	-0.19
North	0.07	-0.32	-0.20	-0.14	-0.08	0.02	-0.12
South	0.13	-1.00	-0.35	-0.32	0.06	-0.02	-0.35
Change from baseline in 2025 (value in constant 2004 US\$ bn)							
Global goods and services exports by volume	363	-1,899	-1,090	-808	-227	108	-665
Agrifood sector	73	-269	-178	-124	-60	8	-113
Industry	279	-1,389	-721	-621	-135	94	-497
Global welfare	59	-353	-169	-134	-26	4	-128
North	33	-156	-100	-70	-37	-9	-59
South	26	-197	-69	-64	11	-5	-69

Source: Bouet and Laborde, 2009. MIRAGE simulations

Effects on Global Real Income



Source: Bouet and Laborde, 2009. MIRAGE simulations



Paving the way for the SDGs?



Trade: the necessary condition to many SDGs

- ▶ Trade as a vector of technology transfer
- ▶ Trade in inputs, capital goods
- ▶ Trade as income generator
- ▶ Trade as a component of the food security strategy

- ▶ Needs a healthy, cooperative, global trade system
 - ▶ Looking at export restrictions disciplines
- ▶ Rethinking SDT to tackle developing countries heterogeneity and structural challenges/transformation

- ▶ New challenges for the future of the WTO → Let's finish this round to start a new one designed to address new issues.

- ▶ (and What about migrations? Mode 4?)

References

- ▶ See chapters 2,3,6,10, 11 and 12 in “Unfinished Business? The WTO’s Doha Agenda” . Published by World Bank, CEPR.

by Laborde and Martin, Bouet and Laborde and Laborde, Martin and van der Mensbrugge

- ▶ And resources on IFPRI’s Doha page (additional selected publications used in this presentation):

<http://www.ifpri.org/book-6308/ourwork/researcharea/doha-round>

And <http://gatt.ifpri.info/dda0/> for information at the country level regarding market access and tariff reduction.

