Evolution of the International Trading System and its Trends from a Development Perspective

Shamika Sirimanne
Officer in Charge

Division on International Trade in Goods, Services and Commodities

11 September 2017
Trade value growth has persistently underperformed Global GDP growth.
All regions suffered declines in export values (annual value growth)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Developed Countries</td>
<td>11.2%</td>
<td>0.7%</td>
<td>0.7%</td>
<td>-1.3%</td>
</tr>
<tr>
<td>East Asia</td>
<td>15.4%</td>
<td>4.2%</td>
<td>3.1%</td>
<td>-5.5%</td>
</tr>
<tr>
<td>Latin America</td>
<td>14.7%</td>
<td>-0.3%</td>
<td>1.0%</td>
<td>-4.6%</td>
</tr>
<tr>
<td>South Asia</td>
<td>20.4%</td>
<td>1.1%</td>
<td>0.5%</td>
<td>-1.2%</td>
</tr>
<tr>
<td>Sub-Saharan Africa</td>
<td>17.9%</td>
<td>-1.5%</td>
<td>0.1%</td>
<td>-5.4%</td>
</tr>
<tr>
<td>Transition Economies</td>
<td>21.1%</td>
<td>-1.9%</td>
<td>-0.5%</td>
<td>-15.1%</td>
</tr>
<tr>
<td>West Asia/North Africa</td>
<td>18.9%</td>
<td>3.0%</td>
<td>2.8%</td>
<td>-8.7%</td>
</tr>
</tbody>
</table>
Trade volumes rise weakly
SDG17 under pressure as LDCs and developing countries struggle to raise export performance
Persistent commodity price decline and a fall in FDI have depressed trade in 2016.
Import content of exports declining
Nurturing green shoots

International trade has been showing signs of persistent weakness

BUT

The forecast for 2017 and 2018 is more positive

In 2018, the WTO is forecasting trade growth between 2.1% and 4%.

The trade recovery will depend on a global economic environment.

Trade policies should be devised so that trade brings not only economic growth, but also inclusive and sustainable growth.
Trade and Sustainable Development

Trade is not a solution, it is a “means” of addressing current global problems

Stronger policy commitments

- Global economic uncertainty and the need for more inclusive and sustainable development strategies call for stronger policy commitments both at the national and international level

Appropriate trading rules

- While countries remain foremost responsible for their own development strategies, appropriate trading rules can support these strategies by providing a framework for long term sustainable development objectives
Role of International Community

Protectionism should be avoided at all costs

Policy coordination and coherence

Act in the areas where policy coordination and coherence is most needed to increase synergies between trade and all the SDGs

Manage the risk

Manage the risk of increased policy uncertainty and possible implementation of inward-looking trade policies
Integrating LDCs

**Preferential market**
- Preferential market access granted by developed and by some developing countries is **not enough** for LDCs to diversify their exports.

**National and international efforts**
- National and international efforts are needed to enhance trade capacities and exploit market access opportunities.

**Trade and transport facilitation**
- Trade and transport facilitation is particularly important for joining **global value chains**.
Regionalism as a building block

Regional Trade Agreements (RTA)

- RTAs should be consistent with, and should contribute towards a stronger multilateral trading system, not pursued at the expense of the multilateral trading system. *(Nairobi Maafikiano-para 29)*

Manage the risk

- RTAs should be open to incorporate existing and potential future multilateral obligations, remaining coherent with the WTO commitments
Reinforcing Multilateral trading system

Preferential market is not enough

At the multilateral level, the conclusion of the Doha Round with important development outcomes, such as special and differential treatment, remains a major goal.

Doha Round

Several key Doha Round negotiation subjects have also been identified in the 2030 Agenda, such as the elimination of fisheries subsidies.

Eleventh WTO Ministerial Conference

Advancement at WTO MC11 would represent a much needed boost.
Thank you

Division on International Trade in Goods, Services and Commodities