



Item 7: Evolution of the international trading system and its trends from a development perspective:

Asia and the Pacific

Trade and Development Board: Trade Session

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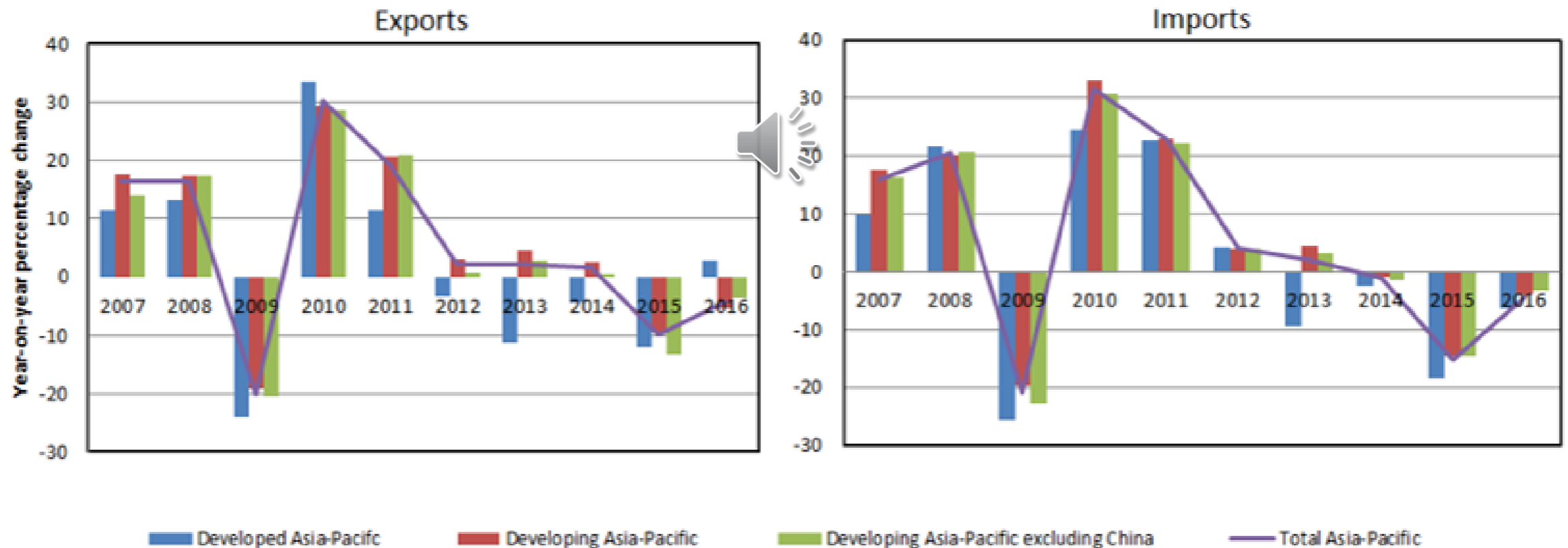
APTIR 2017: Early findings

- Regional merchandise trade bouncing back but timidly but forecasts optimistic
- Intra-regional trade still centers around China
- Rising concerns with economic policy uncertainties
 - How harmful to trade?
 - Are all exporters hurt the same?
- Dog that does not bark (yet)- protectionist rhetoric still not followed up with actions
- Knowing your enemy: Non-tariff measures
- Recommendations: Enhancing regional cooperation



Trade bouncing back slowly ...

Growth of merchandise trade – Asia and the Pacific 2007-2016





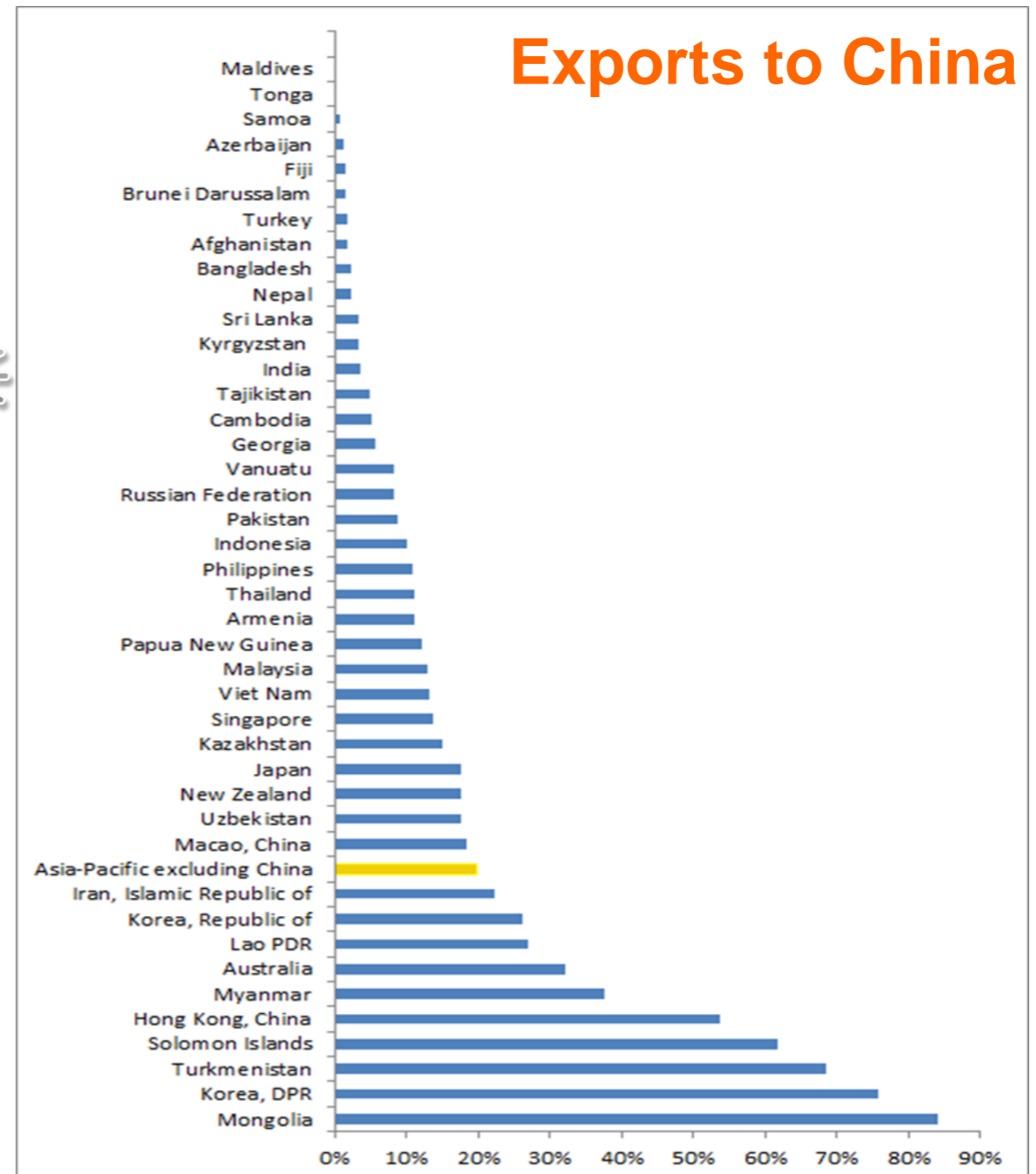
But optimistic outlook

- From Nov 2016, modest recovery in monthly values of global and regional trade
- Recovery of China's trade of particular interest due its size in both global and regional trade
 - In first 6 months of 2017, China's imports grew by 18.9% (y-o-y)
 - Exports rose by 8.5% (y-o-y) during same period
- Projections for the region for 2017 and 2018 growth:
- 2017 exports volume growth of 4%, import volume growth 5.5%; developing Asia-Pacific numbers are 4.8% and 3.3%, respectively
- 2018 might see slower growth: exports 3.5% and imports by less than 3%



Intraregional trade still centres around China

- Asia-Pacific maintains its leading position in world trade: 40% of global exports and 35% of global imports
- East and Northeast Asia contributed most of that trade: 64% (exports and 59% (imports)
- Intraregional trade takes 56% on export side and 58% on import side





Rising concerns with economic policy uncertainties

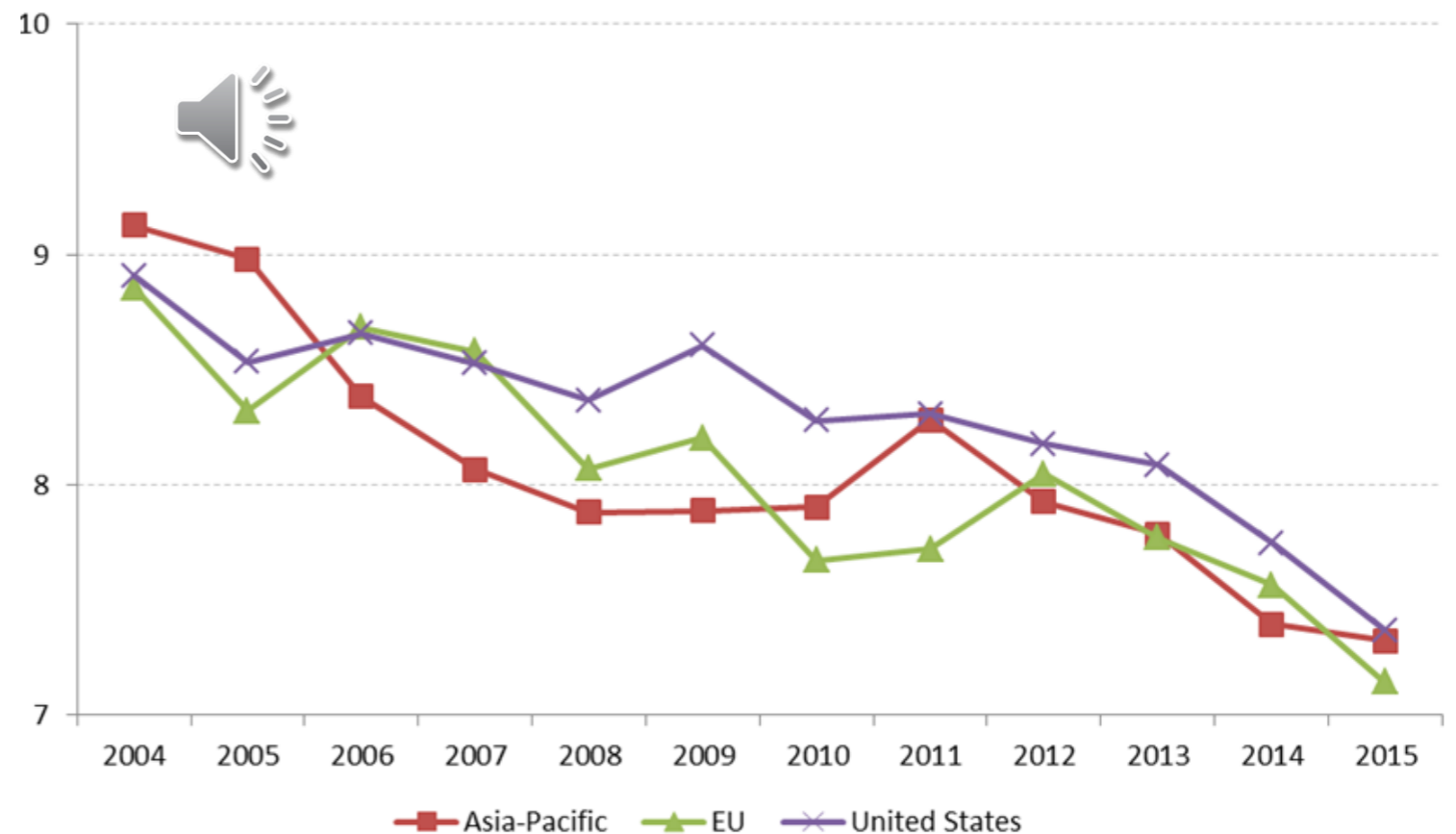
- Since 2009, a series of uncertainties, but current period marked with the unprecedented level of anti-globalization sentiment and threats of free-trade policy reversals
- Uncertainty deters spending by investors and consumers preventing a recovery of global demand
- Particularly harmful to exporters due to higher fixed costs, does damage also persistent
- Estimates pick that uncertainties in Asia-Pacific are surging faster and that intra-regional demand might be more sensitive –poor prospects for South-South cooperation



Protectionist rhetoric vs. actions

- The last seven months saw the world-wide moderation of new trade-restrictiveness measures
- Asia and the Pacific **contributed** 27 per cent of the new trade-restrictive measures introduced globally

Effectively applied tariffs of Asia and the Pacific and selected major economies, simple average





However non-tariff measures (NTMs) persisting

- NTMs accounted 56 and 55 per cent of new trade restrictive measures introduced globally and regionally during the past 18 months
- In the Asia-Pacific region, 370 sanitary and 355 phytosanitary measures and technical-barriers to trade, were initiated in 2016



Some policy recommendations to promote intraregional trade

- To improve intraregional trade: support consolidation and/or harmonization of rules of origins of overlapping preferential trade agreements
- limit the replacement of tariff barriers by much less transparent non-tariff measures, including by promoting mechanisms to lower compliance costs
- promote the implementation of trade facilitation measures, including transit facilitation and border cooperation measures, in line with the WTO TFA
- Promote new channels of trade including through Facilitation of Cross-border Paperless Trade in Asia and the Pacific



Thank you

Q&A



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