



Towards a green and inclusive recovery

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Presentation by:

Mercedes Araoz | Universidad del Pacifico



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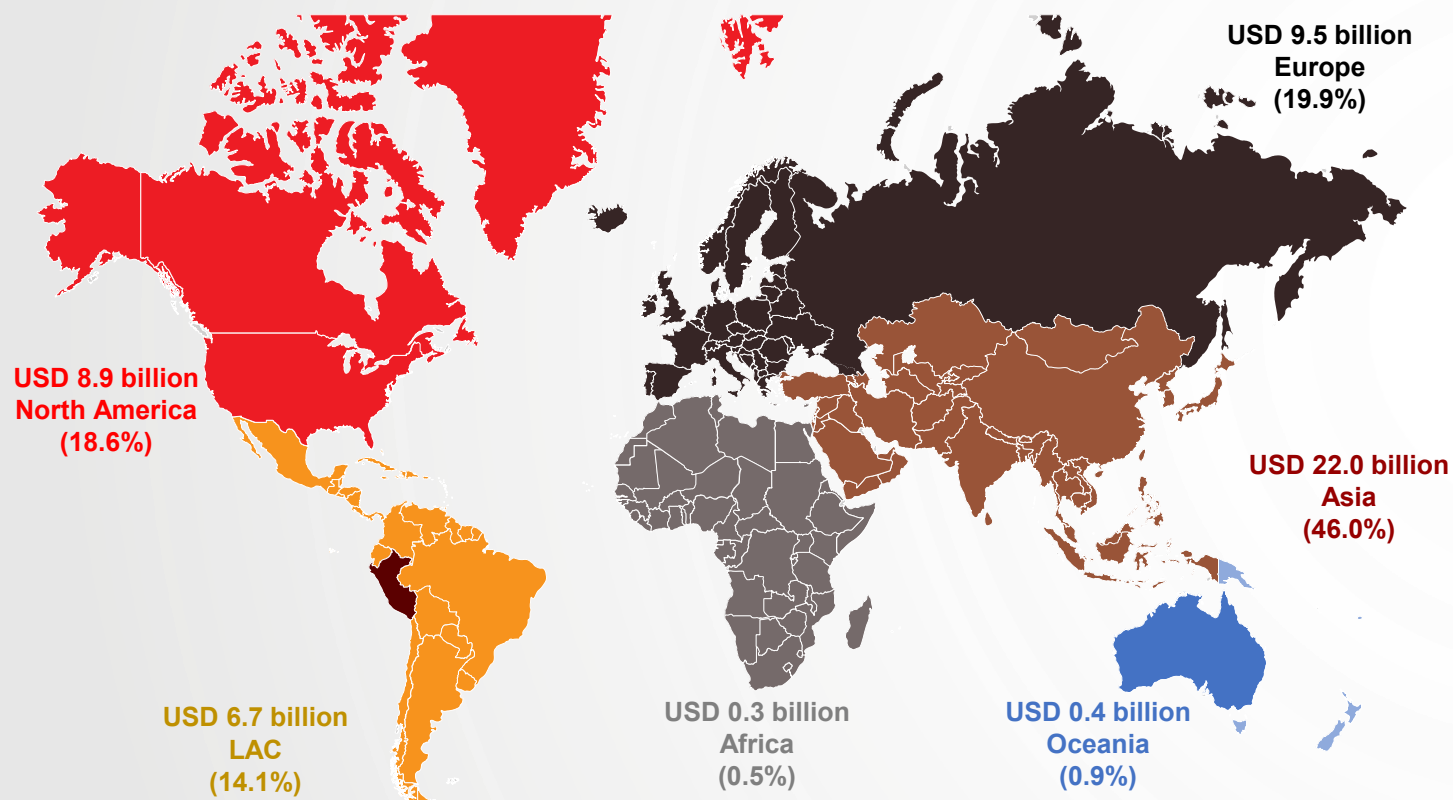


Towards a more inclusive world

What can trade do?



Peru's path of Free-Trade and Global Integration



- **17th most open economy** in the world (Heritage Foundation, 2016)
- **90% of trade is** covered by FTA's and average tariff rate stands at **1.8%**
- **Peru leads** trade integration in LATAM as a founding partner of the Pacific Alliance
- **Peru has implemented Free Trade Agreements (FTA)** with **28 countries and regions** that represent **79%** of the world GDP and **92% of total world trade**. **TPP/CTPP** to be ratified and FTA w/ India, El Salvador and Turkey under negotiation.
- **Trade policy supports** key industries (agriculture, mining, fisheries, textiles, among others)
- **Global leader** in fruits and vegetables: berries, asparagus, quinoa and tangerines.
- **Poverty alleviation** from 60% to 20% of population in 15 years, Gini Index=42. Improvement of formal employment and social indicators.
- **COVID19 showed our vulnerabilities and the need of profound internal reforms.**

Trade Expansion and Equity: Empowering those in need

What are the necessary conditions to achieve equitable trade?

Institutional Determinants

Key institutions that facilitate trade and productivity in Peru:

- SENASA
- PROMPERU
- MEF
- MINCETUR, MIDAGRI, PRODUCE
- Business Associations

Trade facilitation and regulatory efficiency

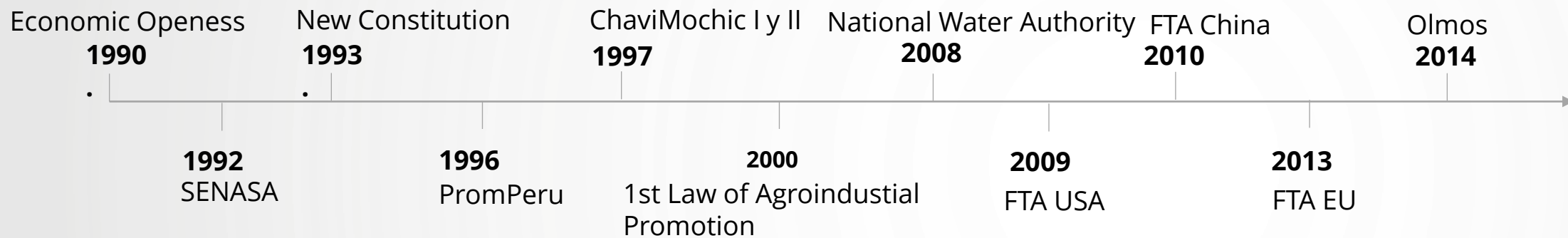
Technology & Knowledge Transfer

- Investments in technology and innovation, adaptation
- Process Upgrading
- Technical norms and standardization
- Seeds preservation and Biodiversity
- Improved seed varieties

Enhanced Value-Chains

- Value chain upgrading and inclusion of small-holder farmers
- Capacity building
- Access to finance
- Trade facilitation and logistics
- Inclusive labour markets

Key Landmarks in Agricultural Promotion



Unblocking Equitable Trade: Incorporating socio-economic concerns into trade-led recovery

Key bottlenecks that hinder distributional impacts of trade

Informality

- Financial inclusion and financial literacy
- Market access and value chain support activities
- Social security and health care coverage

Regulation & Infrastructure

- Trade compliance and Phytosanitary requirements
- Infrastructure, logistics and transaction costs
- Tax distortions, norms and bureaucratic bottlenecks

Socio-Economic barriers

- Gender, cultural and language barriers.
- Spatial inequalities
- Ethnic Diversity
- COVID, reduction of job opportunities for the youth
- Digital divide

Public Policy Design and implementation

- Poor integration of social analysis to policy design, lack of focus on the territory
- Lack of follow up and evaluation



Moving Forward: Towards a global-trade led recovery

COVID-19 demonstrated that equity concerns are key determinants of future trade and development

Inequalities in global value chain structured have disproportionately affected LDC

A global trade-led recovery policy must address structural barriers that support heterogeneous gains

It is necessary cooperation for global vaccination and coordinated monetary and fiscal policy

A global trade-led recovery must then support:

Trade +: Trade policy design with a social lens and development focus. Trade and Development as global public goods.

Multilateral cooperation: Capitalize on actionable synergies within and outside UN System (WTO, UNCTAD, ITC)

Development Finance: Global cooperation to support financing shortfalls in emerging and LDC's



Thank you!



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