

Expert group meeting on the international trading system and inclusive development

19-20 November 2013, Room XXVI, Palais des Nations

Programme

As the international community prepares for defining the post-2015 development agenda as the successor to the Millennium Development Goals (MDGs), trade remains a major source of growth and development. The international trading system (ITS) is expected to provide an overarching enabling environment for the realization of inclusive and sustainable development and poverty eradication. Recent national trade policy trends are increasingly geared towards measures aimed at increasing exports, building local productive capacities and preserving employment, as well as efforts to build coherence among these policies. While the multilateral trading system (MTS) remains a central pillar of the ITS, the 12-year long WTO Doha Round negotiations are in a stalemate, and the prolonged Round negotiations are fuelling plurilateral negotiations and the creation of a multitude of 21st century regional trade agreements. The growing importance of developing countries in international trade, along with the increased prominence of regional trade agreements and South–South trade, has given rise to a multipolar trading system.

The impasse of the Doha Round negotiations reflects wider tensions between globalization and national development interests and underlines the need to seek new ways to foster multilateral consensus in addressing trade barriers and enhancing more open and fairer international trade. Development-focused outcomes at the forthcoming Ninth WTO Ministerial Conference (3-6 December, Bali, Indonesia) will be important in regenerating confidence in the system and paving the way for the Round's conclusion in the future. There have also been concerns about how the MTS should address 21st century challenges and proliferating and deepening regional trade agreements while also dealing with long-standing development concerns. The current architecture and instruments of the ITS need careful review to assess what adaptations are necessary in order to deal more effectively with rapidly evolving economic realities, trade policy trends and development priorities.

Tuesday, 19 November 2013

10h00-10h15 **Opening remarks by Mr. Guillermo Valles**, Director, Division on International Trade in Goods and Services, and Commodities (DITC), UNCTAD

10h15-12h00 **Session 1: Towards a multilateral trading system for inclusive and sustainable development**

Trade is expected to continue to play a central role in promoting growth and development, thereby contributing to the post-2015 development agenda. However, policy challenge arises in harnessing trade for inclusive development, and maximizing the contribution of the ITS in this regard. The MTS is headed towards universality through continued accession of new members. In view of the forthcoming Ninth WTO Ministerial Conference in Bali (3-6 December) and taking into account a decade-long discussion on development dimension of the Doha Round, this session will examine the developments in the ITS and trade policies. It will also address potential contribution of the possible Bali package such as trade facilitation, agriculture and development issues, and broader issues affecting developing countries in the post-Bali roadmap for concluding the Doha Round.

- How does the MTS contribute to growth, jobs and inclusive development? Are the gains from the Doha Round still real or symbolic?
- What are the key recent trade policy trends? How do the changing trade and development policies prioritizing local productive capacities and job creation affect the MTS?
- What needs to be done to maximize the MTS's contribution to development at Bali and after Bali? Has the system dealt with traditional trade issues such as agriculture?
- What role for the "development dimension" of the Doha Round?
- What options for bringing the Round to a conclusion in the near future against the backdrop of ongoing plurilateral and regional processes?
- How best can the MTS move towards the universality in terms of membership?

Moderator: Mr. Guillermo Valles, Director, DITC, UNCTAD

Panelists: Dr. Craig VanGrasstek, J.F.Kennedy School of Government, Harvard University
 Dr. Jomo Kwame Sundaram, Assistant Director-General for Economic and Social Development, FAO
 H.E. Mr. Wayne McCook, Ambassador and Permanent Representative of Jamaica
 Mr. Mark Halle, Executive Director of IISD-Europe and Vice President, International, International Institute for Sustainable Development
 Dr. David Cheong, Trade and Employment Specialist, Employment Policy Department, ILO
 H.E. Mr. Shree Baboo Chekitan Servansing, Team Leader, ACP-EU TBT Programme, former Ambassador of Mauritius

Followed by interactive discussion

12h00-13h00 Session 2: Strengthening the MTS in the 21st century

In view of the evolution of the MTS over the past 12 years, it is widely recognized that the multilateral trading system is in need of strengthening, especially in its trade negotiating functions. Furthermore, given that existing WTO norms and disciplines largely reflect trade realities of the 1980s, case has been made that multilateral trade disciplines and liberalization approaches are in need of updating and adaptation to better reflect 21st century trade realities. Often cited in this regard are some of the transformative shifts undergoing trade fundamentals shaping international trade flows (e.g. GVCs, trade in services), greater prominence of employment concerns, rising incidence of non-tariff barriers, and increased interface of trade with non-trade policy concerns (e.g., climate change, exchange rates, food and energy security). For instance, the rise of trade in global value chain may be seen as posing challenges to the MTS that is centred on "shallow integration" agenda while it is often argued that the phenomenon calls for deeper integration addressing trade-investment-competition nexus. The session will address possible ways and means to update, adapt and strengthen the MTS while fully taking into account development implications of such adaptations.

- Are the norms of the MTS outdated? In what areas is the adaptation needed? How can it be done? What are the development and systemic implications?
- What options to strengthen negotiating functions of WTO?
- How does the rise of trade in GVCs impact the MTS?
- Is adaptation also needed in the balance of reciprocity and flexibility? What future for SDT?
- How to prioritize services trade and GATS?
- What is the role of dispute settlement system?

Moderator: **Ms. Mina Mashayekhi**, Head, Trade Negotiations and Commercial Diplomacy Branch (TNCDB), DITC, UNCTAD

Panelists: **Dr. Aaditya Mattoo**, Research Manager, Trade and Integration, World Bank
Dr. Werner Zdouc, Director, Appellate Body Secretariat, WTO
Dr. Olivier Cadot, Professor, University of Lausanne
Dr. Emily Jones, Deputy Director, Global Economic Governance Programme, University of Oxford
H.E. Mr. Ransford Smith, Interregional Adviser, UNCTAD, former Ambassador of Jamaica
H.E. Mr. Joakim Reiter, Ambassador and Permanent Representative of Sweden to the WTO

Followed by interactive discussion

13h00-15h00 **Lunch break**

15h00-16h00 **Session 2 continued**

16h00-18h00 **Session 3: New-generation regionalism**

The widespread recourse to regional processes and formats of negotiations in advancing trade integration and regulatory harmonization represents a major challenge to the credibility and centrality of the MTS. While recognizing many of these arrangements are here to stay and many RTAs themselves have recently witnessed quantum leap in their size, coverage and depth of integration, there is need to better appreciate and assess systemic and development impacts of these evolving forms of trade and economic integration initiatives. The session will address the implications of recent new-generation RTAs for the MTS and possible options in maximizing gains for developing countries and in optimizing their co-existence in a coherent and integrated fashion in support of inclusive development.

- What is new in the 21st century RTAs – size, configuration, coverage or depth?
- What factors shaped the 21st century RTAs?
- How do they affect the multilateral trading system?
- How best should they co-exist while ensuring coherence?
- What impact do they have on participating and non-participating developing countries? How can the gains be maximized for them?

Moderator: **Dr. Jomo Kwame Sundaram**, Assistant Director-General for Economic and Social Development, FAO

Panelists: **Dr. Craig VanGrasstek**, J.F.Kennedy School of Government, Harvard University
Dr. Theresa Carpenter, Executive Director, Centre for Trade and Economic Integration, Graduate Institute of International and Development Studies, Geneva
Dr. Joost Pauwelyn, Professor, Graduate Institute of International and Development Studies, Geneva
Dr. Aaditya Mattoo, Research Manager, Trade and Integration, World Bank
H.E. Mr. Angelos Pangratis, Ambassador and Permanent Representative of the European Union to the WTO

Followed by interactive discussion

Wednesday, 20 November 2013

10h00-13h00 Session 4: Development dimension of regional trade agreements

Developing countries have also become active players in the expansion and deepening of regional trade agreements and initiatives. Dynamic and emerging developing economies are increasingly forming high-standard RTAs with developed country partners, and South-South RTAs are being reinvigorated, consolidated and expanded in many parts of the world. RTAs are increasingly recognized as a platform to facilitate integration of developing countries in trade, and regional value chains. This process however also poses challenges for developing countries. LDCs and smaller countries may be left out of the process. Deep integration may imply limitation of national policy space. South-South integration initiatives may be yet to generate new trade flows and substantial development gains. In this light, the session will address opportunities and challenges arising from developing countries' participation in RTAs.

- How can the 21st century RTAs contribute to inclusive development?
- What are the possible benefits and costs for developing countries, including expected loss of policy space on regulatory issues affecting development process?
- Which ways forward in making best use of South-South regional integration and intra-regional trade for inclusive development – expansion, consolidation, deepening or cooperation?
- What opportunities for inter-regional South-South trade cooperation?
- How best should they co-exist with the multitude of multilateral and regional integration processes?

Moderator: **H.E. Mr. Ransford Smith**, Interregional Adviser, UNCTAD, former Ambassador of Jamaica

Panelists: **Dr. Craig VanGrasstek**, J.F.Kennedy School of Government, Harvard University
H.E. Mr. Jean-Marie Ehouzou, Ambassador and Permanent Observer of the African Union
Dr. Michael Gasiorek, Senior Lecturer in Economics, University of Sussex
Dr. Emily Jones, Deputy Director, Global Economic Governance Programme, University of Oxford
H.E. Mr. Shree Baboo Chekitan Servansing, Team Leader, ACP-EU TBT Programme, former Ambassador of Mauritius

Followed by interactive discussion

13h00-15h00 Lunch break

15h00-17h45 Session 5: What options for an enabling trade environment for inclusive development in the post-2015 development framework? Possible areas of UNCTAD's work

Moderator: **Ms. Mina Mashayekhi**, Head, TNCDB, DITC, UNCTAD

The session will wrap up discussions in the previous sessions and consider how UNCTAD could best contribute to optimizing the contribution of international trade and the international trading system for inclusive and sustainable development goal.

17h45-18h00 Concluding remarks by Mr. Guillermo Valles, Director, DITC, UNCTAD