



Delivering on the WTO Round: A High-level Government-Business Dialogue for Development

*Macao, China
4-6 October 2005*

Targeting an Asian-wide representation, this regional meeting will be organized by the United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP) jointly with the International Trade Centre (ITC). The central aim of the meeting is to hold a regional dialogue prior of the Hong Kong WTO Ministerial Conference, bringing together government officials from the Asia-Pacific region, business leaders, researchers and trade policy analysts to gain a greater common understanding on the key regional issues and their implications on business ahead of the conference. The meeting will bring together the benefits of UNESCAP's high level policy dialogue and ITC's "Business for Development" approach.

Participants will benefit from each organization respective expertise and experience.

UNESCAP is the biggest of the UN's five regional commissions in terms of population served and area covered. Since its establishment in 1947, UNESCAP has played a unique role as the most representative body for the Asian and Pacific region with a mandate that makes it the main economic and social development centre within the UN system for the Asian and Pacific region. Currently it brings together 53 members and 9 associate members. UNESCAP accords high priority to assist countries to more effectively participate in and benefit from regional and global trade and investment flows. A more equitable access to international markets and enhanced national capacities to supply these markets has become an integral part of achieving the United Nations Millennium Goals (more information on www.unescap.org).

UNESCAP's Trade and Investment Division, in collaboration with its global UN partners and the WTO, has programmes for enhancing human and institutional capacities for multilateral trade negotiations, promoting export competitiveness, facilitating and promoting trade and investment liberalization and business development. Preparatory high-level regional meetings prior to each WTO Ministerial Conference have been regularly convened.

On request from member countries, advisory service to assist policy makers in design and implementation of good policies in the areas of trade, investment and enterprise development are provided.

ITC is the joint technical cooperation agency of the United Nations (acting through UNCTAD) and the World Trade Organization (WTO) for business aspects of trade development. Established in 1964, ITC has progressively adopted a pragmatic approach in helping the business sectors of developing and transition economies to develop exports (more information on www.intracen.org).

ITC has, since the end of the Uruguay Round, established close contacts with the business in developing countries and transition economies to respond to requests for information and advice on the implications of the international trading system. The support for the business community, with the participation of trade negotiators, has been channeled mainly through ITC's World Trade Net program and the "Business for Development" (B4D) initiative. The main objective of the B4D series is to foster dialogue between national teams of business and trade negotiators at the regional level, to enable a more transparent and effective consideration of business inputs by governments in WTO negotiations.

Six "Business for Cancun" (B4C) workshops were conducted in 2003 in the run up of the Cancun ministerial meeting. The seven regional B4D meetings in 2004 brought together national teams of over 420 public and private sector participants from 100 developing countries and transition economies (more information on www.intracen.org/worldtradenet). All of these meetings were organized with the support of the WTO Secretariat, UNCTAD and the Geneva-based Missions. These meetings were preceded by e-discussions and supported by extensive documentation on key issues, prepared especially for the benefit of the business community.

Why Trade and the Doha Development Round Matter for Asia-Pacific

The UNESCAP region is characterized by extreme diversity. This region features some of the most open economies of the world, as well as a few of the most closed, some of the most developed and some of the least developed economies. It also features some of the most technologically advanced countries, while others are rich in natural resource endowments. The region features over 60 national languages and a great variety of governance systems. Diversity provides opportunities for regional and global trade. Asia-Pacific, known as "the region of trading nations" provides an outstanding example of the benefits of openness to trade. Large or small, developed or developing – countries for the most part have based, and will continue to base their economic prosperity on their ability to trade with each other and the rest of the world. The net gains, on average have been positive in this region.

There are no examples of a closed economy doing better in terms of economic growth than those that are open and integrated into the world economy. Openness to trade as a contributor to economic performance and its positive correlation with higher national incomes is thus well documented. But will just any increase in trade produce this effect? Experiences from various countries indicate that it will not, and that a determining factor in how well increased openness is transformed into higher prosperity depends on economic "fundamentals" and complementary policies maintained by government in pursuit of country's development strategy goals. A plethora of other factors including attitude to business, quality of physical and financial infrastructure, education, and governance will all determine the impact of increased trade. Openness to trade still remains an essential condition for continued prosperity.

At the same time, developing countries of this region have also experienced, first hand, the adjustment costs arising from trade. Furthermore, both costs and benefits have not been equally and evenly distributed across countries and within countries among various social and economic groups. Trade impacts have generational, sectoral, gender and other biases. Not surprisingly, therefore, while showing a high level of commitment to multilateralism and the Doha Round, developing countries of the Asia-Pacific region are also concerned about the

development dimension and the need to work towards a more efficient and equitable multilateral trading environment.

At the national level, countries are seeking to work out appropriate mechanisms that will channel these diverse concerns and interests to reach a common position that will benefit society as a whole. At the international level, trading nations of this region need to continue to discuss and cooperate to strengthen the trade and development linkages through the Doha Development Agenda, thereby forging compromises and unblocking the progress of negotiations towards free(r) global trading environment.

Overall therefore, despite the complexities, the compromises that need to be forged at both the national and international levels, the region has a well defined motivation in seeing the current Doha Development Round move forward constructively. A centerpiece in this process is a concrete outcome to the Ministerial Conference in Hong Kong, China in December 2005.

The Doha Development Round matters

...because **multilateral liberalization** towards a transparent, rule-based, and non-discriminatory trading system is the best alternative to foster development and lift people in developing countries out of poverty.

...because an ambitious **liberalization of trade in agricultural products** will have important positive effects in developing nations. With most poor people living in rural areas, reforming developed country policies will have a positive impact in the terms of trade for these communities.

...because it is an opportunity to rationalize **liberalization of trade in industrial goods**, adjusting bound tariff rates to the actual applied burdens, and making trade preferences work effectively for developing countries' needs. Moreover, a further liberalization in industrial goods will have a positive impact in international trade growth with the subsequent income gains and the development of value-added industries in developing countries.

...because the potential welfare gains from a comprehensive **liberalization of trade in services** are proportionally higher than in other areas. As a traditionally more protected area, gains to be reaped by both developed and developing countries are greater than in the industrial goods sector. Moreover, liberalization will increase competition in long standing inefficient monopolies, with the derived increases in welfare.

...because in reaching an **agreement on trade facilitation**, one of the major hurdles to international trade can be eliminated. Since developing countries have significantly higher red-tape costs levied on their trade in goods, they are the ones which stand to gain the most from such measures.

Sources: *World Bank GEP, 2005* and *Francois, van Meijl and van Tongeren. 2005*

Rationale

All of these reasons motivated members of UNESCAP, at its 61st Commission, to request the secretariat to accord the highest priority to organizing a multistakeholder dialogue on the trade and development issues of common interest and concern prior to the WTO Sixth Ministerial Conference. ESCAP has routinely organized preparatory high-level regional meetings prior to all WTO Ministerial Conferences. The secretariat, with the generous financial support of the Government of Macao, China, responded swiftly and is now organizing the meeting in Macao, China.

At the same time, ITC has received increasing requests not only from business but also from governments and delegations in Geneva for continuing the methodology of the B4D debates to facilitate the run up to the Hong Kong Ministerial Conference in December 2005. In response to these demands, ITC will be holding regional B4D meetings up to the Ministerial Conference, whenever possible, in partnership with other organizations. Given the commonalities involved, as regards Asia and the Pacific, ITC has accepted to team up with ESCAP in the context of this event.

Other collaborating organizations are ADB, IMF, UNCTAD, UNDP and WTO.

Objectives

A major objective of the meeting is to improve trade policy-makers readiness to deal with the challenges and to capture the opportunities emerging from the WTO Sixth Ministerial Conference and Doha Round negotiations. A key aspect of this is to integrate the development dimension and special concerns of developing countries. The event therefore also seeks to build on a mutual understanding and recognition of developmental and adjustment needs of the UNESCAP members and their integration into the joint negotiation positions.

The B4D methodology will pursue another major objective. By bringing in the business for development aspects, this meeting contributes to the promotion of a dialogue and closer partnership between government and business that will contribute to a successful ending of the Doha Round. The intention is to integrate more effectively business views and their special concerns into the preparation of negotiating positions for the WTO Sixth Ministerial Conference.

Methodology for the interactive debate

The format of the meeting follows the interactive B4D methodology. The well tried out practice of inviting national teams composed of business and government interests will be continued (UNESCAP will bring in the government representatives and ITC will bring in the business participants of 20 countries). Each thematic session will be introduced by an expert, including Geneva based trade representatives, outlining the main issues. Then, two respondents, one policy-maker and one business people from the region will enrich the general presentation with their specific perspectives. An additional respondent representing the ARTNeT trade research network will also participate in the sessions moderated by ESCAP. This will be followed by an interactive discussion involving all participants (seated in groups at round tables). There is no formal recording of views expressed, although the Chairperson will issue a statement at the end of the meeting, highlighting main issues of common concern and interest.

All participants are expected to submit a short written contribution about a subject of their choice being currently negotiated (e.g. in the form of a country paper or case studies which will be subsequently posted on the ESCAP and ITC - World Tr@de Net website), or to prepare a verbal contribution, e.g. about experiences relating to business advocacy in their countries/region.

Documentation and tools

Participants will be provided before the meeting with a series of documents prepared by UNESCAP and ITC that summarize the state of WTO negotiations for each of the main areas with special emphasis on the most controversial outstanding issues. Participants will also receive case studies and documentation on the broader linkages between the WTO system and business development issues.

As it is usually done in B4D meetings, ITC will present its Market Access Map, as it can be very useful for assisting private/public sector representatives to evaluate their stakes in the current NAMA and agriculture market access negotiations.

After the event, UNESCAP will issue a monograph with issue papers, relevant documents from the meeting and written submissions for discussions.

*For more information on Delivering on the “WTO Round:
A High-level Government-Business Dialogue for Development”, please contact:*

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