

Background Note on the WTO Public Forum

The WTO Public Forum

The Public Forum is the WTO's largest annual outreach event, allowing stakeholders to discuss the latest developments in world trade. This year, the Forum is attempting to tell the human story behind trade to show how trade improves the day-to-day lives of citizens. Three sub-themes will be covered: trade & jobs, trade & consumers, trade & Africa.

Key role of trade as an engine for sustainable development

Trade can serve as a key engine for development and promote economic growth and employment and the UN system has long recognised its relevance. The Monterrey Consensus ([A/Conf.198/11](#)) adopted in March 2002 and the Doha Declaration on Financing for Development adopted in December 2008 ([A/CONF.212/L.1/Rev.1*](#)) stressed the importance of trade policy. They emphasised the importance of a development-oriented trade round and increased support to South-South trade initiatives, and called on the UN to help developing countries build their trade-related productive capacities.

The Open Working Group (OWG) proposed three targets directly related to trade as part of Goal 17 on revitalizing the global partnership for development. Those targets focus on multilateralism and promoting LDC trade. The OWG also stressed the need to enhance policy coherence for sustainable development as well to respect each country's policy space. The trade system needs to be coherent with any climate change agreement and regulations designed to protect the environment. Given globalized agriculture commodities markets, trade rules must also contribute towards eliminating hunger and ensuring food security.

Trade trends and policy developments

World trade grew about twice as fast as GDP from the 1990s through 2009. However, it declined dramatically during the financial crisis and continues to be subdued. The UNCTAD 2014 *Trade and Development Report* ([UNCTAD/TDR/2014](#)) predicts that trade growth will remain restrained and, given the insufficiency of global demand, it is highly unlikely that international trade alone will be able to strengthen economic growth.

Supporting trade growth by avoiding protectionism and by upgrading the rules for an open, fair and development-oriented international trading regime in the spirit of the Doha Development Round is critical. According to the WTO, as of May 2014, only one-fifth of trade restrictive measures taken by countries since 2008 have been removed.

The WTO's Ninth Ministerial Conference held in Bali, Indonesia in December 2013 produced a package of agreements. The "Bali Package" contains 10 decisions on, among others, reducing trade transaction costs, addressing some developing country concerns in agriculture, enhancing LDC trade and monitoring the existing development provisions in WTO agreements. However, implementation of the Bali package has stalled. Some developing countries want public cereal stockholding schemes for food security purposes to be exempt from WTO legal challenges on a permanent basis rather than just temporarily. The Trade Facilitation Agreement thus missed its first implementation deadline of 31 July 2014.

The alternative to progress in the multilateral trade agenda is continued proliferation of bilateral, regional and interregional free trade agreements (FTAs). Regional trade agreements (RTAs) have increased since the early 1990s. Two large RTAs are currently being negotiated—the Trans-Atlantic Trade and Investment Partnership and the Trans-Pacific Partnership. These agreements are seen by some as a less ambitious version of the Doha Round. However, RTAs threaten to further fragment trade rules and undermine the consistency of the multilateral system. In addition, these agreements do not have development mandates and may not adequately consider their sustainable development implications.

The Monterrey Consensus called for duty-free and quota-free access for all Least Developed Countries, and this needs to be implemented. There is also a need for special and differential treatment provisions for developing countries to be made more precise, effective and operational.

Aid-for-trade, the category of ODA that supports trade-related capacity, declined in 2011 before increasing in 2012, according to preliminary OECD figures. However, LDC's share of total 2012 aid-for-trade fell 2 per cent to 24 per cent of the total. Large increases in aid-for-trade were directed to middle-income countries. Recently aid-for-trade has shifted toward funding private sector development.

UNCTAD's *TDR* argues that strengthening the governance of global trade in support of development goals will need to be part of a more comprehensive and integrated package to help preserve the policy space for proactive trade and industrial policies.