This is the second edition of the new WTO Online Magazine, a welcome supplement to the Secretariat’s continuing efforts to inform and reach out to a broader public about WTO activities and recent WTO-related developments.

This number is full of interesting information across a broad range of issues and events. Several articles deal with the current economic crisis and its implications for trade and trade policy. Our most recent report on trade developments and prospects makes for gloomy reading. Production, imports and exports have contracted very sharply since the last quarter of 2008. We are predicting that export growth adjusted for price and exchange rate changes will contract by 9 per cent in 2009. That is the sharpest contraction since the 1930s.

We still do not know when the world economy will turn around, but many commentators think that we will have to wait until sometime in 2010 before growth resumes on a sustainable basis. Many governments are still pondering the policy lessons to be drawn from the financial crisis that triggered the downturn and how to avoid such outcomes in the future. From the WTO’s perspective, the most immediate concern is that growing protectionist pressures will translate into trade-restrictive measures that will simply raise trade tensions and slow down global economic recovery. It is this concern that has led to an active programme of trade policy monitoring at the WTO.
WTO NEWS

WORLD TRADE 2008, PROSPECTS FOR 2009

WTO sees 9% global trade decline in 2009 as recession strikes

The contraction in developed countries will be particularly severe with exports falling by 10% this year. In developing countries, which are far more dependent on trade for growth, exports will shrink by some 2%-3% in 2009, WTO economists say.

Following the dramatic worsening of the financial crisis since September of last year, real global output growth slowed to 1.7%, compared to 3.5% in 2007, and is likely to fall by between 1% and 2% in 2009. This is the first decline in total world production since the 1930s, and its impact is magnified in trade.

Trade finance: how to ensure credit during the financial crisis?

One of the side effects of the current financial crisis is its impact on trade finance. This very secure form of credit has become more expensive or dried up completely. The lack of credit lines and trade guarantees is one important reason for the reduction in trade flows, as exporters cannot ship their merchandise without them. The impact is even more severe for developing countries.

Kimberly Wiehl, Secretary-General of the Berne Union, and Steven Beck, Head of Trade Finance at the Asian Development Bank, discuss the issues with Keith Rockwell, WTO Spokesperson.

LAMY WELCOMES G20 SUMMIT’S PLEDGE TO SUPPORT TRADE FINANCE

WTO Director-General Pascal Lamy welcomed the G20 Summit’s pledge to support trade finance. “Trade is contracting sharply, exacerbated by the lack of trade finance. The G20 commitment to provide US$ 250 billion for trade finance shows the capacity of the international community to address urgent global needs by helping to restore trade as an engine of growth.”

PASCAL LAMY AND BRITAIN’S PRIME MINISTER GORDON BROWN, G20 SUMMIT - LONDON, APRIL, 2009
WTO ACCESSION

Bosnia and Herzegovina reports significant progress in bilateral accession talks

The head of the Bosnia and Herzegovina’s negotiating team, Mr. Hamdo Tinjak, reported to the Working Party on 19 March 2009 about “significant progress” in its market-access negotiations with Canada, China, the European Union, Japan, Korea, Norway and the United States.

> Read more
> Bosnia and Herzegovina
> Accessions

TRADE POLICY REVIEW

Positive economic performance but continued reforms needed

EUROPEAN COMMUNITIES. The European Communities’ economic performance was generally good in 2006-07, although it weakened significantly from the second half of 2008 due to the global financial and economic crisis. A robust recovery and sustained economic growth in the European Communities will hinge on it continuing to undertake key structural reforms, according to the WTO Secretariat report on the trade policies and practices of the European Communities.

> Read more

Promoting market competition would help sustain economic growth

BRAZIL. Since its last review in 2004, Brazil has continued with the gradual modernization and streamlining of its trade regime, while also increasing average tariff protection. The economy has taken advantage of recent reforms and a favourable environment to grow at an annual average rate of 4.5% during 2004-2007, and 6.3% on the 12 months to September of last year, according to the WTO Secretariat report on the trade policies and practices of Brazil.

> Read more
> Full list of previous TPRs
> Programme of reviews for 2009

Market opening and deregulatory measures would promote a more diversified and efficient economy

FIJI. Since its last review, Fiji has undertaken some trade-related reforms and has liberalized and rationalized its foreign investment regime, reforms that are seen as integral to Fiji’s economic priorities of a developing, efficient and competitive open economy to promote export-led growth, according to a WTO Secretariat report on the trade policies and practices of Fiji.

> Read more

Schedule of forthcoming reviews

Mozambique: 22 and 24 April 2009
Solomon Islands: 6 and 8 May 2009
New Zealand: 10 and 12 June 2009

WTO News 04
LAMY STRESSES THE NEED TO RESIST PROTECTIONISM

Series of meetings with Australian and New Zealand leaders

Pascal Lamy held a series of meetings with Australian and New Zealand leaders of government, business, trade unions and farmers, in which he stressed the need both to resist protectionism and to conclude the Doha Round negotiations.

> Sydney think-tank, the Lowy Institute
> Australian Bureau of Agricultural and Resource Economics (ABARE)
> Auckland Chamber of Commerce

Lamy urges Africa to keep trade open and to keep opening trade

WTO Director General Pascal Lamy’s message to African Union Trade Ministers was “Keep trade open; keep opening trade”, when he addressed them in Addis Ababa, on 20 March 2009. “It is important to mobilize so that trade contraction does not harm African countries. Avoiding the risk of protectionism is worth the fight”.

> Read more
Ideas for Development” is an international Blog meant to stimulate debate on development issues. It brings together a set of senior professionals engaged in this sphere through their careers and personal convictions.

This Blog aims at offering a new forum for open discussion and interaction between scholars, students, professionals of various backgrounds and the public at large. Together, they can share information, viewpoints and visions for the future with the common goal of advancing the cause of development.

The diversity of perspectives offered in the blog aims to encourage a direct debate between development specialists, and guarantee a rich debate.

> The Ideas for Development Blog

Most read topics are now:

> Hunger in the 21st century: the need to “feed smarter”
> On development and the global environmental crisis
> Should we impose social and environmental standards to developing countries?
Discover 45 case studies from economies around the world, each of which illustrates how governments, business and civil society manage their country’s participation in the World Trade Organization! The contributors, mainly from developing countries, give examples of participation with lessons for others. They show that when the system is accessed and employed effectively, it can serve the interests of poor and rich countries alike. However, a failure to communicate among interested parties at home often contributes to negative outcomes on the international front. Above all, these case studies demonstrate that the WTO creates a framework within which sovereign decision-making can unleash important opportunities or undermine the potential benefits flowing from a rules-based international environment that promotes open trade.
GET TO KNOW THE WTO SECRETARIAT

New structure of the WTO

The WTO Secretariat was restructured in January 2009. An outline of the new structure and updated descriptions of all of the WTO Secretariat’s divisions have just been published on the Website.

> Read more

WTO PUBLIC FORUM 2009

Global Problems, Global Solutions: Towards Better Global Governance

Date: 28 - 30 September 2009
Location: Geneva, WTO headquarters

Over the past few years, the WTO Public Forum has firmly established itself as the major opportunity for governments, non-governmental organizations, academics, businesses and students to come together to discuss issues regarding the multilateral trading system.

The title of this year’s Forum is “Global Problems, Global Solutions: Towards Better Global Governance”.

> Read more
> Public Forum 2008
E-LEARNING NEWS

ONGOING COURSES

New WTO online training courses attract over 1,000 participants!

A total of 1,091 government officials from developing and least-developed countries (LDCs) are participating in three online WTO courses, which started on 30 March 2009.

The course on multilateral trade agreements is a new course which aims to deepen understanding of the WTO system, including its economic and legal rationale and the relationship between the various WTO agreements. The course looks at cross-cutting issues, such as the relationship between trade and environment and the interplay between regional trade agreements and the WTO. The special provisions available to developing and least-developed countries are also addressed during the course.

COURSES OPEN FOR REGISTRATION

SIGN UP NOW!

Introduction to the WTO (French)
Course dates: 4 May to 12 June 2009
Registration: 17 March – 1 May 2009

Technical Barriers to Trade (French)
Course dates: 4 May to 12 June 2009
Registration: 17 March – 1 May 2009

Session 4 in French is coming up!

Registration started in mid-March 2009.

It will take place from 4 May to 12 June 2009 and will cover two courses.

You can register through the eTraining Website at https://etraining.wto.org.
Session 5 in English

Session 5 will be organized from 18 May to 10 July 2009 in English and will include four courses.

You can register through the eTraining Website at https://etraining.wto.org

SIGN UP NOW!

Introduction Course (English)
Technical Barriers to Trade (English)
Course dates: 18 May to 26 June 2009
Registration: 30 March – 8 May 2009

eWTO: The Multilateral Trade Agreements (English) – NEW
Course dates: 18 May to 10 July 2009
Registration: 30 March – 8 May 2009

Feedback from eTraining participants

The objective of the eTraining courses in Session 1 was to enhance your understanding of the WTO and its Agreements. How would you rate the performance of the course in achieving this objective?

Self-training courses

A new self-training module on the WTO Library is now available on the eTraining Website. The course has been designed to enable you to discover the WTO online Library and the WTO Library Catalogue and take full advantage of these very useful tools, which are available on the WTO Website: Try it out!!

You can also find other self-training modules on various WTO issues or tools at https://etraining.wto.org - select “Self-Training”

> WTO Library online training programme
> Other self-training courses

See you online!

eTraining Website: https://etraining.wto.org
Alumni at Facebook: http://www.facebook.com
E-LEARNING TRENDS

High participation level of the Latin American and Asian regions in WTO online Course Programme with still limited participation from the African region.

Around 50 per cent of participants having successfully completed an eTraining Course in 2008 originated from Latin America (30 per cent) or Asia and Pacific (20 per cent). The share of Africa remained relatively low with a 15 per cent share. Limited access to computers with Internet connection is often reported as a major obstacle to participation in the WTO E-Learning activities.

In order to assist technical beneficiaries with difficult access to the Internet, eTraining Course modules are downloadable to minimize the time online. Participants are also invited to use the IT-resources existing in WTO Reference Centres worldwide. An updated list of the Centres are available on the eTraining Website.

> Updated list of the Centres

Overall participation rate from Least-Developed Countries (LDCs) in online Courses is still low but the figures are on the rise.

The number of successful LDC participants accounted for less than 10 per cent of the total in 2008. However, their number increased by 188 per cent from 2006 to 2008. The number of participants from LDCs continues to grow in 2009, reaching its highest number so far in an eTraining Course session with 99 participants in Session 1 of 2009.

A growing number of LDCs have benefited from online Courses over the past two years although the number of participants nominated by each LDC could still be enhanced.

The average number of participants nominated and selected for an online Course by each LDC in 2008 ranges from five to six officials, which remains relatively low if compared to the overall average of 20-21 candidates per beneficiary government for the same year.

The number of candidates nominated by a beneficiary country for an online eTraining Course is not limited! Governments from developing and least-developed countries are encouraged to take full advantage of this new training modality.
FOCUS: AID FOR TRADE

Aid for Trade at a glance

Aid for Trade (AfT) is about helping developing countries, in particular the least-developed, to build the trade capacity and infrastructure they need to benefit from trade opening. So what does the WTO do regarding AfT? It shines a spotlight on the area. It focuses on identifying the needs within recipient countries, responding to donors and acting as a bridge between donors and developing countries. AfT tries to encourage the recipients to mainstream trade into their national development policies to be able to benefit from the resources that are out there, and by doing so, the benefits are not just in terms of obtaining traditional AfT, but they should be in terms of economic growth and even more, the positive relationship between economic growth and poverty reduction.

The WTO delivers only a very small part of overall AfT. WTO assistance concentrates on providing trade-related technical assistance (TRTA) in the areas of trade policy and regulation. TRTA is considered to be the WTO Secretariat’s contribution to AfT.

The monitoring of AfT takes place at four levels:

- Global monitoring of overall Aid for Trade flows
- Monitoring the commitment of individual donors to provide AfT
- Monitoring how the needs of developing countries for AfT are being presented to, and met by, the international donor community, including the development banks
- Monitoring the impact of AfT through the use of indicators

> Monitoring AfT system

2nd Global Review of AfT
6-7 July 2009
> Key Objectives and Agenda

2nd Global Review of AfT - Key Objectives:

- Moving from commitment to implementation
- Mainstreaming trade in national development strategies
- Sustaining aid flows during the global economic downturn
- Assessing the effectiveness of Aid for Trade

> 2nd Global Review of AfT 6-7 July 2009

For more information on Aid for Trade click on http://www.wto.org
There is obviously a positive relationship between Aid for Trade and the Doha Negotiations. However, they are separate entities. AfT is not conditional upon the DDA success although a positive conclusion would give AfT an additional focus as it will be assisting developing countries in the implementations of new agreements but also addressing the supply-side constraints, which are preventing developing countries from benefiting from “all” the agreements.

Aid for Trade and the Doha Negotiations

The Integrated Framework for TRTA to least-developed countries (LDC) is a process that supports LDC governments in trade capacity building and integrating trade issues into overall national development strategies.

The WTO Trade Facilitation Needs Assessment Project provides technical assistance in conducting a self-assessment of the country’s needs and priorities in the WTO trade facilitation negotiations. The goal is to assist countries to participate more effectively in all aspects of the trade facilitation negotiations.

The Standards and Trade Development Facilitation is a co-ordination and resource mobilization mechanism. It acts as a forum for information sharing on SPS-related technical co-operation activities and it aims to mobilize resources to address SPS issues which limit the trading possibilities of developing countries.

Survival Kit

1. Aid for Trade - WTO Work Programme on Aid-for-Trade Background Note Prepared by the WTO Secretariat (WT/AFT/*)
2. Committee on Trade and Development - Aid for Trade - Annotated - 2009 Aid-for-Trade Roadmap (WT/COMTD/AFT/*)
3. Aid for Trade Task Force Recommendations 2006 (WT/AFT/1)

Working in Cooperation

AN EXAMPLE OF AID FOR TRADE ACTION: AFRICA’S NORTH-SOUTH CORRIDOR

How to put together all the elements necessary for trade to flow

Director-General Pascal Lamy, on 6 April 2009 in Lusaka, Zambia, hailed Africa’s North-South Corridor Pilot Aid for Trade as an example of “how to put together all the elements necessary for trade to flow, creating the conditions necessary for the private sector to diversify from exporting a narrow range of raw material and add more value.”

> Read more
> North-South Corridor: Outcomes, Conclusions and Way Forward
> WTO North-South Corridor Conference Press Release

WHAT IS THE NORTH-SOUTH CORRIDOR?
The North-South Corridor comprises the Dar es Salaam Corridor, linking the port of Dar es Salaam in Tanzania with the Copperbelt (the copper-mining area of Zambia), and the corridor linking the Copperbelt to the southern ports in South Africa. The North-South Corridor, together with its adjacent spurs, services eight countries — Tanzania, the Democratic Republic of the Congo, Zambia, Malawi, Botswana, Zimbabwe, Mozambique and South Africa.

DIRECTOR-GENERAL LAMY AT YORK FARM, ZAMBIA 7 APRIL 2009

NORTH-SOUTH CORRIDOR PILOT AID FOR TRADE CONFERENCE OUTCOMES, CONCLUSIONS AND WAY FORWARD

The North-South Corridor Programme as a model Aid for Trade Programme

The North-South Corridor Programme is a Model Aid for Trade Programme that has enabled the Regional Economic Communities (RECs) of COMESA, EAC and SADC, their Member States and the International Community to implement an economic corridor-based approach to reducing costs of cross-border trade in Sub-Saharan Africa.

It seeks to enable producers and traders to be more competitive, thereby creating higher levels of economic growth, employment creation and reduce poverty. The project will also focus on taking the necessary steps to ensure that adequate power supply is made available to support the growing demand from industrial, commercial and domestic consumers.

The Model Programme is based on the decisions of the COMESA-EAC-SADC Tripartite Summit held in Kampala, Uganda in October 2008 and on the various decisions taken at the international level on Aid for Trade.
Joshua Setipa
Counsellor, Office of the Director-General Pascal Lamy
1. You have recently travelled to Zambia for the North-South Corridor Aid for Trade (AfT) Conference. Could you please briefly explain the objectives of the Conference?

The North-South Corridor project is an infrastructure project that seeks to build a transport corridor that links 8 countries, Zambia, Tanzania, Angola, Democratic Republic of Congo, Malawi, Mozambique, Botswana and South Africa with the key objective of facilitating movement of cargo, of goods, of people in the region, and enhance trade flows. The conference was primarily funded by the UK Department for International Development.

And from the WTO perspective, our interest was in highlighting the project as a good example of a regional approach to AfT, what a regional initiative like this can do to address infrastructure needs in a coordinated regional manner.

2. What was achieved?

An important achievement was the clear demonstration of political commitment by regional leaders to regional infrastructure development and of course to regional AfT. There were four presidents: the President from Zambia, the President of South Africa representing the SADC group, Kenya’s President representing COMESA and the Ugandan President representing the East African Community.

Furthermore, substantial funding commitments were made by donors towards financing the North-South Corridor.

3. In your view, what are the main challenges or difficulties?

Infrastructure is clearly a very key challenge. The region faces a serious trade facilitation challenge which as a result undermines competitiveness at both the regional and national levels.

Increased Investments in infrastructure will improve the competitiveness of the whole region, affecting not only each single country but all of them as a region. Improving infrastructures would allow for regional linkages and thereby strengthen regional integration. Regional linkages will also enhance cooperation across borders. There are several regional trade agreements in the region, such as COMESA, which is a free-trade agreement. However, there can be no substantial intra-regional trade if goods cannot be efficiently moved from one point to another. To take advantage of trade opening benefits that will flow from a successful conclusion of the DDA, the region needs further infrastructure development.
Turning now to the role of the WTO: we don’t have any big amounts of money to pledge. What we do is mobilize support. We mobilize support for donors to commit resources. We mobilize developing countries to support these regional approaches. To invest a huge amount of money to build roads, which can only benefit one country does not make sense. The idea is to generate political and financial support so that infrastructure development is perceived as part of the regional integration scheme. Do you know for example that intra-Africa trade is only about 10% of total African trade? Africa trades more with Europe than it does within itself mainly because goods cannot be transported easily from one region or country to another.

4. Did you meet representatives of the private sector?

We met the Zambian Exporters Association, which represents exporters of cut flowers and vegetables to Europe mainly. Zambia until recently was the 4th main exporter of flowers to the EU market. We met with the Coffee Exporters Association of Zambia and we visited one of Zambia’s biggest flower and vegetables exporters. We also met the President, the Finance Minister, Ag minister and also the Minister of Mining to discuss the state of the Zambian economy and key sectors including agriculture and mining.

5. What is your opinion on how best to bring in more effectively the private sector into trade and development approaches?

The fundamental principle is that countries don’t trade. Companies trade. We need to ensure that the private sector takes part in the dialogue on AfT. The International Trade Centre (ITC) can play an important role in engaging the private sector in AfT initiatives. Actually what needs specifically to be done is involve the small and medium enterprises. And this is where ITC comes in by providing a platform for them that would ensure that they are involved in discussions. We are also trying to involve the private sector at the global level by engaging the International Chamber of Commerce and we also encourage the Regional Economic Communities to engage their regional private sector groups. Through this effort we hope that the role and contribution of the private sector in formulating national and regional Aid for Trade strategies will be enhanced.

But it’s still ongoing. It’s not 100% complete and we still have more work ahead of us to fully engage the private sector in Aid for Trade.

6. What was your best moment in Lusaka?

I’ve been to Lusaka many times. I was very pleased to note that there are positive signs indicating a heightened level of economic activity: We were informed about work underway to build industrial parks financed by among others Malaysian, Japanese and Chinese investors.

On a personal basis, on the day of the conference, April 6, I turned 40 in Lusaka, so that was the highlight!
Don’t know what a “floating INR” is? Not sure what a “nuisance tariff” means? Eager to finally decipher the most technical components in WTO official docs?

The Guides to “WTO speak” on the Website are there for you: the terminology database and the glossary.

The terminology database

WTOTERM — the database for translators: where you can find the terminology of the organisation in its three official languages. WTOTERM currently contains more than 10,000 terms and is updated regularly.

> Go to the database

The glossary

A useful guide to “WTO speak”. When you click on a term, an explanation will appear in a new window.

“Flexibility provisions, swing, carryover and carry forward, applicable to all restrictions maintained pursuant to this Article, shall be the same as those provided for in the relevant bilateral agreements.”

Check in the glossary what “swing” really means in the WTO?

> Go to the glossary
“6 QUESTIONS TO …“

MICHAEL ROBERTS
Coordinator in the WTO for the Aid for Trade Initiative

WTO mag: How would you explain your work in the WTO to a child?

I have sat down many times with my two boys, trying to explain to them what I do at the WTO. I try to explain to them what a coordinator does, which is to try and get all the various actors involved in the trade side, the aid side, all pointing in the same direction on assisting developing countries overcome their supply side constraints, so that they can profit from global trade liberalization. However, my boys don’t want to do what daddy does when they grow up. They want to be astronauts.

What was so far your best experience in the WTO?

It’s such a diverse range of different nationalities, professional profiles and yet there are still lots of people who follow the results of my local team in Suffolk. So even within this WTO global village, the village football team is still in good standing!

And your worst?

I don’t know if I am going to get away with this one... What I was going to say was backing into Keith Rockwell’s 1 car in the car park yesterday morning... Sorry Keith!

What kind of pupil were you at school?

A late bloomer. If only my French teacher could see me now! J’étais absolument nul, le pire élève de sa classe 2!

What is (are) your favourite book(s)? Your favourite(s) movie(s)?

I like sort of obscure histories of things: I read a world history of salt and a global history of cod, a book from Tim Hardford “The Undercover Economist”, which is interesting in making mundane things kind of interesting and explaining the world around you in a way that you have not thought of. And then, P. G. Wodehouse is also a fabulous writer. If you know his characters Jeeves and Wooster. Jeeves is the kind of model WTO civil servant! And for relaxation: “Yes Minister” which is a British TV comedy series from 1980s. It puts life here into perspective...

With whom in the WTO would you like to exchange jobs for a month?

Maybe Omar Rocchi’s 3 job because the guy really knows what’s going on in the WTO. Or Arancha Gonzalez’s 4 because Arancha makes everything happen.

BIO

I was born in England in 1968.
I spent my childhood up to the age of 20 in a small town near the coast in the East of England in Suffolk. I went to University first in Canterbury and then at Oxford. Before coming to the WTO, I was working in Moscow for 2 years, working on agricultural trade policies. I came into the WTO in September 2001 and worked in the Agriculture Division. I am the Coordinator for Aid for Trade in the WTO since 1 January 2009.

1. Director of the WTO Information and External Relations Division.
2. I was really useless – the worst pupil in her class!
3. Special Security Officer, at the WTO Front Desk.
4. Chief of the Director General’s Cabinet.