## The Last 20 Years of Trade

### 1995-2014

<table>
<thead>
<tr>
<th>Category</th>
<th>1995</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>World Merchandise Exports</td>
<td>$5,168</td>
<td>$19,002</td>
</tr>
<tr>
<td>World Exports of Commercial Services</td>
<td>$1,179</td>
<td>$4,872</td>
</tr>
</tbody>
</table>

### Key Figures
- **8** PER CENT
  - Average Annual Growth of Telecommunication Services over the past 20 years

- **2009**
  - Biggest drop in trade over the past 20 years (in value terms)

- **#160**
  - Members of the WTO in 2014
  - With 32 new members having joined the WTO since 1995

- **20 vs. 30** PER CENT
  - Share of world merchandise exports directed to developing countries
  - 39% (2014) vs. 26% (1995)

- **18** PERCENT
  - Of total Africa’s exports are traded within AFRICA
  - Compared to 10 PERCENT in 1995

- **11** PERCENT
  - Average Annual Growth of LDCs’ travel exports (1995-2014)

- **18** PERCENT
  - Asia’s share of computer and information services in 2014

### World Trade Developments
- **18** PERCENT
  - Members of the WTO in 2014
  - With 32 new members having joined the WTO since 1995

### Merchandise Trade by Product
- **-22** PERCENT
  - In world merchandise exports

### Trade in Commercial Services
- **-9** PERCENT
  - In commercial services exports

### Trade in Global Value Chains
The session on NTMs brought together the core Geneva based agencies involved in the collection, dissemination and analysis of NTMs. Mr. Mimouni, Chief, Market Analysis and Research, Division of Market Development, ITC provided an overview of the topic; Mr. Ralf Peters, Chief, Trade Information Section, Division on International Trade in Goods and Services and Commodities, UNCTAD and Mr. Jurgen Richtering, Chief, Market Access Intelligence Section, Economic Research and Statistics Division, WTO provided comments.

NTMs can be defined as policy measures, other than ordinary customs tariffs, that can potentially have an economic effect on international trade in goods, changing quantities traded or prices, or both. Based on this definition, NTMs cover a large spectrum of policy measures. Studies indicate that NTMs are often more important than tariffs as trade barriers, in particular for Small Medium Enterprises (SMEs.)

It should be emphasized though that most of the NTMs applied by Members are fully in line with their legal obligations and not trade distorting. Within the WTO context, Members have the possibility to raise concerns or questions in committee meetings and finally also make use of the dispute settlement mechanism to address any measures that are not in conformity with WTO legal provisions.

Data collection and dissemination

In order to better assess, compile and compare these measures a group of international agencies (Multi-Agency Support Team – MAST) elaborated a common classification of NTMs (http://unctad.org/en/Pages/DITC/Trade-Analysis/Non-Tariff-Measures/NTMs-Classification.aspx). As concerns data compilation of NTMs, the three agencies have followed different approaches in line with their respective mandates:

In the WTO, an elaborate system of notifications had been set up with the establishment of the WTO. It covers NTMs via a regular and/or ad hoc reporting mechanism and the collected information is disseminated to the public via documents and also through the Integrated Trade Intelligence Portal (I-TIP) (http://itip.wto.org/goods/). The strong point of this data collection is its official nature but the information content in some areas is not comprehensible as a result of notification gaps (noncompliance with notification formats, late or inconsistent reporting). This point was also raised by the audience in the plenary discussion.

UNCTAD has taken the lead to establish an inventory of official legislation covering NTMs (http://unctad.org/en/Pages/DITC/Trade-Analysis/Non-Tariff-Measures.aspx). Based on external support and with the help of consultants a systematic listing of all NTMs applicable in a country at a point in time is established. More than 50 countries have been covered so far. In some instances the ITC has helped with this effort. The collected data is going to be disseminated via an I-TIP based online application.

The ITC has focussed its efforts on the business sector's perception of NTMs (http://www.intracen.org/itc/market-info-tools/non-tariff-measures/business-surveys/). Based on external support and with the help of consultants, the objective is to capture perception of exporters and importers on NTM-related trade obstacles and provide de facto (instead of de jure) evidence on NTMs. The surveys allow identifying procedural obstacles of NTM implementation. So far about 30 developing countries and the EU have been covered. This complements other approaches to measure revealed 'costs' of NTMs.

The way forward - Transparency is key

- To improve data coverage and enhance sustainability of data collection
- To provide greater data accessibility and broader data dissemination
- The need for clear understandable language of NTMs, instead of very technical, legalese presentation.
- To refine the methodologies to assess NTMs' impact on trade flows and trade capacity

Clearly no agency can do this alone. There has to be a cooperative effort, bearing in mind that coordination across institutions is crucial to avoid inconsistent and/or redundant data collection.

Focusing on trade in services statistics, the World Bank explained how existing data are used in technical assistance work at country levels.

- For adequate analysis besides traditional cross-border trade figures, economists seek more information on services trade delivered through foreign affiliates as well as international trade values embedded in finished products, the so-called "trade in value added" (TIVA project, by WTO and OECD). Various trade data are put in perspective combined with development indicators like GDP, to signpost if services exports of an economy are at the theoretically-expected levels or if there would be a significant unexploited potential. This type of analyses requires good bilateral data. The problem, however, is that partner statistics are quite scarce when it comes to south-south trade in services. Moreover, policy analysts and negotiators also lack other required information. Although the situation has improved in recent years, it remains difficult to address mode 3 and mode 4 supply of services because there is currently not enough statistical evidence to support related negotiating stances or policy appraisals.

- Besides statistical measurements, the performance of services trade is portrayed through evaluations of legal and regulatory environments in countries. Following its work on the Services Trade Restrictiveness Index (STRI), the World Bank developed a classification of related measures, both quantitative and qualitative. This project further includes guidance on assessing the feasibility of alternative regulations. (Valuing Trade in Services: A tool for competitive diagnostics).

The WTO presented the work of the inter-agency Task Force on International Trade Statistics (TFITS) which has recently finalized a compilers' guide for services trade statistics based on BPM6 classification. International agencies would now focus even more on technical assistance and, towards that end, they plan to establish a joint trust fund to be administered by the Task Force. WTO then emphasized the benefits of the collaborative effort of the Geneva-based agencies - namely WTO, UNCTAD, and ITC - in producing a joint services trade data set, thus avoiding duplication and improving quality.

The OECD described its work on the STRI and on their online tool that allows users to make simulations. These allow users to examine the likely outcomes of various scenarios involving different combinations of policies and regulatory measures. OECD underlined that restricting services imports would likely result in less services exports, since the two flows are closely interdependent. Moreover, constrained services trade necessarily spills over into other sectors, like manufacturing and industry, and would negatively affect the overall competitiveness of an economy.

UNCTAD expressed their appreciation of the Geneva-based agencies' cooperation – in which it participates with WTO and ITC - in compiling the trade in services statistics. It further presented briefly the two technical assistance projects that it leads: 1) E-learning course, being developed in cooperation with WTO and UNSD; and 2) Technical assistance to the UEMOA region, a project to develop services statistics compilation systems in the 8 member countries. The UNCTAD also mentioned the work accomplished on e-commerce and services linked to information and communication technologies (measurement issues, development of a standard classification and terminology).
At the total level:
- Following the 2008-2009 global financial crisis, world merchandise trade experienced a period of growth and recovery which began to taper off in 2011.
- Both developed and developing economies showed trade growth levelling off in subsequent years. In 2014, developing economies showed a mere 1% increase in exports and zero growth in imports.
- Developing economies’ participation in world merchandise exports remained at 43.6%, almost the same level of 2012, and their share of imports rose only modestly, marking a slowdown from the swift growth of past years.
- Nevertheless, developing economies’ merchandise trade grew faster than world trade in both 2013 and 2014.

Developing regions:
Slowing economic growth worldwide, geopolitical tensions, and declining commodity prices affected merchandise trade growth of the developing regions.
- Latin America, Africa, and the Middle East were negatively affected by drops in fuel prices and declines in the prices of other commodities. The drop in exports from these regions tracks closely with the drop in fuel prices in the latter half of 2014.
- Developing Europe and developing Asia registered positive trade growth, though at a decelerating rate.

South-South trade:
- South-South trade remained sustained and expanded to represent an ever increasing share of developing economies’ exports (53.9% in 2014).
- Between 2012 and 2014, it rose by 6%, recording stronger growth than trade with developed economies and the Commonwealth of Independent States (CIS).

Products:
- Among the major product categories, manufactures registered the fastest growth (5% in 2014), fostered by developing Asia’s exports. Manufactures continued to be the most important sector for developing economies, accounting for 63% of developing economies’ merchandise exports in 2014.
- Exports of agricultural products, which in 2014 represented 8% of total exports, also recorded positive growth (1%), although this growth was slower than in 2013.
- Increased global supply and a falling global demand due to the sluggish global economic context affected fuel prices, which collapsed. Fuel exporters in developing economies saw their exports drop significantly. Fuels as a share of total exports by developing economies fell from 25% in 2012 to 21% in 2014.

Prices:
- The price of minerals and non-ferrous metals also showed declines in the period from 2012 to 2014, while the price of food and beverages remained quite stable following the peak prices of wheat, maize, and barley recorded in 2011.