

# Trade Work in the Fund

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# Review of the Role of Trade in the Work of the Fund

- On February 27, 2015, the Executive Board of the IMF discussed the five-yearly Review

<http://www.imf.org/external/np/sec/pr/2015/pr15132.htm>

- Overview of the role of trade and trade policy issues in the work of the Fund over the past five years
- How to integrate and operationalize the implications of the changing global trade landscape at the Fund.
- Focus on macro-critical trade issues and proposes to introduce a work agenda for the next five years.
- How to make trade an essential element of the IMF's operational work.

# Conclusions of the Review

- Fund work should remain within its mandate, addressing trade issues deemed macro-critical and taking into account resource constraints and limited trade expertise.
- Careful prioritization and continued collaboration with other international institutions, including the World Trade Organization and the World Bank.
- The coverage of trade issues should be tailored to the needs of individual countries:
  - For advanced countries: advance new trade policy areas such as services, regulations, and investment.
  - For emerging market economies, continued traditional liberalization and anchoring to global supply chains.
  - For low-income countries, integration requires efforts to reduce trade costs, upgrading trade infrastructures and improving economic institutions.

# Trade in Fund Work

Trade is a central part of IMF activities; IMF Articles of Agreement: “to facilitate the expansion and balanced growth of international trade”

## Key areas:

- Surveillance: multilateral , regional, and bilateral
- Policy advice: Article IV consultations , programs
- Research: policy implications of trade landscape
- Technical assistance: customs, tariffs, statistics
- Capacity development and training
- Collaboration with other international institutions:  
WB/WTO

## Examples:

# Surveillance: Trade as a Pillar of Global Policy Agenda

- Trade is an essential component of the global policy agenda to bolster growth and avoid a “new mediocre” (low growth, deflation, volatility)
- Trade reforms can complement structural reforms, spur additional infrastructure investment, and strengthen institutions
- There are large global gains from further trade integration in new areas (services, investment and regulations), and additional expansion of global value chains

# Policy Advice: Tax Policy and Customs

- Removal, reduction or simplification of tariffs and subsidies, including in acceding countries.
- Recovery of customs revenue losses
- Excise policies that are akin to import tariffs
- Business tax incentives with an important trade impact (such as income tax exemptions for exporting companies).
- Interaction between customs reform and regional trade agreements, such as overlapping requirements within COMESA, SADC and SACU.

# TA: Customs Administration

## Headquarters missions (dedicated customs administration)

	<b>AFR</b>	<b>APD</b>	<b>EUR</b>	<b>MCD</b>	<b>WHD</b>	<b>Total</b>
FY2009	2	2	3	1	3	11
FY2010	0	0	0	0	1	1
FY2011	1	1	0	1	0	3
FY2012	4	1	0	0	0	5
FY2013	5	0	0	1	1	7
FY2014	5	1	0	2	2	10
<b>Total</b>	<b>17</b>	<b>5</b>	<b>3</b>	<b>5</b>	<b>7</b>	<b>37</b>

## Headquarters missions (combined tax and customs administration)

	<b>AFR</b>	<b>APD</b>	<b>EUR</b>	<b>MCD</b>	<b>WHD</b>	<b>Total</b>
FY2009	5	1	2	1	1	10
FY2010	5	0	0	0	4	9
FY2011	2	1	0	1	10	14
FY2012	8	2	0	1	7	18
FY2013	0	1	1	0	7	9
FY2014	3	1	0	1	8	13
<b>Total</b>	<b>23</b>	<b>6</b>	<b>3</b>	<b>4</b>	<b>37</b>	<b>73</b>

## Customs short-term expert visits

	<b>AFR</b>	<b>APD</b>	<b>EUR</b>	<b>MCD</b>	<b>WHD</b>	<b>Total</b>
FY2009	7	14	0	0	2	23
FY2010	5	4	0	2	2	13
FY2011	3	7	0	2	3	15
FY2012	4	9	0	1	10	24
FY2013	8	4	0	3	27	42
FY2014	5	1	0	0	17	23
<b>Total</b>	<b>32</b>	<b>39</b>	<b>0</b>	<b>8</b>	<b>61</b>	<b>140</b>

# Assistance in Statistics

- External sector statistics:
  - conversion of the balance of payments data to the basis of the sixth edition of the Balance of Payments and International Investment Position Manual (BPM6)
- National accounts statistics - System of National Accounts 2008 (2008 SNA).
- Price statistics
- Participation in international task forces:
  - Project on the Improvement of External Sector Statistics in the Asia and Pacific Region (which benefits 22 economies in the region)
  - Harmonization Project of External Sector Statistics of CAPTAC-DR (which includes seven Central American countries)
  - Task Force on Global Production (TFGP)
  - Inter-Agency Task Force on International Trade Statistics (TFITS).

# Capacity Development and Training

IMF Institute for Capacity Development (ICD),  
mainly for MoF and Central Banks officials, but  
also for other officials involved in macro issues.

Some regional centers and programs:

- Africa Training Institute
- Training Center for Latin America
- Joint China-IMF training program
- Joint Partnership for Africa
- Joint Vienna Institute

# Training courses of relevance to WTO

- Financial programming and policies
- Inclusive growth policies
- Macro implication of fiscal adjustment
- Fiscal institutions and fiscal discipline
- Reforming fuel subsidies
- Strengthening budget institutions
- Tax policy design and implementation
- Customs policy and administration

Full (smart) catalogue

<http://imf.smartcatalogiq.com/current/Catalog>