



Aid for Trade at a Glance 2015

CTD Aid for Trade
Workshop



WTO OMC

28 May 2015

The M&E exercise

- The aim of the M&E exercise is to survey how trade costs affect developing countries' competitiveness and ability to connect to regional and global value chains, what is being done to address this issue, and how Aid for Trade can help reduce trade costs and the associated impacts to deliver inclusive, sustainable growth.
- Mechanics: 4 questionnaires / 3 case stories



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Questionnaire response

RESPONSES TO AID-FOR-TRADE SELF-ASSESSMENT QUESTIONNAIRES

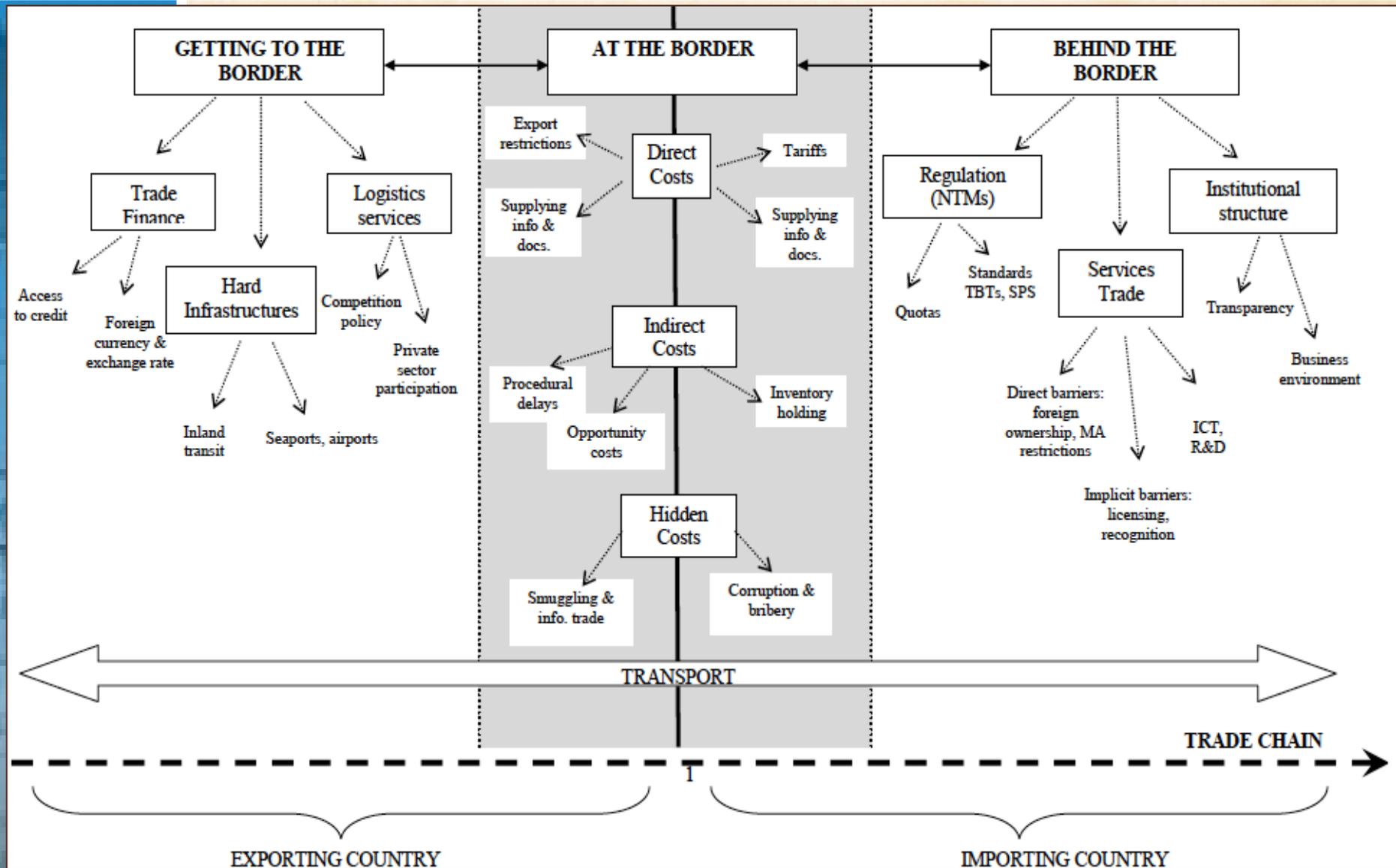
	Overall Total	Partner Country	LDCs	REC/Transport Corridors	Donors (including IGOs)	South-South
Questionnaires 2015	111	62	30	10	36	3
Questionnaires 2013	132	80	36	N/A	43	9

SUBMISSION OF CASE STORIES

	Overall Total	Partner Country	LDCs	Donors (including IGOs)	South-South	RECS/ Transport Corridors	Private Sector	Academia/ NGO/Other
Case Stories 2015	116	36	15	47	4	7	17	5

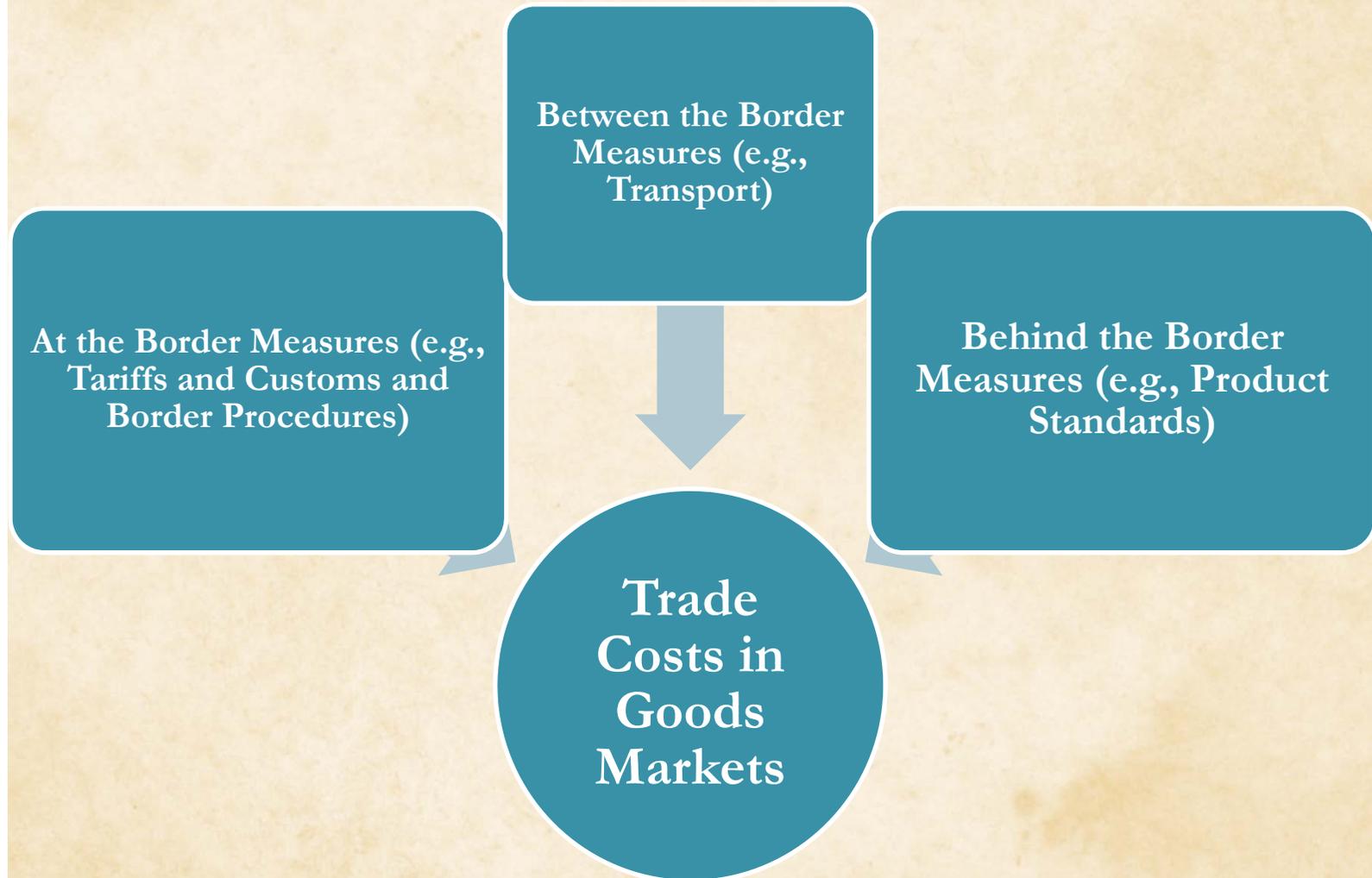
- "Bhutan being land locked country tends to have higher trade costs in reaching markets beyond borders." Bhutan
- "Trade costs are very important for the competitiveness of our exports because of our isolation which together with transport costs and transit of our goods for export, makes us less competitive". Central African Republic
- "The cost of trade remains decisive in the structure of prices of imported products and significantly affects the purchasing power of the Congolese population" Democratic Republic of Congo
- "Despite all the efforts already made, reducing the costs of trade remains a major challenge for Madagascar". Madagascar
- "As a land locked country, Uganda's trade costs are high affecting the competitiveness of Uganda's exports." Uganda
- "Our Private Sector has been time and again informed responsible government ministries of very high cost of doing business. Solomon Islands

Many costs associated with trade



Source: OECD Moise and Le Bris (2013)

Trade Costs & Merchandise goods



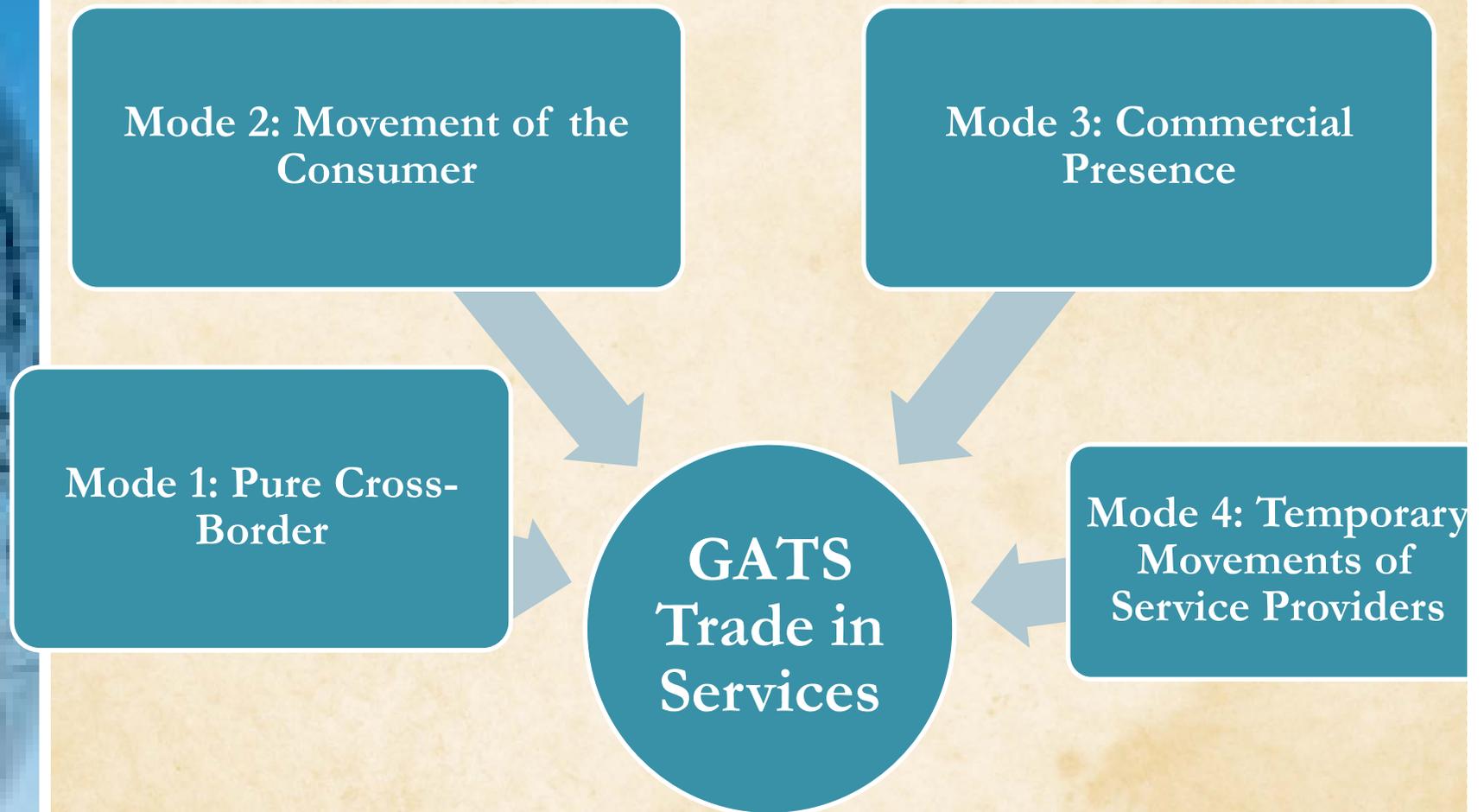


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Trade costs associated with product standards

- "Other issues currently exist such as the connection between non-tariff barriers and new trends regarding approval of products by consumers that are reflected in private standards." Guatemala
- "Yemen's exports to the Gulf countries face border processing and non-tariff obstacles without appropriate justifications." Yemen
- "Trade costs depend on markets. In Africa the costs are related to border procedures whilst in the EU, they are geared towards stringent standards." Mauritius
- Non-tariff measures, such as standardization (standards, standardization policy, use of national, regional and internationally agreed standards) and regulatory issues are a significant source of barriers to trade." UNECE

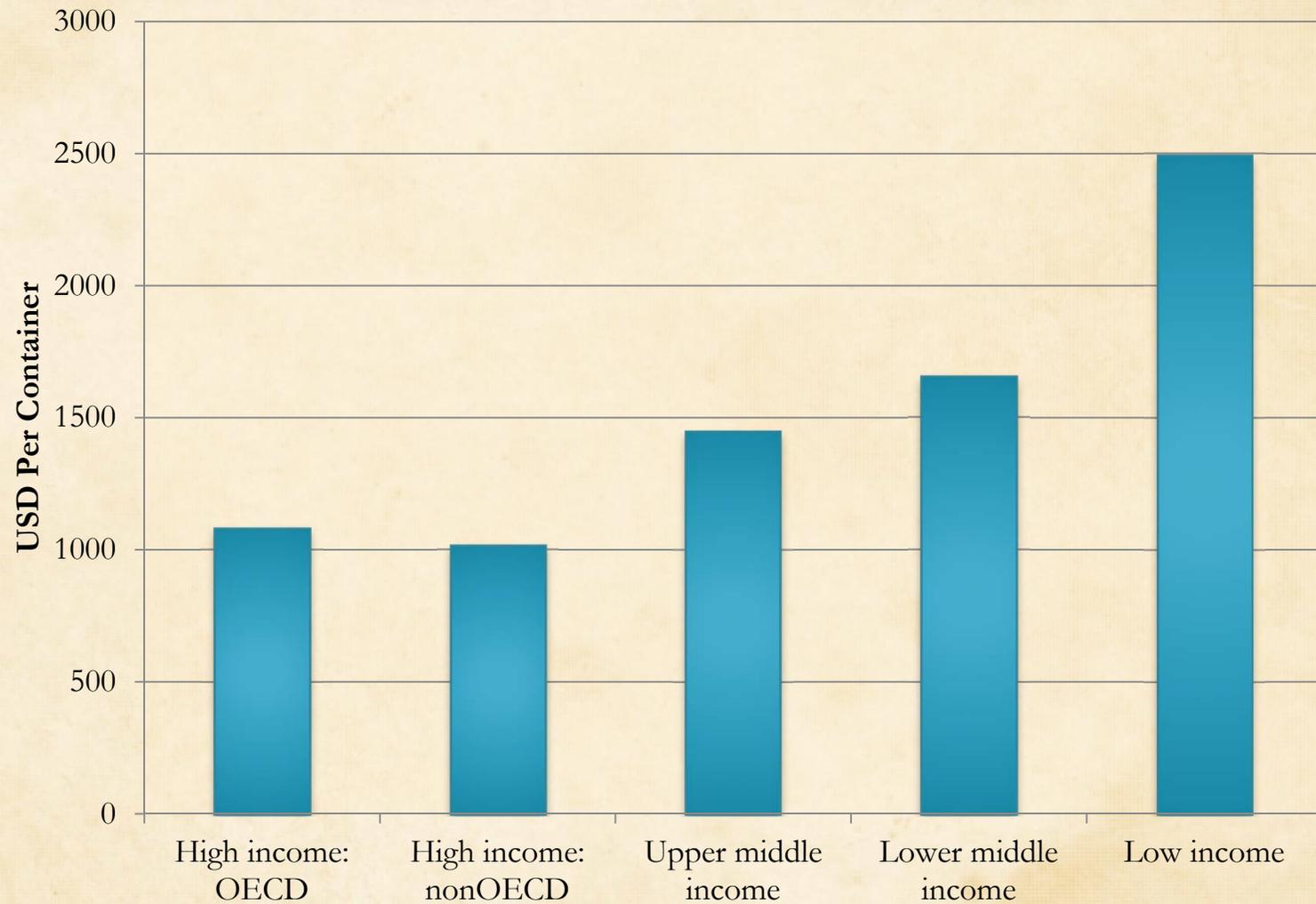
Trade Costs and services - an evolving areas



Why do Trade Costs Matter for Inclusive, Sustainable Growth?

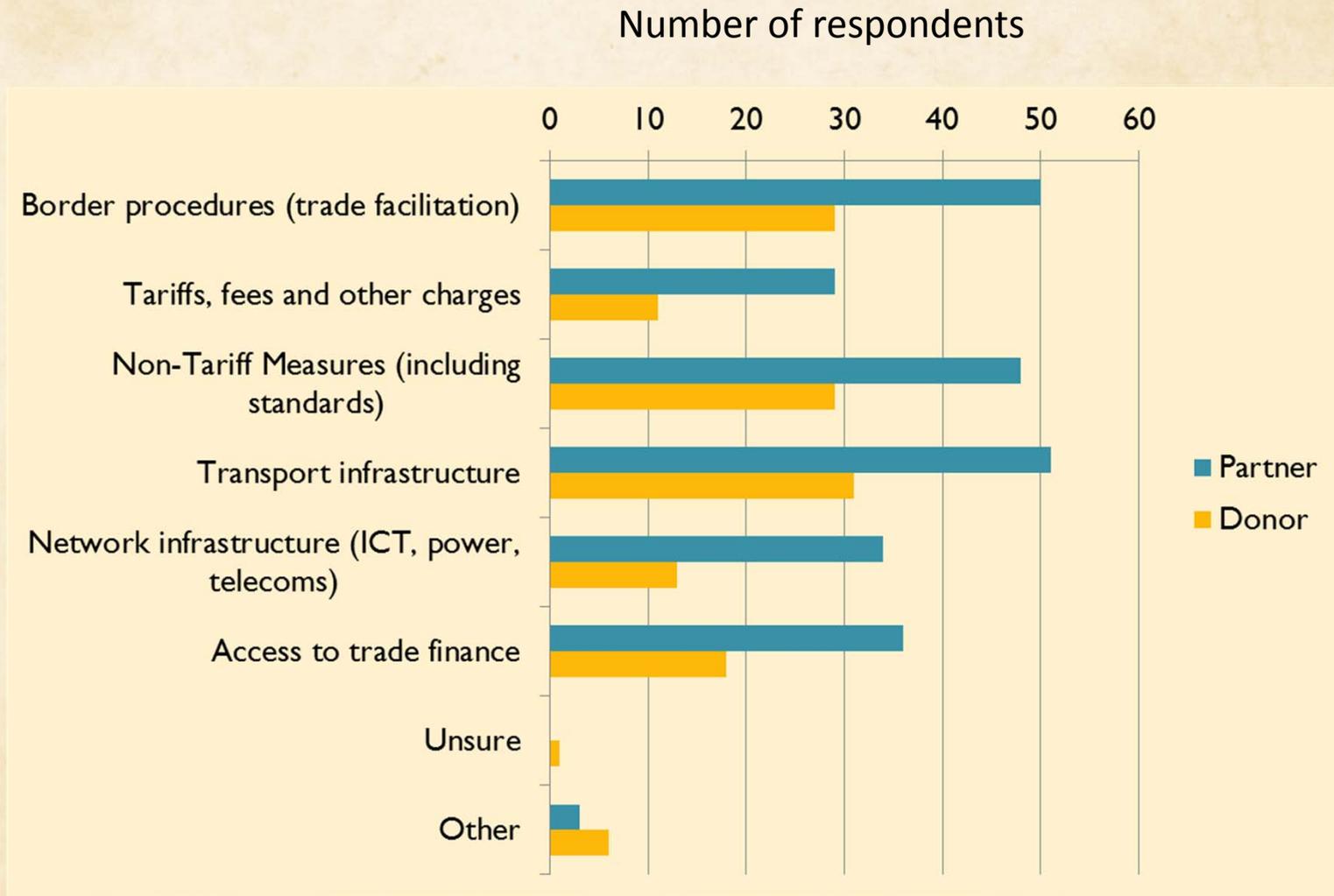
- Effects of high international trade costs include:
 - Pricing countries out of global trade
 - Nullifying comparative advantage;
 - Denying firms access to technology and intermediate inputs;
 - Eroding consumer welfare, narrowing the goods and services on offer and pushing up prices.
- Not just exports but imports too!

Costs to export, USD per container, 2014

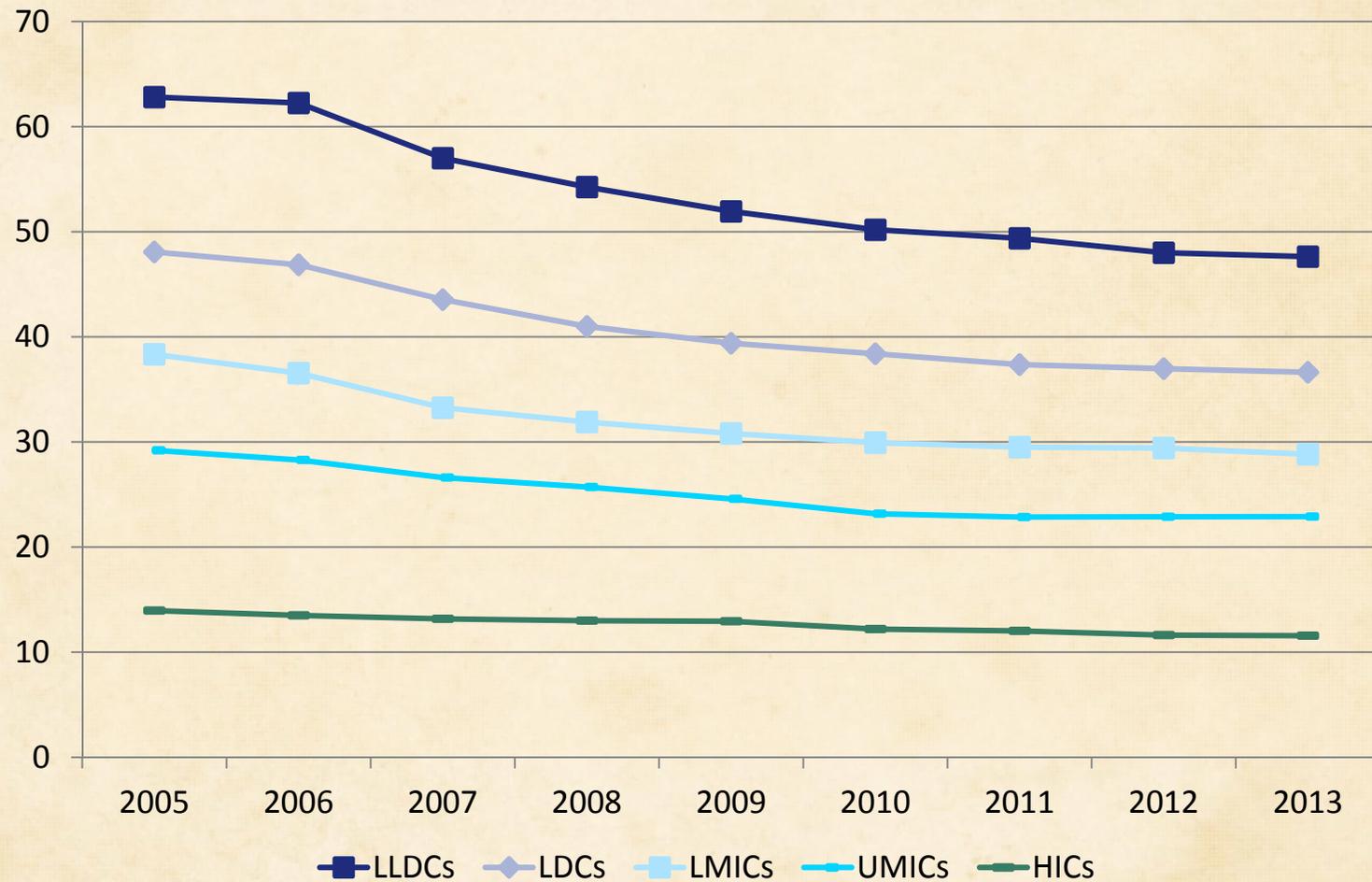


Source: World Bank Doing Business Indicators

Most important source of costs (goods)

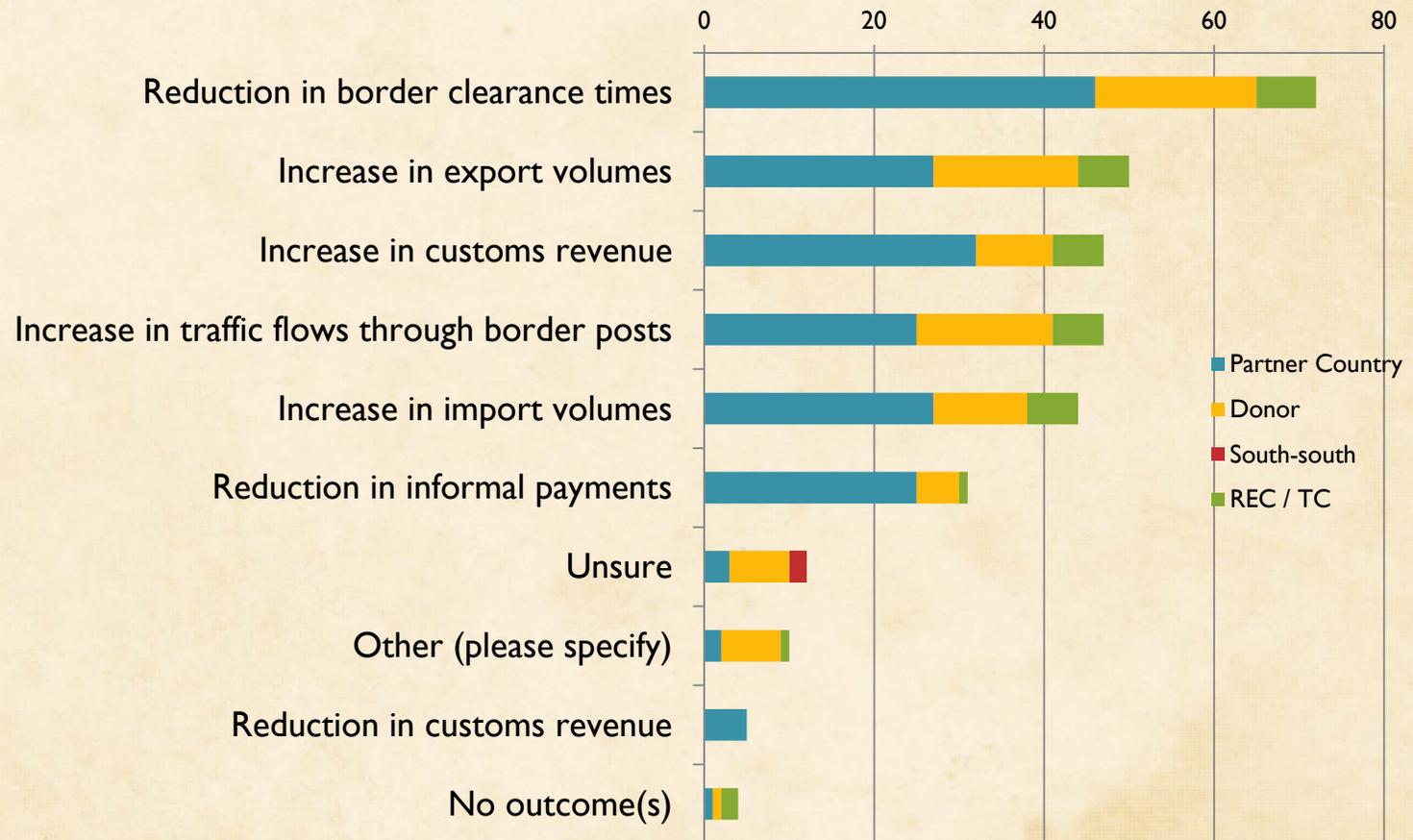


Average number of days required to export by income group



Reducing Trade Costs with Aid for Trade

Outcomes

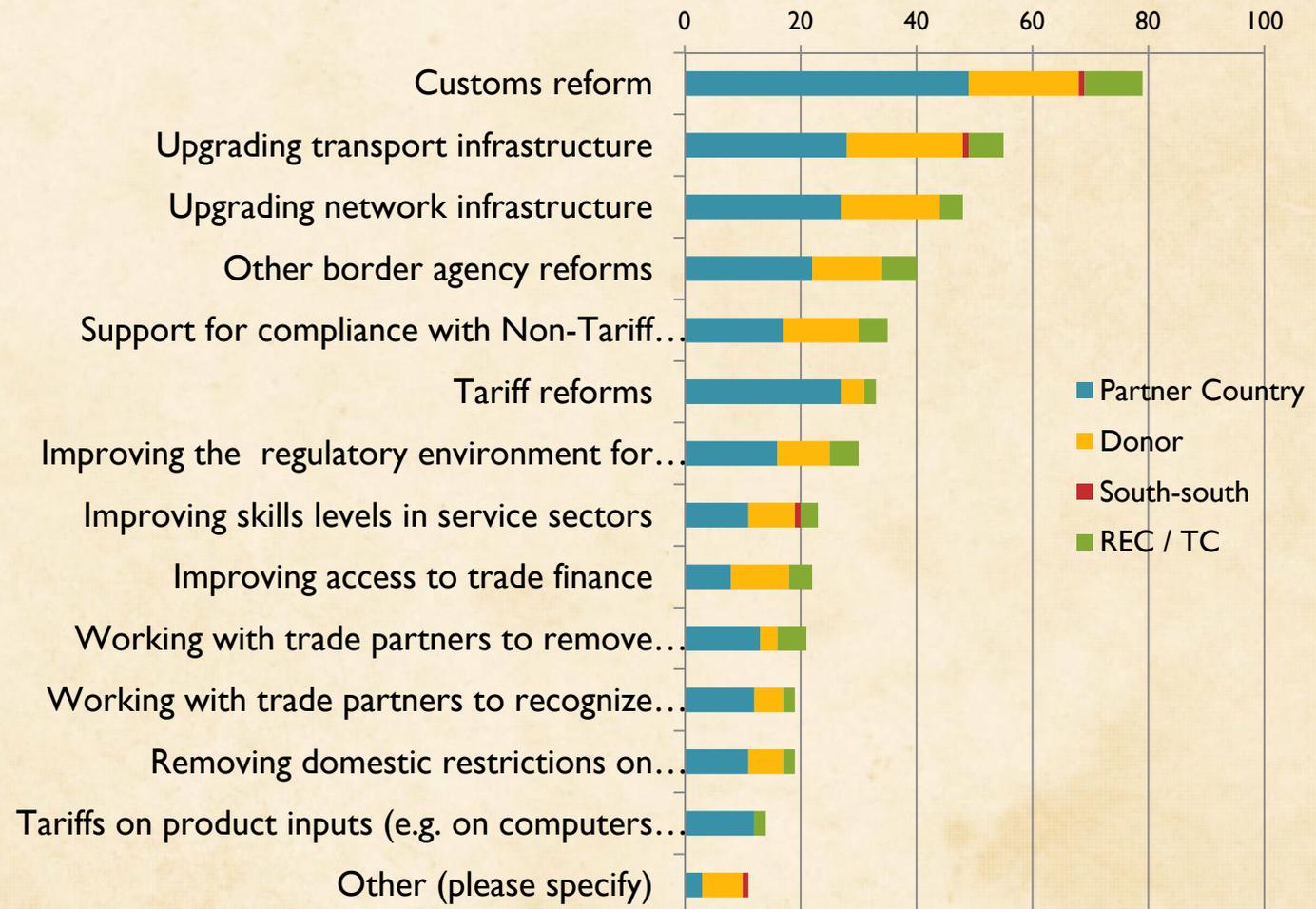




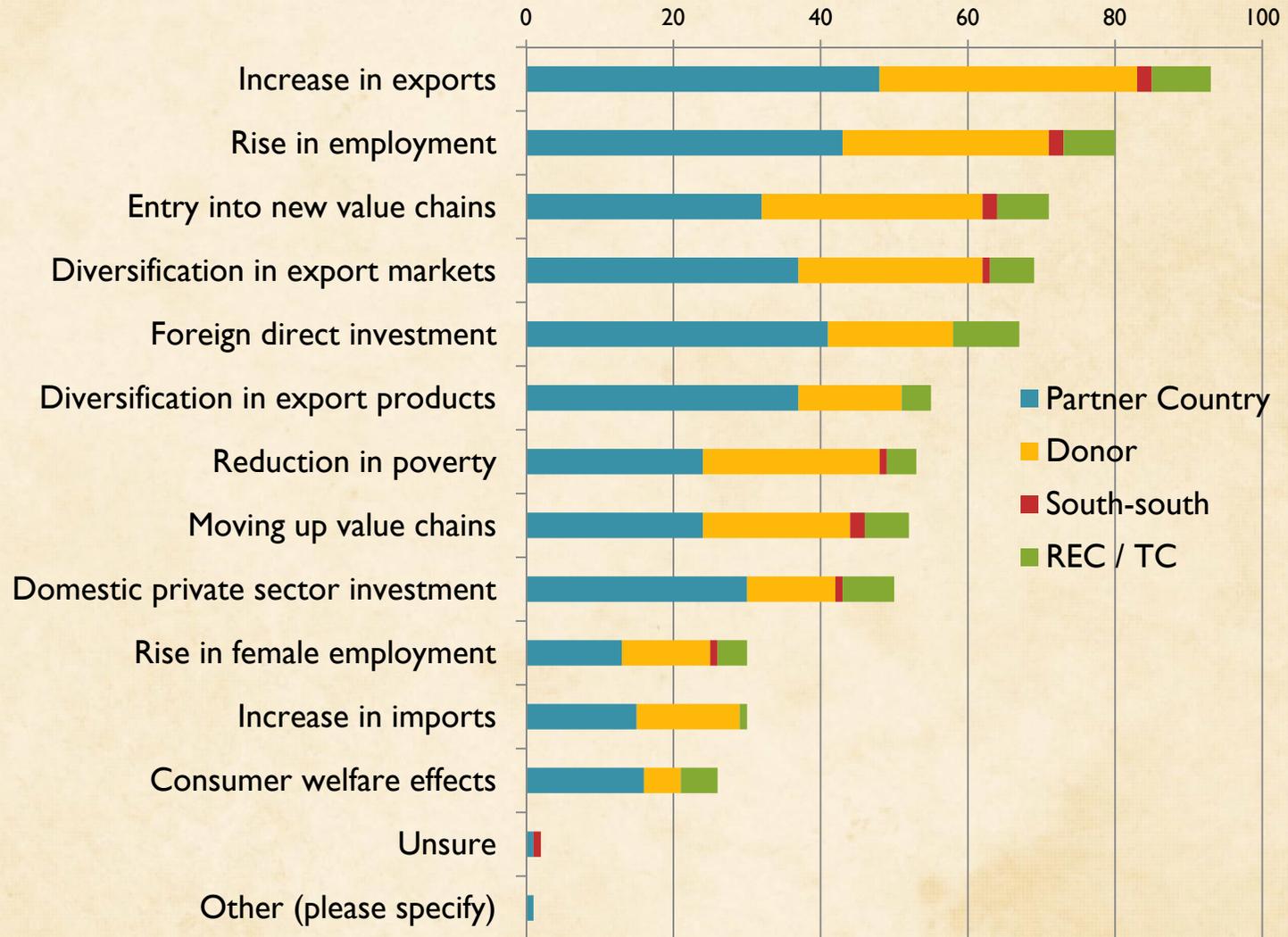
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Actions with the most positive results



What contribution can reducing trade cost make to the target of inclusive, sustainable growth?



World Economic Forum Projection : GDP gains from reducing trade costs halfway to regional average

