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Governments, business, academics and consumers reflect on 20 years of the TBT Agreement

Speaking at an event marking the 20th anniversary of the Technical Barriers to Trade (TBT) Agreement, Director-General Roberto Azevêdo said that the work in this area "often goes unseen and unremarked upon – but it is one of the key strengths of the multilateral trading system. Over the last 20 years it has become a well-functioning, dynamic mechanism for addressing matters of everyday commercial and social significance – from chemicals in toys, to carbon footprint labelling, to test procedures for medical devices and pharmaceuticals."DG Azevêdo said:"The figures tell the story. Since 1995, the TBT Committee has received 25,000 notifications of new or changed measures. This is the highest number for any committee at the WTO. And members have developed guidance on the application of the Agreement — which has helped with its practical and business-like application."Over the years, the Committee has taken on an important pre-emptive function. Throughout its existence, the TBT Committee has dealt with 471 Specific Trade Concerns. Clearly this is an area where there may be potential disagreements. However, in these 20 years, we have only had five TBT related disputes, and only one is ongoing today."

Entitled "TBT@20: Reducing Trade Friction from Standards and Regulations", the event provided a wide range of stakeholders with the opportunity to reflect on how the implementation of the TBT Agreement and the work of the TBT Committee have quietly helped to resolve trade problems of commercial and social significance and to enhance regulatory cooperation over the past 20 years.

The opening panel discussed the implementation of the TBT Agreement and the work of the TBT Committee from three complementary perspectives. Former TBT Committee Chairperson Juan-Antonio Dorantes Sanchez (Mexico) looked back at the early days of the TBT Committee and its success in developing good practice for implementation of the TBT Agreement. Yuhua Liu, Deputy Director-General at the Ministry of Commerce of China, outlined the challenges and benefits of China's accession to the WTO in relation to the TBT Agreement. An academic perspective on the TBT Agreement was provided by Professor Joost Pauwelyn, who acknowledged the success of the TBT Committee in keeping track of notifications and in dealing with specific trade concerns, and by Professor Jacques Pelkmans, who looked into the role of the TBT Agreement in limiting or reducing technical barriers to trade.

The Price of Bitcoin

The price of the crypto currency bitcoin surged on Wednesday to its highest in more than a year amid a wave of Chinese testimonials for a "social financial network" called MMM, which bears the hallmarks of a pyramid scheme.

New members of MMM have to buy bitcoins to join the scheme, which is the brainchild of Sergey Mavrodi, a former Russian parliamentarian since jailed for fraud. The bitcoins are sent to other members of the network as "mutual aid". Participants are promised a 30 per cent return per month, with bonuses for referrals or posting testimonials online."Today, on October 31, I received 20 per cent interest and [a bonus] as a recommender, for a total of $7,750. I truly experienced the greatness of 3M and the sincerity of all the participants," said Wen Qiang, one of the hundreds of MMM evangelists taking to YouTube in the past 24 hours. The bitcoin price surged by more than a fifth to above $490 on Wednesday, in the latest spike for the virtual currency created in 2008 by an anonymous mathematician.

LDCs welcome progress on preferential treatment for services

Least developed countries (LDCs) welcomed on 2 November what they said were real efforts by members of the WTO to implement a pledge to provide LDC services and service suppliers with improved access to their markets. Speaking on behalf of the group at a meeting of the WTO's Services Council, Shameem Ahsan, Bangladesh's ambassador to the WTO, said the group applauded the efforts so far to make the LDC Services Waiver decision a reality. There is now "ample evidence on the table" to show WTO members are committed to advance services supply by LDCs, he said. But he cautioned that more needs to be done. The Services Council also approved preferences that go beyond market access measures and are contained in notifications submitted to date. The LDC Group also outlined a proposal for a possible decision on the services waiver at the WTO's upcoming Tenth Ministerial Conference (MC10) in Nairobi, Kenya in December.

Earlier, Ambassador Martin Eyjolfsson, chairman of the Services Council, informed the membership that 17 WTO members have now submitted notifications of preferential treatment to LDC services and service suppliers.

The members that have submitted notifications are Canada; Australia; Norway; Korea; China; Hong Kong, China; Chinese Taipei; Singapore; New Zealand; Switzerland; Japan; Mexico; Turkey; the United States; India; Chile; and Iceland. The chairman also told delegations that Brazil's notification was expected to be circulated in the coming days. The European Union said it was confident it would be able to submit its notification soon, while South Africa said its notification was in the final stages of domestic approval.

US Trade deficit down

The U.S. Census Bureau and the U.S. Bureau of Economic Analysis, through the Department of Commerce, announced that the goods and services deficit was $40.8 billion in September, down $7.2 billion from $48.0 billion in August, revised. September exports were $187.9 billion,$3.0 billion more than August exports. September imports were $228.7 billion, $4.2 billion less The September decrease in the goods and services deficit reflected a decrease in the goods deficit of $7.3 billion to $60.3 billion and a decrease in the services surplus of $0.1 billion to $19.5 billion.

Year-to-date, the goods and services deficit increased $14.9 billion, or 3.9 percent, from the same period in 2014. Exports decreased $66.3 billion or 3.8 percent. Imports decreased $51.3 billion or 2.4 percent.

Full and swift implementation of the WTO Trade Facilitation Agreement can deliver large trade dividends

Implementation of the WTO Trade Facilitation Agreement (TFA) has the potential to increase global merchandise exports by up to $1 trillion per annum, according to the WTO's flagship World Trade Report released on 26 October 2015 in Geneva – the first detailed study of the potential impacts of the TFA based on a full analysis of the final agreement text. Significantly, the Report also found that developing countries will benefit significantly from the TFA, capturing more than half of the available gains.

Director-General Roberto Azevêdo, in marking the launch of the report, said:"The world is more connected than ever before. More and more developing countries are seeking to join global trade networks. Yet, all too often, outdated and uncoordinated customs processes slow down the movement of goods and raise costs to prohibitive levels. By standardizing, streamlining and speeding-up customs processes around the world, the WTO's Trade Facilitation Agreement will help to solve this problem. It is global trade's equivalent of the shift from dial-up internet access to broadband — and it will have a similar impact.

"This report takes a rigorous, detailed look at the impact of the Trade Facilitation Agreement. It provides new evidence of the significant boost that the Agreement will provide by expanding world trade, reducing costs and helping developing and least-developed countries to integrate into an increasingly globalized production system. The report also highlights previously unseen benefits for developing and least-developed countries, such as increased investment and economic diversification. "This underlines the importance of implementing the agreement in full — and doing so as quickly as possible. In fact, the report shows that the benefits of the agreement will be substantially larger depending on the scope and pace of implementation. The more extensive and faster the implementation of the TFA, the greater the gains."

The TFA was agreed by WTO members at a ministerial conference in Bali in December 2013. It was the first multilateral agreement successfully negotiated at the WTO. The 2015 World Trade Report is the first major study since the agreement was reached in Bali to examine its economic implications in full. Previous studies which were published by other institutions in advance of the Bali conference produced various predictions about the potential effects of trade facilitation in general and the TFA in particular. The aim of this Report is to provide a fresh, rigorous analysis based on a clause-by-clause study of the final agreement text.

The Report's findings support those of previous studies on the scale of the potential headline benefits while also giving significant further detail and outlining a range of other benefits of the agreement, particularly for developing and least-developed countries. For example, the TFA could help developing countries diversify their exports, increase their involvement in global value chains, expand the participation of small and medium enterprises in international trade, help to attract more foreign direct investment, increase government revenues and reduce corruption.

Trans-Pacific Partnership

The US-led Trans-Pacific Partnership (TPP) is a very big deal. After five years of negotiations between 12 countries that represent 40 percent of global trade, the TPP was finally signed on 5 October. The deal is now being hailed as the most significant step toward trade liberalization since the WTO Uruguay round in 1995 – the largest trade negotiation ever. Indeed, the TPP's significance extends well beyond the 12 signatory countries, which include the US, Canada, Japan, Chile, Peru, New Zealand, Australia, Brunei, Malaysia, Vietnam, and Singapore. The deal will expedite economic integration in Asia, but it will also intensify the competition between the US and China. This is because TPP is as much about political and economic dominance in Asia as it is about reducing trade barriers.

In this respect, the TPP's conclusion marks a diplomatic victory for Washington and Tokyo: Not only have they created a substantial economic bloc that counters China's dominance in Asia, but the deal that they have championed also establishes new rules of trade engagement that will extend well beyond Asia. And as a pillar of Washington's 'pivot' to Asia, it is a testament to America's staying power in the region.

To be sure, the TPP deal signed last week may not be the 'golden standard' that Washington had initially intended it to be. Moreover, ratification will be a slow and politically messy process: The TPP could get caught up in the upcoming elections in Canada, and if Prime Minister Stephen Harper isn't re-elected, a very real possibility, the TPP's ratification will become highly uncertain. In the US, too, ratification could fall prey to electoral politics. Democratic candidate Hillary Clinton, who had backed the trade agreement during her time at the State Department, is now cautioning against it. Foot dragging because of domestic politics could delay ratification in Japan until late 2016, and in the US until as late as 2017.

On balance, though, the deal is likely to overcome these political hurdles, not least because the negotiating countries are all set to benefit from it. The fine print of the deal has not yet been published, but preliminary studies – conducted for example by the Peterson Institute – expect the TPP to enlarge the participating economies by $285 billion by 2025. The study also estimates that of the Asian signatories, Vietnam, Malaysia and New Zealand will see the biggest increases to their GDP growth, while Japan, Malaysia and Vietnam are expected to see the largest gains in terms of increased exports. The TPP is also set to boost the production and export of electrical equipment, textiles, construction and machinery in Vietnam and Malaysia as well as transport equipment in Japan.

Beyond these sanguine words, the response in Beijing has been mixed: On the one hand, a trade bloc in Asia promoted by the US that excludes China smacks of containment. At the same time, reformers in China are using the TPP to argue for accelerating efforts to liberalize the domestic economy: promoting better protection of intellectual property rights, moving forward with state-owned enterprise reform, and cutting red tape for investments, among other initiatives.

Even as the final details of the TPP emerge, it is clear that it is a big deal: It will benefit Asian growth and trade, and as such it will also bolster global growth and trade integration. But the TPP also highlights that there is a deeper competition now at play between the US and China: The quest for defining the rules of engagement in the 21st century. And that remains an open, deeply contested question.

The economic recovery within the European Union and the eurozone should continue at "a modest pace" next year,

The economy of the 28-nation EU is set to grow by 1.9% this year, 2.0% in 2016 and by 2.1% the year after.The 19-nation eurozone is expected to grow by 1.6% this year, rising to 1.8% next year and 1.9% in 2017. The EU said growth was being helped by factors such as low oil prices and a weaker euro exchange rate.

Another factor cited was the European Central Bank's attempts to stimulate the eurozone economy through its bond-buying programme.However, the report also warned that new challenges to growth were appearing, including the slowdown in China and emerging market economies, and geopolitical tensions.European Commissioner Pierre Moscovici said EU economies would "see growth rising and unemployment and fiscal deficits falling", but the effects would be unevenly spread across member states.He noted the global economic outlook remained uncertain, warning EU nations not to let up in their efforts to reform their economies.

The EU's executive arm expects three million migrants to arrive in Europe by 2017 as they flee war and poverty in Syria and other conflict zones.It predicts the increase in labour supply could boost GDP growth in the medium term provided the correct policies are in place.Greece, which is receiving up to €86bn in a three-year bailout, is expected to see its economy shrink by 1.4% this year and by 1.3% in 2016, but is forecast to grow by 2.7% in 2017.