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China pledges USD 500,000 to support WTO accession and least-developed countries

The government of China has pledged to contribute USD 500,000 (CHF 465,093) to the WTO's Least Developed Countries and Accessions Programme (also known as the China Programme) for 2015.Initiated in July 2011 under the WTO's Aid for Trade initiative, the China Programme aims to enable least-developed countries (LDCs) to better integrate into the global economy by strengthening their participation in WTO activities and helping those not yet members to join the Organization."Through this programme, China facilitates the accession of least-developed countries to the WTO and supports their integration into the global economy. I welcome this new donation," declared WTO Director-General Roberto Azevêdo

China's ambassador Jianhua Yu stated: "China has been a consistent supporter of the WTO's Aid for Trade initiative and has provided trade-related technical assistance to LDCs under the China Programme over the past three years. The Programme has played a positive and effective role in facilitating LDCs' integration into the multilateral trading system. Today, we renewed our commitment to the Programme with expanded forms of cooperation. This once again demonstrates our strong support for the development of LDCs within the South-South cooperation framework. We appreciate the cooperation of the WTO Secretariat and look forward to the successful implementation of the renewed Programme."Since 2008, China has donated to the various WTO trust funds a total of CHF 2,149,993.

Participants urge swift conclusion to ITA 2 negotiations

Many participants urged a swift conclusion to ongoing negotiations on the expansion of the ITA product coverage (ITA 2) at the meeting of the Information Technology Agreement (ITA) Committee on 8 May. They also commended the holding of the workshop the previous day on non-tariff barriers in trade of information and communications technology (ICT) products.

Many participants said that the negotiations for expanding the ITA coverage came close to conclusion last December, and urged swift conclusion to the negotiations. They welcomed the participation of Director-General Roberto Azevêdo in pushing forward the ITA negotiations, adding that ITA 2 success will also help the Doha Round negotiations.The European Union said that the basis for inclusion of products in the ITA 2 list is consensus, and urged the participants concerned to not block agreement but to accept what is already on the table. Japan called for progress to be made at the meeting of APEC (Asia-Pacific Economic Cooperation) trade ministers meeting in the Philippines later this month and at the June mini-ministerial on the sidelines of the OECD meeting. The United States said it considers ITA 2 a top trade priority, adding that its IT industry as well as those of other countries are getting impatient over the lack of agreement.Norway, Switzerland, Canada, Chinese Taipei, Montenegro, Singapore, Colombia, Australia and Hong Kong, China also supported the early conclusion of ITA 2.

Korea said it is actively engaged in good faith negotiations, and sees the remaining gap as not big and within reach. China said that it has been doing all it can for ITA 2, including holding difficult consultations with domestic industry, but members cannot expect just one participant to make contributions all the time as all participants must contribute. It said participants must not make unrealistic requests, and should instead focus on what is on the table.

The Chair, Mr Fred Payot (Switzerland), reported that the WTO Secretariat held a successful workshop the day before on non-tariff barriers affecting trade in ICT products, with the participation of many industry representatives from all over the world.He said that speakers from the industry made concrete recommendations around the principle "for each area of certification: one global product, one global standard, one global test and one global certificate."

The recommendations included: the establishment of a centralized database of administrative and technical requirements; avoiding duplication of conformity assessment procedures and use of globally recognized standards; encouraging the use of e-labelling as a solution to the costly problem of the proliferation of marking requirements; harmonizing practice in the field of energy efficiency requirements; and encouraging global cooperation to avoid forced localization requirements.

Switzerland suggested that the incoming chair consult with members on how the Committee should proceed with these recommendations, and report at the next meeting. The Philippines, Japan, Chinese Taipei and the EU supported this proposal. The US said that it has heard several doable solutions at the workshop, in particular on e-labelling. It encouraged other ITA members to allow e-labelling use to reduce costs to IT companies.The Committee elected by acclamation Mr Andrew Staines (United Kingdom) as it new chair.

Azevêdo welcomes strong APEC support for WTO work programme

Director-General Roberto Azevêdo welcomed the strong statement of support issued by APEC trade ministers at their meeting in Boracay, the Philippines, on 23-24 May 2015 and underscored that continued backing from APEC and all other WTO ministers will be “critical” to reaching agreement on a work programme for concluding the Doha Round. The meeting of APEC Ministers Responsible for Trade (MRT) included a detailed discussion of APEC's ongoing support for the multilateral trading system across a range of areas. Attention was particularly focused on the ongoing discussions in Geneva to agree by July a clearly defined work programme on the remaining Doha Development Agenda issues and on preparations for the WTO Ministerial Conference meeting in Nairobi, Kenya, at the end of the year. Director-General Roberto Azevêdo said:“The support of APEC and indeed all WTO members will be critical in the months ahead as we seek to agree the Doha work programme by the end of July”

WTO launches dedicated website for new Trade Facilitation Agreement Facility

The WTO has launched a new website which will serve as a focal point for members, donors, and others seeking information on the new Trade Facilitation Agreement Facility (TFAF). The TFAF was created at the request of developing country and least-developed country (LDC) members to help ensure that they receive the assistance needed to reap the full benefits of the Trade Facilitation Agreement and to support the ultimate goal of full implementation of the new Agreement by all members. The TFAF will support these countries in assessing their specific needs and identifying. possible development partners to help them meet those needs through a diverse number of activities.The Facility was formally launched on 22 July 2014 by WTO Director-General Roberto Azevêdo and became operational on 27 November 2014

The Trade Facilitation Agreement broke new ground for developing and least-developed countries in the way it will be implemented. For the first time in WTO history, the requirement to implement the Agreement was directly linked to the capacity of the country to do so. In addition, the Agreement states that assistance and support should be provided to help them achieve that capacity.

To benefit from this, developing and LDC members must notify the WTO which provisions they will implement when the Agreement enters into force or, in the case of LDCs, within one year after entry into force (Category A commitments); which provisions they will implement after a transitional period following the entry into force of the Agreement (Category B); and which provisions they will implement on a date after a transitional period following the entry into force of the Agreement and that require the acquisition of assistance and support for capacity building.

China's yuan 'no longer undervalued': IMF

For years, China has been criticized for keeping its currency from strengthening too much against the dollar. But those days may be over -- the International Monetary Fund has declared that the yuan is "no longer undervalued."

"Appreciation over the past year has brought the exchange rate to a level that is no longer undervalued," according to an IMF statement.China's yuan, also called the renminbi, has risen about 0.5% against the U.S. dollar in the last year.The IMF's take on this marks a significant shift, and comes as Beijing continues to promote the yuan as a global reserve currency for central banks -- an alternative to the dollar.

China has historically kept tight control of its currency -- favorable exchange rates have helped boost exports and manufacturing over time. But China has continued to draw ire from the U.S. government for keeping it artificially low.China continues to set its daily exchange rate, allowing the yuan to fluctuate within a fixed range. Beijing has begun to loosen its grip -- last year, the central bank doubled the permitted trading rangefor the yuan.

Still, the IMF is urging China "to achieve an effectively floating exchange rate within two to three years...[and] greater flexibility, with intervention limited to avoiding disorderly market conditions or excessive volatility," according to the statement.Overall, the IMF is fairly optimistic that China is moving in the right direction, even as it forecasts slower economic growth at 6.8% this year, which is below the government's own 7% target.

A gradual slowing in the pace of growth is a "by-product of moving the economy away from the unsustainable growth pattern of the past decade," it said.

China's economy losing steam

China's economy lost momentum in the first quarter and growth in 2014 could fall short of the government's official target, according to a CNNMoney survey of economists.Gross domestic product is forecast to have grown by 7.3% in the first quarter, compared with the same period a year ago, according to the median of 12 estimates. Looking ahead, the economists surveyed also expect full-year growth to slow to 7.3%, below the official target of 7.5%.The National Bureau of Statistics is expected to announce first quarter GDP figures next Wednesday. China's GDP growth is being closely watched as the government works to reform the world's second largest economy after years of runaway expansion.A sluggish start to the year is typical, given the Lunar New Year holiday. But there's no denying the slowing trend -- China recorded GDP growth of 7.7% in the last two years, versus 9.3% in 2011 and 10.5% in 2010.

The government says it's comfortable with growth around 7.5%. Observers say Beijing's laser focus on economic expansion hasn't wavered."The government has underscored recently that it considers keeping growth going the most important economic objective, and has started to take some modest steps to support growth in response to current downward pressures," said RBS economist Louis Kuijs.

Those measures, announced last week, extended a tax break for small and mid-sized companies, accelerated financing for infrastructure projects in the pipeline, and pledged support for social housing construction.Economists surveyed by CNNMoney say more intervention will be needed if the government has any hope of reaching its target."All things considered, we believe policymakers will have to consider further monetary easing in the second half of 2014," said Daiwa Capital Markets economists Kevin Lai and Junjie Tang.For the third consecutive quarter, the majority of economists said credit growth remains the biggest risk to China's economy. This is the root cause of many current challenges -- including growing risks in shadow banking -- and debt has only continued to pile up.

Asia's consumption slump is newest growth hurdle

Asia is facing a new growth hurdle: a slump in consumption. The region's battle against anaemic export demand is already in its fourth year. Now domestic spenders, too, are going on strike. The fear that Asia may be unable or unwilling to spend its cheap-oil bonanza is coming true. Without bold monetary easing, growth may tank.

To see why, consider Thailand. First quarter GDP data showed that real, or inflation-adjusted, private consumption grew 2.4 per cent from a year earlier. That's significantly slower than 5.5 per cent two years ago. Hong Kong, too, saw a second straight quarter of slowing consumption growth. The 10 per cent rise in Chinese retail sales in April was the weakest increase in nine years.Malaysia did better, but its first quarter GDP was propped up by consumers bringing forward purchases to beat a new sales tax that takes effect on April 1. That euphoria could fade. Like their counterparts in Singapore, Thailand and South Korea, households in Malaysia are struggling to pay down debt, which dims the outlook for consumption.

There is little sign that cheaper energy is making consumers more willing to reach into their wallets. That's probably because they don't expect the gains to last.

Tepid global demand has already taken a toll on pay in export-dependent Asia. Cheap oil and low inflation means even less pressure on employers to boost salaries. The Economist Intelligence Unit says average real wage growth in Asia-Pacific might improve to 5 per cent this year, from 4.5 per cent in 2014. That would still make it the worst two years for labour in the region since the 1997-98 financial crisis.

That might explain why policymakers from Beijing to Canberra have overcome their fear of stoking property bubbles to cut interest rates. The GDP-weighted policy rate in Asia-Pacific is now 4.9 per cent, the lowest since late 2010. Even then, the case for further stimulus is getting stronger. On May 19, Indonesia loosened loan restrictions for buyers of property and motorcycles.More easing won't be a surprise. Consensus expectations of 6 per cent-plus growth in Asian GDP this year are squarely pinned on domestic spending. But with consumption emerging as a new growth hurdle, those hopes could stumble

IFDB bank report points to African economies growth

African economies will grow 4.5 percent this year and rise to 5 percent in 2016. That's the prediction of the African Development Bank – the AfDB. It says the growth will be due to rising demands for exports, sparked by improving economic prospects worldwide.The figures represent the highest levels since the global crisis took hold in 2007.The AfDB estimates African economies to have grown by 3.9 percent in 2014. In the years before the economic crisis growth on the continent averaged between five and seven percent.The highest growth is in East, West and Central Africa and lowest in North and Southern Africa the report recorded and stressed the main challenges in all regions will be to diversify and to make growth more inclusive. Financial inflows will increase nearly seven percent to 193 billion dollars said the report supported by higher foreign direct investment and a spike in portfolio investments.