

Dhaka Roundtable on
**Reviving the Multilateral Trading System:
*Post-Bali Issues***

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Mega Trade-Blocs: Implications and Coping Strategies for the Excluded

**Implications of Mega-Regional Agreements
on the WTO and Developing Countries**

by

Longyue Zhao

Nankai University, China



CENTRE FOR POLICY DIALOGUE (CPD)
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Implications of Mega-Regional Agreements on the WTO and Developing Countries

Longyue Zhao

Professor and Director

China Center for International Development

Nankai University

longyue@yahoo.com

Mega-Regional Agreement

- **Regional Agreements**

TPP

TTIP

RCEP

FTAAP

- **Plurilateral Agreements**

ITA

TISA

EGA: Environmental Goods Agreement

Common Characteristics

- **Big, Trans-Regional**
- **Comprehensive, high standards, and cover more and new issues**
- **Market access is one aspect, more important is to make rules**
- **Important implications on the WTO, and most developing countries**

Beijing Roadmap for the FTAAP

- **Objective**

Comprehensive, high quality, and address next generation trade and investment issues

- **Pathway**

Based on the ongoing regional understandings: TPP and RCEP

- **Schedule**

To launch a collective strategic study, and submit a final report to APEC leaders by the end of 2016

Put forward with a step-by-step, consensus-based approach, and to reach the FTAAP ASAP

Implications of Plurilateral Agreements

- **Plurilateral agreements of WTO is important**
- **PAs may play some positive roles to promote the multilateral trading system**
- **PAs may bring some negative impact on developing countries and the WTO**

Implications of Plurilateral Agreements on the Developing Countries

- **The balance of rights and obligations**

**PAAs can bypass the basic principles on the balance of rights and obligations in the multilateral trade system
Developed countries can easily choose PAAs according to their interests**

Developing countries lost their bargaining power in the multilateral trading negotiation

If the PA became the multilateral trade agreement, then the developing countries have to follow the rules made by developed countries, but developed countries have not pay any attention on the interests of developing countries.

Implications of Plurilateral Agreements on the Developing Countries

- **The right to fair competition**
- **ITA:**
 - 52 members**
 - 97% IT trade**
 - To expand IT products to 200 and more**
 - Duty free**
 - FDI for IT investment**
 - Developing countries IT industry can only rely on their own investment, may be lag behind for ever**

Implications of Plurilateral Agreements on the Developing Countries

- **The right to fair competition**
- **TISA:**
 - 23 members**
 - 70% service trade**
 - They have priorities**
 - Trade in service is also important to developing countries**
 - FDI for service industries**
 - Developing countries lag behind again**

Implications of Plurilateral Agreements on the Developing Countries

- **The right to fair competition**
- **EGA:**
 - 14 members**
 - 86% environmental goods trade**
 - Tariff reduced to 5%**
 - Industry development and trade expansion on EGs**
 - Developing countries lag behind**

Implications of Plurilateral Agreements on the WTO

- **To use PA to overcome the current difficulties faced by the WTO, is not a way out**
- **PA forget the development function of multilateral trading system, and violates the basic principle and objective of the WTO(GATT Part IV).**
- **PA will continue to weaken the functions for rule making, and reputations of the WTO**

Implications of Plurilateral Agreements on the WTO

- **Without the multilateral trading system, the WTO, developing countries will lose their equal right to develop**
- **May be back to the past style, survival and development will rely on the aid**
- **That is not a good cooperation, just give “fish” to eat, rather than to learn to “fishing”**
- **AID FOR TRADE IS BETTER THAN AID**