

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

23 – 24 November 2014, Bangladesh

Session 6

**Post-2015 International Development Agenda and
Multilateral Trading System**

by

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B A N G L A D E S H**
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Session 6

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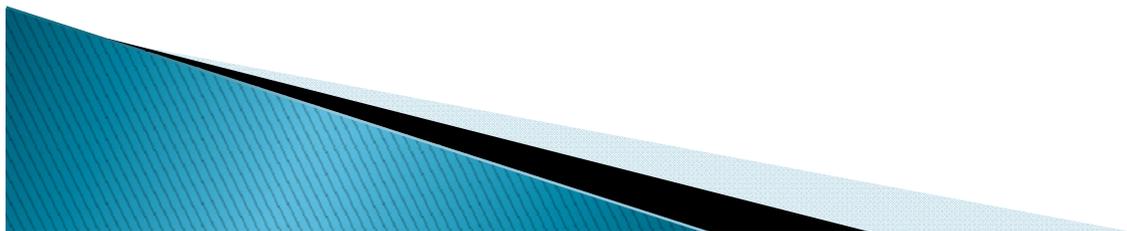
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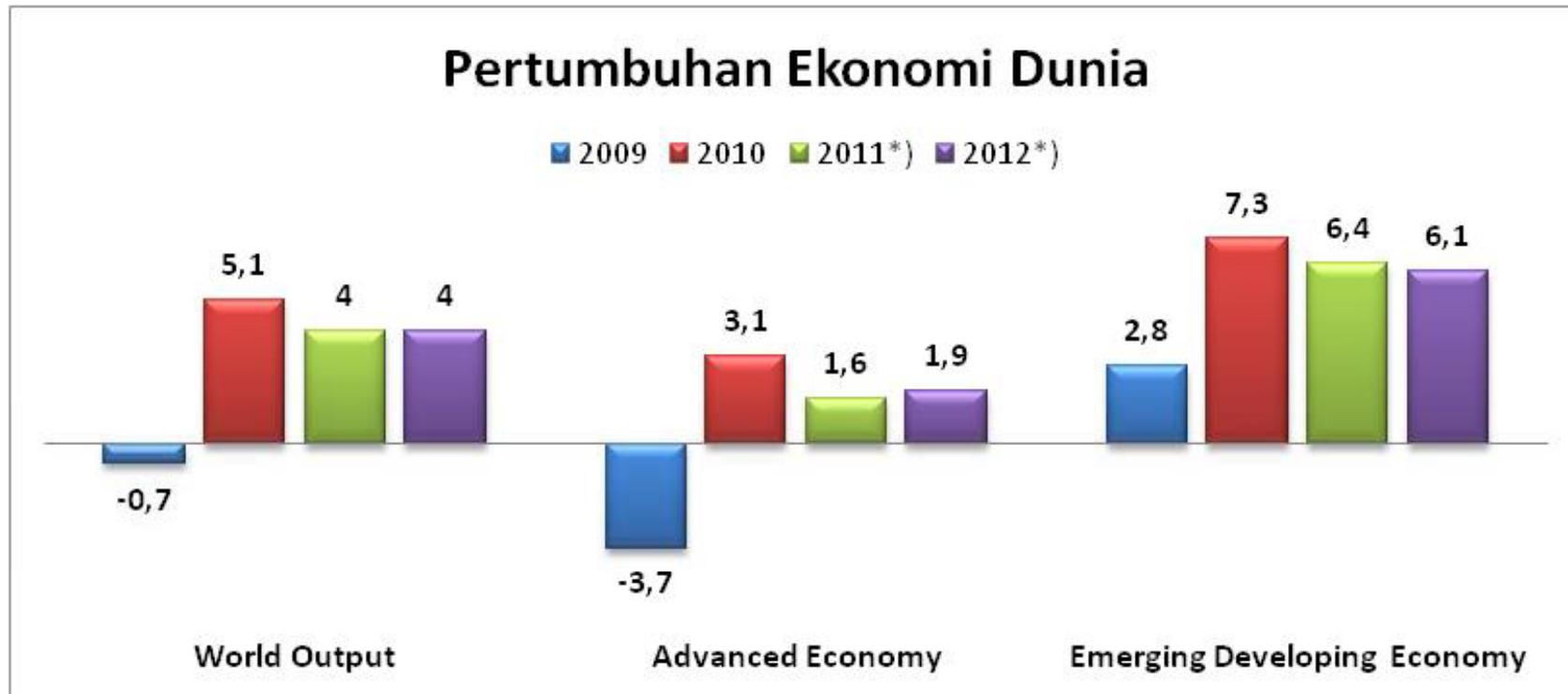
Roundtable on reviving the multilateral trading system:
post-Bali issues
Dhaka, 22-24 November 2014

Outline

- World economic downturn
- Liberalisation in ASEAN member countries and its partner dialog (Japan, China, Korea, Australia, New Zealand, and India).
- APEC and Trans Pacific Partnership (TPP)
- What should be done Post 2015?
- Domestic worries of negative outcome of Multilateral Agreement



World economic growth supported by emerging and developing economy



Source: IMF Economic Outlook
(2012)

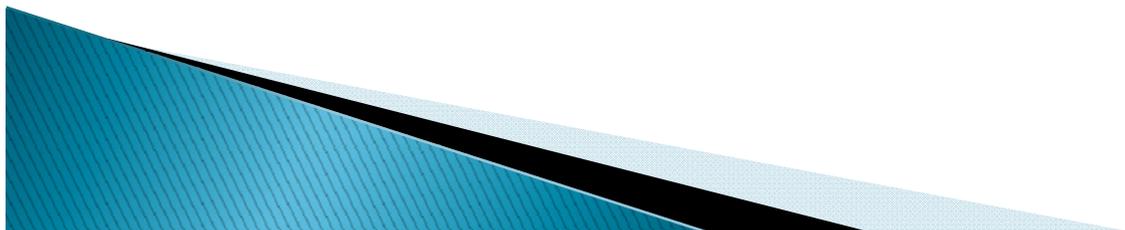


Table 1.1. Overview of the *World Economic Outlook* Projections
(Percent change unless noted otherwise)

	Year over Year			
	2012	2013	Projections	
			2014	2015
World Output¹	3.4	3.3	3.3	3.8
Advanced Economies	1.2	1.4	1.8	2.3
United States	2.3	2.2	2.2	3.1
Euro Area	-0.7	-0.4	0.8	1.3
Germany	0.9	0.5	1.4	1.5
France	0.3	0.3	0.4	1.0
Italy	-2.4	-1.9	-0.2	0.8
Spain	-1.6	-1.2	1.3	1.7
Japan	1.5	1.5	0.9	0.8
United Kingdom	0.3	1.7	3.2	2.7
Canada	1.7	2.0	2.3	2.4
Other Advanced Economies ²	2.0	2.3	2.9	3.1
Emerging Market and Developing Economies³	5.1	4.7	4.4	5.0
Commonwealth of Independent States	3.4	2.2	0.8	1.6
Russia	3.4	1.3	0.2	0.5
Excluding Russia	3.6	4.2	2.0	4.0
Emerging and Developing Asia	6.7	6.6	6.5	6.6
China	7.7	7.7	7.4	7.1
India ⁴	4.7	5.0	5.6	6.4
ASEAN-5 ⁵	6.2	5.2	4.7	5.4
Emerging and Developing Europe	1.4	2.8	2.7	2.9
Latin America and the Caribbean	2.9	2.7	1.3	2.2
Brazil	1.0	2.5	0.3	1.4
Mexico	4.0	1.1	2.4	3.5
Middle East, North Africa, Afghanistan, and Pakistan	4.8	2.5	2.7	3.9
Sub-Saharan Africa	4.4	5.1	5.1	5.8
South Africa	2.5	1.9	1.4	2.3

Source: IMF Economic Outlook (2014)

APEC and TPP member countries have a high economic growth and potential market

	Gross Domestic Product (USD Million)					Growth
	2007	2008	2009	2010	2011	2007-2011
AU	764.40	803.22	824.91	811.66	838.54	1.98
OECD	12,800.01	12,795.94	12,219.16	12,622.79	12,736.22	(0.24)
BRIC	4,472.97	4,803.28	5,081.96	5,554.15	5,959.25	7.46
Eagles	6,505.02	6,876.92	7,107.67	7,712.44	8,224.74	6.01
ASEAN	866.61	902.39	910.41	985.25	1,021.20	4.25
APEC	23,898.77	24,161.71	23,623.77	24,731.11	25,289.82	1.37
TPP	19,392.98	19,350.43	18,595.16	19,255.14	19,427.31	(0.01)
SACU	195.13	202.11	198.89	205.19	211.80	1.81
G-20	28,111.45	28,504.13	27,777.60	28,953.70	29,708.38	1.27
G-8	34,679.84	34,624.11	33,133.39	34,095.47	34,546.71	(0.23)

Source: IMF WEO 2012

AU : African Union

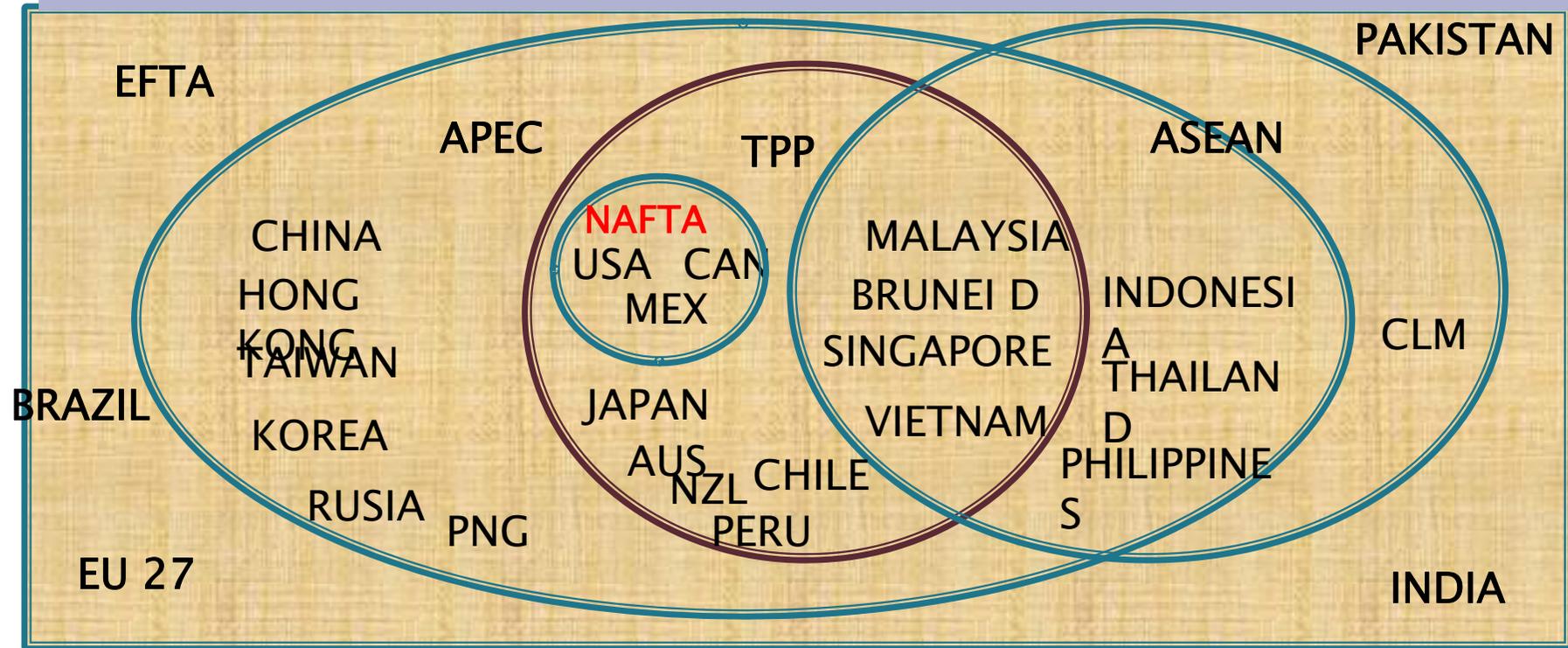
REGIONAL TRADE AGREEMENT (ASEAN AND ASEAN PARTNER DIALOGUE)

FTA's	Sign	<i>Entry into Force</i>	<i>Coverage</i>	Tariff Liberalization Coverage
ASEAN Economic Community	20 November 2007	AEC 2015	Comprehensive	ASEAN-CEPT: ± 98% of total tariff line
ASEAN – China	29 November 2004	1 Juli 2005	Comprehensive	<p>Early Harvest Chapter 01-08 in 2006</p> <p>Normal Track: 40% at 0-5% in 2010</p> <p>Sensitive Track</p> <p><i>Sensitive List (SL) : Tahun 2012 = 20%</i></p> <p><i>Highly Sensitive List (HSL) tahun 2015=50%</i></p>
ASEAN – Korea	24 Agustus 2006	1 Juli 2007	Comprehensive	<p>Korea: eliminate all tariff line under Normal Track until 1 Jan 2010.</p> <p>ASEAN-6</p> <ul style="list-style-type: none"> • <i>Normal Track</i> : eliminated until 1 Jan 2011 (flexibility < 5% of tariff line under NT eliminated until 1 Jan 2012) <p>Sensitive Track</p> <p>The maximum percentage of tariff line under <i>Sensitive Track</i> between ASEAN 6 & Korea is 10% of total tariff line.</p>

Sumber: UN Service Trade

FTAs	Sign	Entry into Force	Coverage	Tariff Liberalization Coverage
ASEAN – Japan	March 1, 2008	December 1, 2008 (legal enactment is still in process)	Comprehensive	Normal Track (NT) – ASEAN coverage is 90% of total tariff line and Japan coverage is 92% of total tariff line and trade value , consist of elimination with in10 tahun (88%) and next elimination (4%) Sensitive Track (ST) - 8% of total tariff line HS 6 digits and trade value.
ASEAN – Australia – New Zealand	February 27, 2009	January 1, 2012	Comprehensive	Entry Into Force 1 Januari 2010: 90% of total NZ tariff line and 91.77% of Australia will be eliminated in 2010. 90.23% of Indonesia's tariff line will be eliminated in 2015.
ASEAN – India	13 August 2009	<ul style="list-style-type: none"> ▪ Indonesia has ratified Trade in Goods Agreement and the date entry into force is on October 1, 2010. 	Trade in Goods (Trade in Services and Investment negotiation is undergoing)	In 2016 (deadline of Normal Track): 42.56% of total tariff line is eliminated by Indonesia. 79.35% of India's tariff line will be eliminated.

ASIA PASIFIC INTEGRATION MAP



What Should be done and Domestic Worries

Define the request and offer and Clearly evaluate the impact on the national and regional economy

sustainable economic growth → related to the economic, social and environment (food, fuel, feed)

Fair and Free Trade

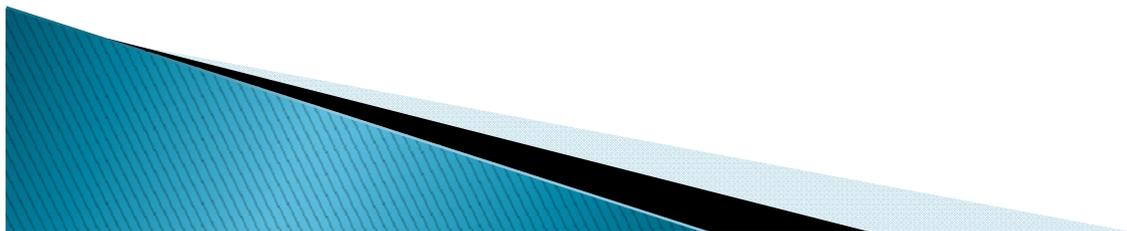
Increasing value added and competitiveness in GVC

Sustainable competitive advantage for the domestic product

Strengthening public–private partnership policy



- ▶ Regulation Convergence
- ▶ Increasing market access, SCM in GVC
- ▶ Non tariff agreement and measure
- ▶ Increasing export quality infrastructure
- ▶ Liberalisation on services and input products
- ▶ Strengthening research collaboration; increase technology innovation and adoption
- ▶ Port connectivity
- ▶ Infrastructure financing
- ▶ Mutual recognition agreement :
 - Quality standard on products
 - Labour certification



Thank you

