

TPP as an enabler for the DDA? And what new role for the WTO?

Matthias Helble

Senior Economist and Research Fellow

ADB I

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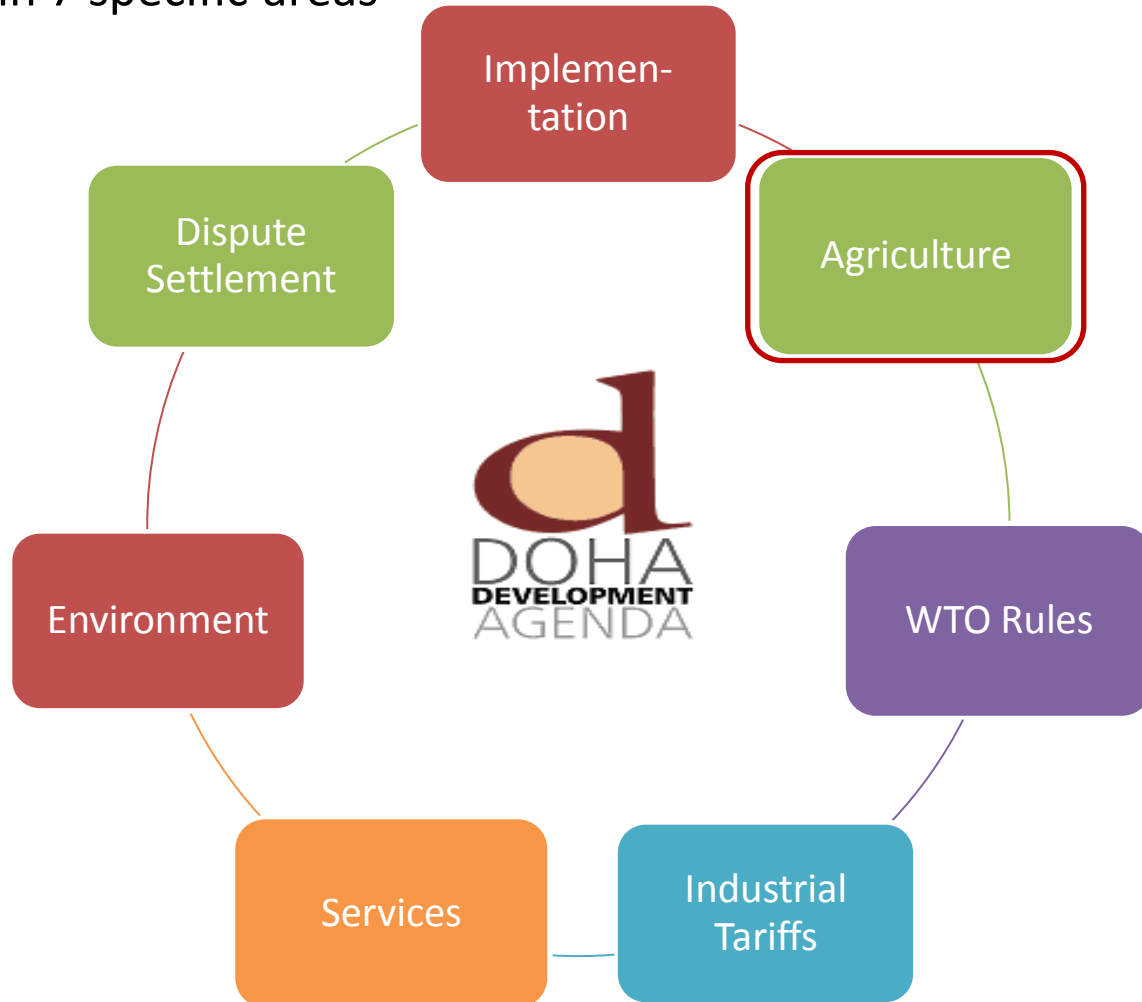


Contents

- Main points of discussion: TPP vs DDA
- Factors rendering DDA impossible
- Factors facilitating success of TPP negotiations
- Desirable outcomes of Ministerial Conference
- New role of the WTO
- Lessons learned from the United Nations

Doha Ministerial Declaration

Negotiations in 7 specific areas



Difficult issues in TPP negotiations

Sticking points in TPP	Members	Solution
Agriculture (especially dairy and sugar)	Australia, New Zealand and US vs. Canada and Japan	
Intellectual Property (esp. Length of data protection for biologics)	US vs. Australia	Concession by US
NAMA (automotives ROO)	Japan vs. Mexico and Canada	
State-Owned Enterprises	US vs. Viet Nam and Malaysia	Concessions by Viet Nam and Malaysia
Labor standards	US vs. Viet Nam	
Environmental safeguards (avoid overfishing and deforestation)		

TPP Tariff Levels

All TPP members:

	Bound	Applied MFN	Preferential rates
Links covered	132 (all)	132 (all)	69
Simple	15.17 %	4.02 %	1.70 %
Weighted	13.19 %	2.72 %	0.96 %

Developing countries:

	Bound	Applied MFN	Preferential rates (27)
Simple	20.79 %	4.51 %	2.47 %
Weighted	19.27 %	3.59 %	1.13 %

Developed TPP members:

	Bound	Applied MFN	Preferential rates (42)
Simple	7.30 %	3.41 %	1.20 %
Weighted	4.68 %	2.16 %	0.85 %

Source: UNTRAINS

DDA negotiations compared to the ascent of Mt. Blanc

«Like Horace de Saussure, [...] who organized the first ascent to Mont Blanc, we have prepared ourselves for this excursion. [...] Also, climbing the Mont Blanc can only be achieved as a team endeavor. [...] The only way to reach the top is understanding each others' interest and limitations.»

Pascal Lamy, 21 July 2008

Why is the DDA so difficult?

1. *Mountaineers with different visions:* Heterogeneity between and within members
2. *Belonging to various rope teams:* Multiplicity of coalitions with conflicting interests
3. *Who should carry how much?* Less than full reciprocity
4. *Icy conditions ahead:* Difficult issues remain



Why is the DDA so difficult?

5. *Why the fuss about Mt. Blanc?* Globalization fatigue and doubts about the gains
6. *What about other summits?* Other, more readily available alternatives.
7. *How to get the photographers to the summit?* Increasing complex communication.
8. *Mountain guide's energy is waning:* The hegemonial power is running out of steam.



“Universe” of Environmental Goods: 514 HS6 Codes

Saudi Arabia (S):
291 HS

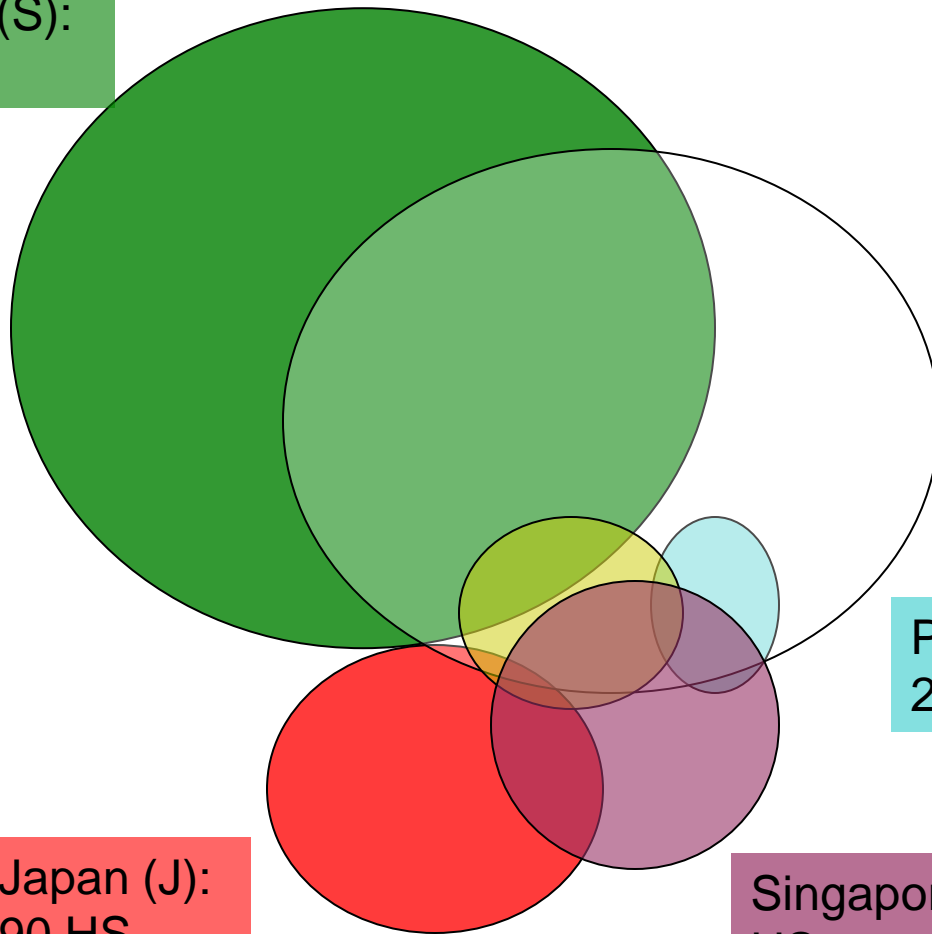
Friends (F):
195 HS

Qatar (Q):
20 HS

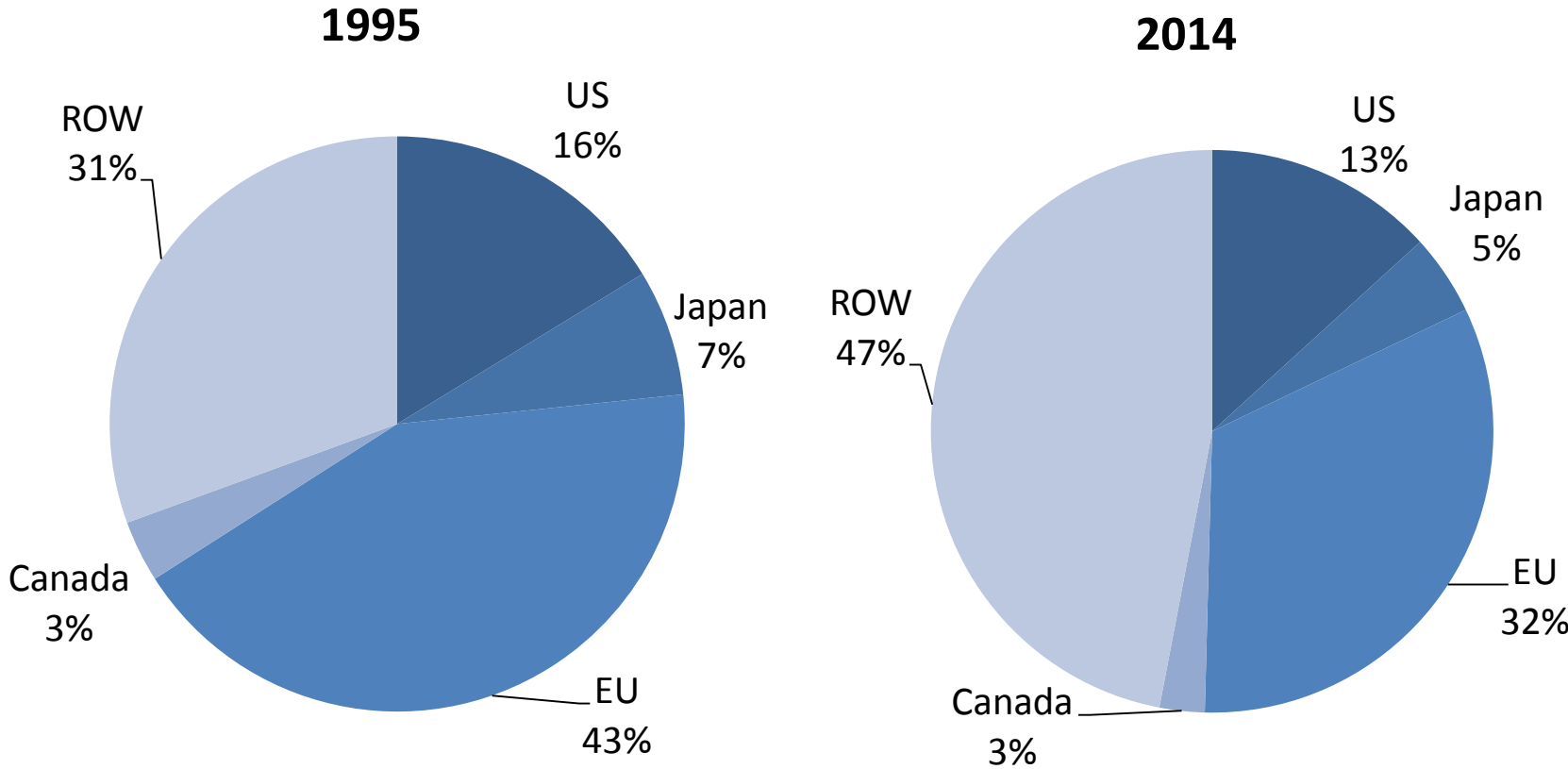
Philippines (P):
24 HS

Japan (J):
90 HS

Singapore (Si): 91
HS



Shares in World Trade: 1995 vs. 2014



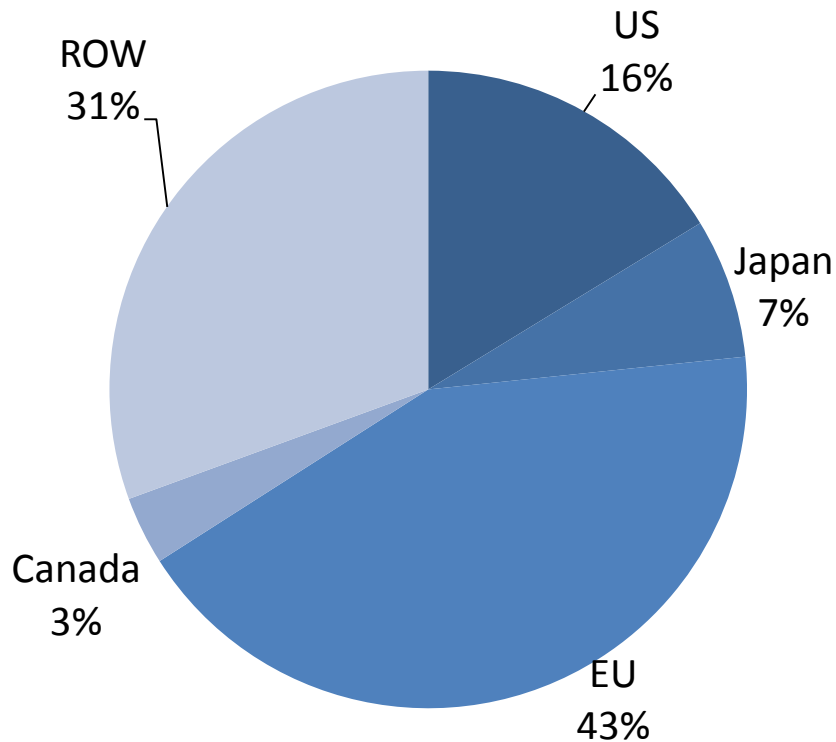
Source: UN COMTRADE
Note: Measured in imports

Why did the TPP negotiations succeed?

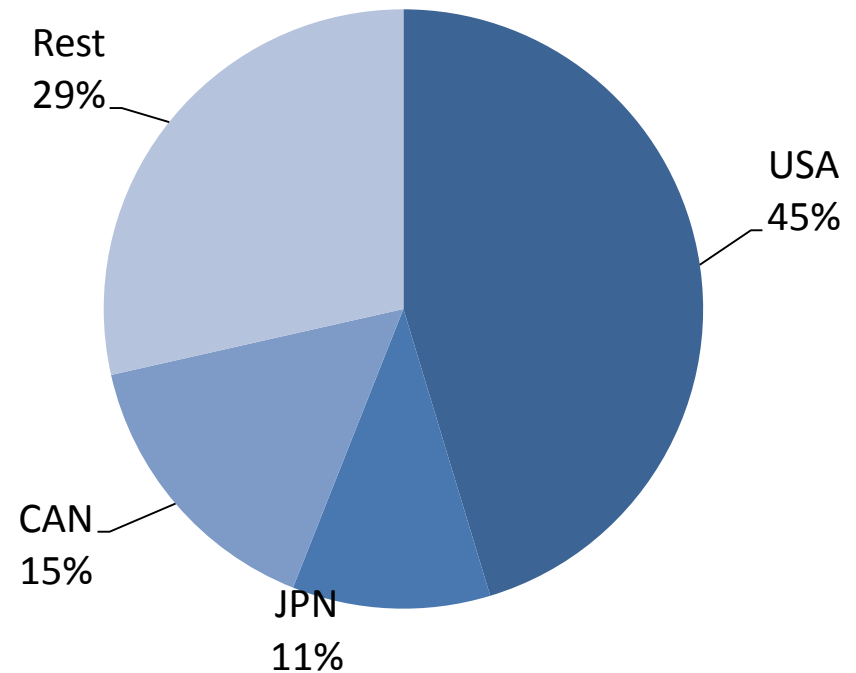
- One rope team with similar views:
 - Small group of countries
 - Coalition of the «willing»
- Mountain guide(s) with clear vision:
 - US – Japan leadership
 - Asia pivotal for US interests
- Closed negotiations

Shares in World Trade: 1995 vs. Share in TPP trade in 2014

1995

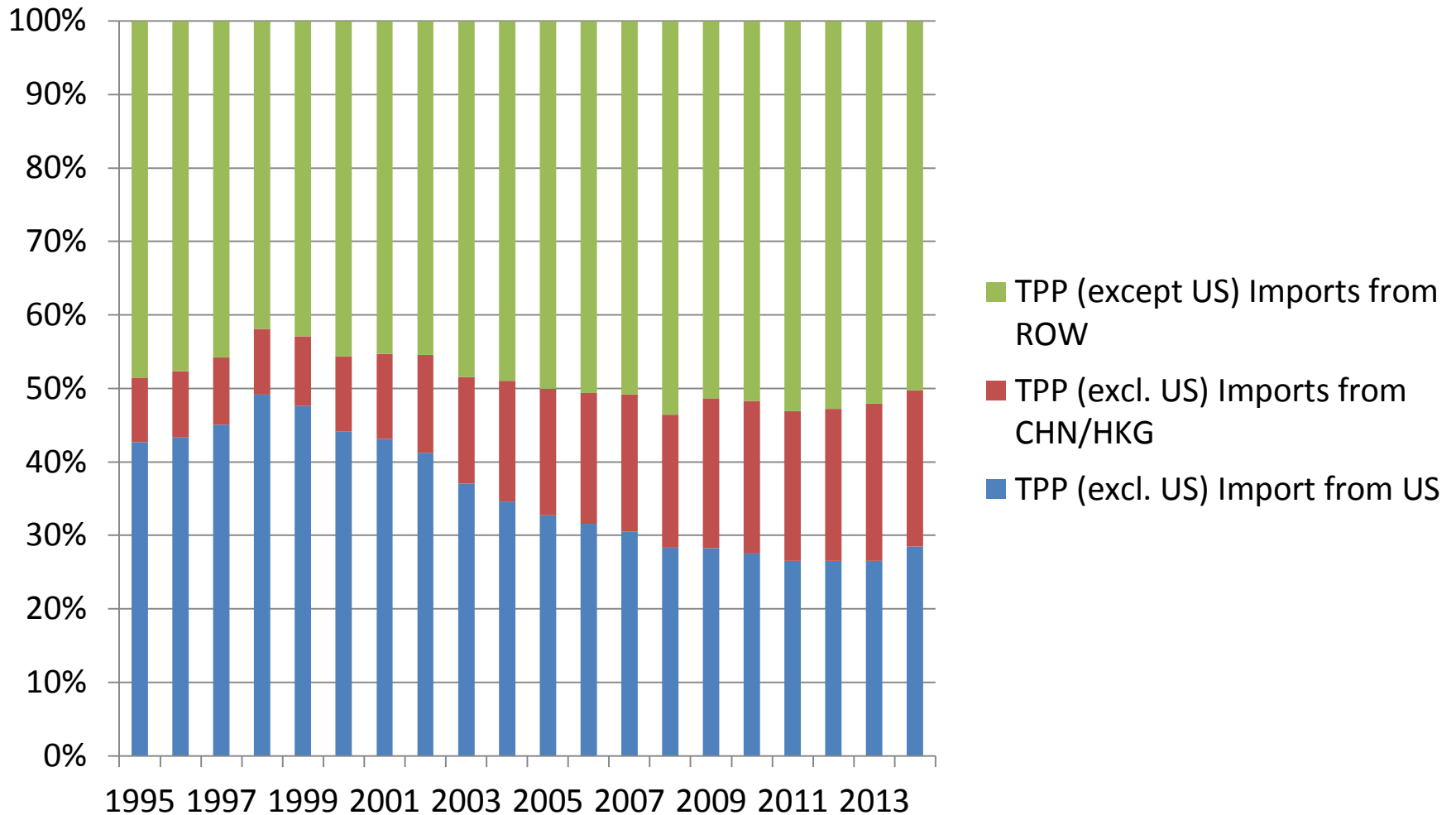


2014



Source: UN COMTRADE
Note: Measured in imports

Declining US trade share with Asia...



Source: UN COMTRADE

TPP outcome as «inspiration» for Nairobi?

- Pro: TPP shows that compromise on difficult issues can be achieved
- Con: See list above

Desirable outcomes of Nairobi:

- Call-off the research and end Doha Round
- Environmental goods liberalization
- Agree on new set of sectoral and plurilateral talks

The Future Role of the WTO

- Convening power (multilaterally and plurilaterally)
- Standard setting
- Ensuring transparency in trade policy: From passive to active role
- Technical assistance (from delivery to coordination)
- Research: From «why open up trade?» to «how to open up trade?» (ex. health)
- Lessons to be learned from United Nations?

Lessons from the United Nations

- Very difficult to achieve consensus among all members.
- Extremely difficult to achieve binding commitments.
- The more complex the issue, the longer the negotiations.
- The more unknowns, the less willing countries are to commit.
- Increased participation of developing countries
- Leadership needed
- Flexible treaties more successful: Opt-in treaties easier to negotiate, ex. FCTC

Thank you very much for your attention

Matthias Helble

mhelble@adbi.org