BARBADOS PRIVATE SECTOR TRADE TEAM

A DIVISION OF THE BARBADOS PRIVATE SECTOR ASSOCIATION

TRADE IN FOCUS

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THE FUTURE OF DOHA

For a decade, the World Trade Organisation has been conducting a round of trade negotiations with the objective of lowering trade barriers globally, thereby facilitating the increase of trade worldwide. This round of negotiations has been named after the location of the first ministerial-level meetings held in Doha, Qatar, and is known as the Doha Development Round.

At the start of this year, trade experts recommended that the Doha Round be completed by the end of 2011.

Unfortunately, this now seems a remote possibility as certain key issues remain unresolved. The current stalemate has members of Doha stumped when it comes to deciding on a clear direction. The issue stems from an industrial tariffs dispute among the United States and countries such as Brazil, India and China. The United States requested that tariffs be cut on industrial goods, a proposal the other countries have found unacceptable. Another issue deals with the removal of farm subsidies in developed countries. Members of the WTO are exploring options for the current Doha Round of trade talks. Certain measures have been suggested including freezing the Doha Round and taking a break until the financial crisis has passed, as well as reviewing issues where there is disagreement in sections rather than requiring absolute accord before action is taken. There have also been suggestions to abandon the Doha entirely, bringing an end to its ten years of existence. Outdated mandates have been cited as the reason behind the lack of progress being made. However, Chairman of the WTO, Pascal Lamy, believes that ministers will have to talk clearly and find the political courage and pragmatic steps which will allow for honest negotiation.

Barbadian businesses are seeking export markets for a diverse range of products.

Welcome to Trade In Focus

The Barbados Private Sector Trade Team (PSTT) is here to represent the interests of private sector organizations by providing research, communications and capacity-building support in the arena of international trade agreements. As we continue to provide a competitive edge to our stakeholders, we are constantly on the lookout for ways to better serve you. Therefore, we are very excited to introduce our E-ZINE where we provide you with a quarterly snapshot of trade news in the region and the world.

This bulletin is presented as part of the Private Sector Trade Team's efforts to deliver more current and succinct information to the business community in Barbados. Our articles will provide the latest information on trade and economic developments from around the world, and will focus on those that could impact favourably or negatively on Barbados and the CARICOM region.

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THE CAIRNS GROUP:

STAYING COMMITTED TO THE LIBERALISATION OF AGRICULTURAL MARKETS

During assessment meetings from September 7 – 9, 2011 on agricultural negotiations under DOHA, the Cairns Group took the opportunity to express its commitment to the liberalization of agricultural markets.

Food security remains a priority for the Group. They believe that the smartest way to ensure food security is via Doha, and that liberalization of trade will allow for the discovery of the best places on earth to produce different types of food. As a result, export subsidies after 2013 will not be permitted.

With increased trade liberalization, the world's demand for food can be met and at the same time, prices can be reduced. The members also noted that innovation and rules-based trade rooted in sound science could have a positive effect in opening up markets and meeting global food security objectives. This will call for new, innovative and sustainable means, such as the use of technology.

Members insisted that enhancements in multilateral market access would be far more beneficial than bilateral and regional trade agreements. They therefore promised to have new concepts ready by December for the WTO's ministerial.

"We have pursued reforms through the Doha agriculture negotiations so vigorously because, amongst other things, we recognise that trade policy reform has a role to play in addressing food security," the Cairns countries stated.

Ensuring food security for the estimated world population of 9 billion in 2050 is the driving force behind their continued diligence. According to reports from The Food & Agriculture Organisation of the United Nations, the number of people who suffer chronic hunger is 925 million, with a child dying of hunger every six seconds because of malnutrition.
The Fairtrade Foundation said inadequate agriculture funding by African countries and the donor community was a big factor. Furthermore, the share of overseas aid from rich countries spent on agriculture has fallen from 19% in 1989 to about 5% today.

For more information please visit the following links:

- **http://ictsd.org/i/news/bridgesweekly/113905/**
- **http://www.guardian.co.uk/business/2010/sep/14/unctad-export-trade-policy-rethink?INTCMP=ILCNETTXT3487**

WTO SCALES BACK TRADE FORECAST

Economists from the WTO have revised this year's trade forecast, reducing it from 6.5% to 5.8%. The downgrade occurred following the reduction in trade volumes over the last few months. This decrease can be attributed to natural disasters in Japan; the recent budget impasse in the USA followed by the downgrade of that country's credit rating by some agencies, and the ongoing Euro area sovereign debt crisis.

Business and consumer confidence levels have fallen due to substandard production and employment data, contributing to the recent turmoil in financial markets. Under the WTO's lesser expectations, world merchandise exports should increase by 5.8% in volume terms, supported by real GDP growth of 2.5%. Developed economies exports are expected to rise by 3.7% and their output to go up by 1.5%.

Meanwhile, shipments from developing economies are estimated to increase by 8.5% and GDP by 5.9% (Table 1).

Table 1

	2008	2009	2010	2011*
Volume of world exports				
World	2.3	-12.1	14.1	5.8
Developed economies	0.9	-15.2	12.9	3.7
Developing economies and CIS	4.6	-7.5	16.1	8.5
Real GDP at market exchange rates				
World	1.3	-2.6	3.7	2.5
Developed economies	0.1	-4.0	2.7	1.5
Developing economies and CIS	5.6	2.1	7.1	5.9

**Figures for 2011 are projections.*
Source: WTO Secretariat for exports, consensus estimates for GDP.

For more information please see link below:
http://www.wto.org/english/news_e/pres11_e/pr641_e.htm

UNCTAD: GLOBAL ECONOMIC RECOVERY COULD BE IMPACTED BY AUSTERE MEASURES

Grave forecasts from UNCTAD (United Nations Conference on Trade and Development) have indicated that there will be a 0.8% decrease in trade between 2010 and 2011. These statistics may be even more daunting if developed countries continue to implement procedures to restrict trade.

According to UNCTAD, countries should look towards the deregulation of financial markets if their intention is to resolve the current global economic environment.

Developed countries are feeling the effects of the global crisis with expected growth rates between 1.5 and 2 percent. Taking the lack of growth in employment and wages in Europe, Japan and the US into consideration, UNCTAD has called for policies whose goal is persistent stimulation as a replacement for trying to recover the assurance of the financial markets. UNCTAD has criticized the restrictive measures currently being imposed, stating that they are not supportive of global economic recovery.

Conversely, growth rates are likely to remain much higher in the developing world, at almost 6.5%. Growth in these countries is occurring more from domestic demand than exports. Even with positive predictions of growth for the less developed economies, developing countries may still be susceptible to trade and financial shocks.
Although growth in developing countries has become more dependent on the expansion of domestic markets, they still face significant risks due to economic weakness in the developed economies, and a lack of significant reforms in international financial markets.

For more information please see links below:

- **http://www.guardian.co.uk/global-development/2011/sep/06/unctad-criticises-spending-cuts**
- **http://ictsd.org/downloads/bridgesweekly/bridgesweekly15-30.pdf**

CARIFORUM:

CURRENT STATE OF AFFAIRS WITH REGARDS TO EPA IMPLEMENTATION

To date, CARIFORUM is the first and only region to have signed a comprehensive regional EPA with the European Union.

The European Union parliament provided formal approval to conclusion of agreement in 2009.

CARIFORUM members are finding it difficult to implement EPA commitments on schedule.

Tariff reductions have commenced in the following countries: Barbados, Belize, Grenada, Guyana, and St. Kitts and Nevis.

For more information please see link below: **http://www.acp-eu-trade.org/index.php?loc=epa/**

We want to hear from you ...

Please send your questions and comments to us via email: tradeteam@caribsurf.com

UPCOMING EVENTS

WORLD TRADE ORGANIZATION (WTO) EVENTS

Hosted at WTO, Centre William Rappard, rue de Lausanne 154, 1211 Geneva, Switzerland

1 – 2 December
WTO General Council

15 – 17 December
Eighth WTO Ministerial Conference

OTHER EVENTS

8- 10 November
Ad-Hoc Expert Meeting On The Green Economy: Trade and Sustainable Development Implications

Hosted by the United Nations Conference on Trade and Development (UNCTAD), in collaboration with UN Department of Economic and Social Affairs (UN DESA) and the UN Environment Programme (UNEP).

The event will focus on the conditions needed for making the transition to a green economy. Key topics for discussion will include political and economic feasibility of this transition, technology and finance, investment in global supply chains, and more.

16-18 November
Bonn 2011 Conference

Organized by the German Federal Government, along with the World Economic Forum, the World Wildlife Fund, and the International Food Policy Research Institute.

The event will make contributions to the 2012 UN Conference on Sustainalbe Development (UNCSD). Action fields will focus on three dimensions: social, economic, and ecologic; these will encompass advocacy for the poor, creating more with less, and investing to sustain ecosystem services. The 500 event participants will include high-ranking decision-makers from politics, academia, the United Nations, civil society, and the private sector.

3 – 4 November
G 20 Summit
Hosted in Cannes, France

14 November
EU Foreign Affairs Council to adopt Conclusions on the Annual Report 2011 on the European Union's Development and External Assistance Policies and their Implementation in 2010

16 – 26 November
22nd Session of the ACP-EU Joint Parliamentary Assembly
Free Town, Sierra Leone

16 –26 November
26th Session of the ACP Parliamentary Assembly
Free Town, Sierra Leone

7 – 9 December
4th ITD Global Conference on 'Tax and Inequality'