

Report from the 54th Session of UNCTAD: s Trade and Development Board
Item 3 – Interdependence and global economic issues from a trade and development
perspective: Regional Cooperation for Development
Wednesday 3 October 2007

Summary: Most states agreed that there are benefits to having regional trade agreements. The main dividing line was between those who see regional cooperation as an alternative to multilateral agreements and those who see the Regional Trade Agreements (RTAs) as a tool to push for further liberalization and as a complement to multilateral agreements.

Mexico expressed its support for the multilateral trade system and said we cannot afford a failure of the Doha round. They criticized the message in the Trade and Development Report (TDR) that South-South agreements are desirable and that North-South agreements are not. They also criticized the assumption in the report that NAFTA is not good. Further they claimed an incorrect use of statistics in the TDR because it didn't refer to trade with services.

Honduras spoke on behalf of the G77 and requested UNCTAD support for increased cooperation between the LDCs. Regional support to trade should be a pillar of UNCTAD' s work. The key parts of North-South Trade Agreements should be to involve the rich countries in the Regional Trade Agreements (RTAs), give countries in the South long transition periods, ensure that the tariff cuts are reciprocal and implemented gradually and that North-South agreements are strengthened without undermining South-South agreements.

Philippines spoke on behalf of the Asian Group and enhanced the importance of fostering a stable global system and that regional integration is not a guarantee for successful development. They also stressed the dangers of a race to the bottom. Finally they said that regional cooperation can give some stability, but is only part of the picture. Interregional cooperation is important too.

Portugal made a statement on behalf of the EU who doesn't share the analysis of the TDR and said that we cannot disregard regional cooperation. They expressed their support for strong multilateral agreements and sharpened efforts to open markets. Further they noted that the European experience shows that regional cooperation can provide regional security. Further, they see RTAs as a tool to push through new agreements on trade liberalization. According to the EU RTAs have the potential to support national development strategies. Finally, they stated that North-South agreements can be a complement to multilateral agreements and that the RTAs must become deeper and wider in scope.

China thought the TDR provided a good analysis of hot topics. Further they noted that almost all WTO members also are members of RTAs, and questioned whether this is a choice for developing countries or whether they are being forced to join.

India talked about the challenge to turn growth into long term progress. They see the RTAs as building blocks of multilateralism that help to speed up liberalization.

Iran sees the insufficient attention to development needs as the main problem. They noted that sometimes there can be a tradeoff between access to new markets and the protection of emerging industries.

Belarus sees the new regionalism as abandonment of the multilateral approach since it often goes beyond WTO rules. They support further analysis on the subject.

USA agrees with the TDRs ambition to promote regional cooperation amongst developing countries but is against the skepticism towards bi-lateral agreements. They don't see environmental rules in trade agreements as a hindrance to development. Finally, they don't see the TDB as the right forum to discuss monetary and financial issues they want to introduce a peer review of the TDR so it does not exceed its mandate.

Indonesia wants to highlight the high volatility of growth. They pointed to the global imbalances because of the speculation in interest rates and that multilateralism is narrowing the policy space for some women.

Chad spoke on behalf of the African Group and stated that they see regional integration as an intermediary stage to the integration into the world economy. They see the implementation of agreements as the main difficulty, especially when it comes to the elimination of non-tariff barriers. They also stressed the problem of an infrastructure shaped by colonialism and not by the aspirations of the countries today. They requested the support of UNCTAD to integrate into the world economy and stressed the need for regional cooperation beyond trade in Africa.