

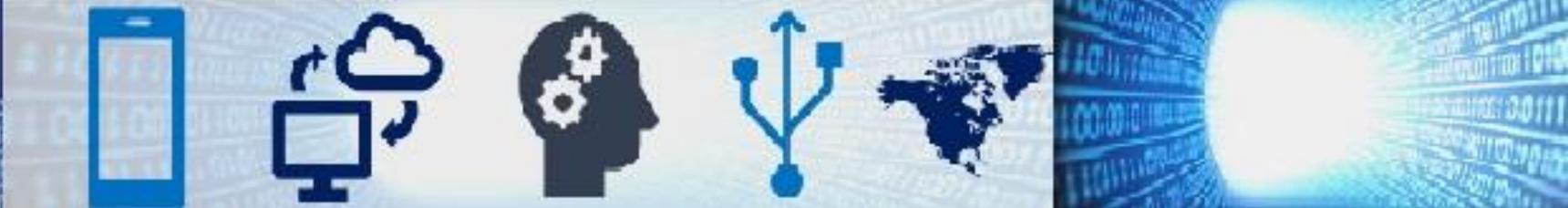


Session 3:

Aligning trade facilitation with sustainable development goals:
Good practices in trade facilitation for agriculture, SMEs and
women

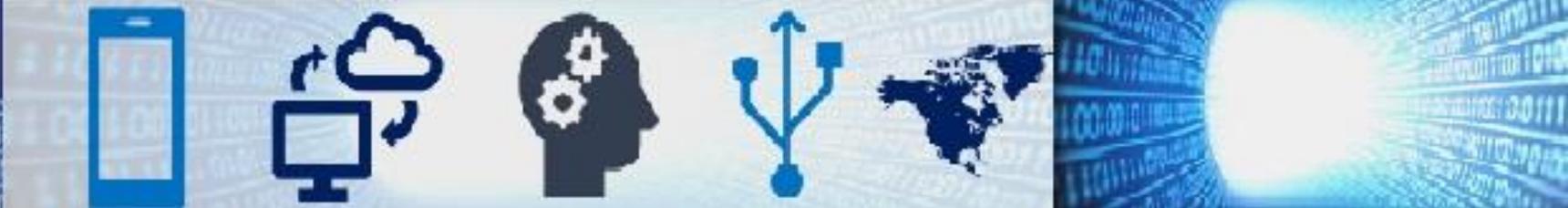
Mohit Sippy

Senior Programme & Policy Manager
Department for International Development



2030 Agenda for Sustainable Development recognizes international trade as an engine for inclusive economic growth and poverty reduction, and an important means to achieve the Sustainable Development Goals (SDGs)

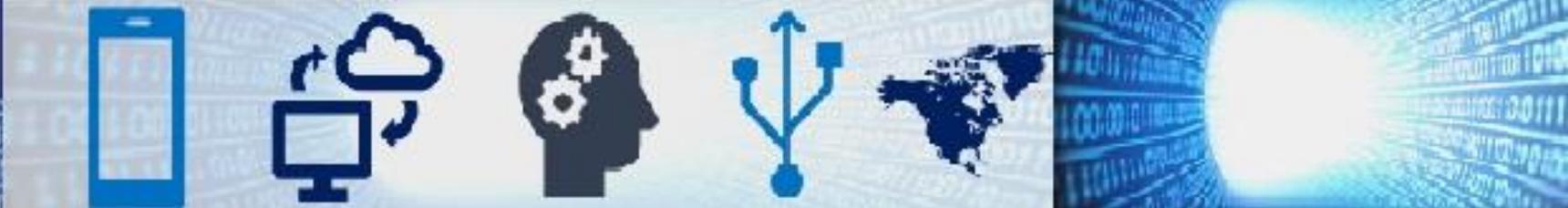




Trade facilitation in agriculture and food products

Global Trade in Agriculture – Key Features

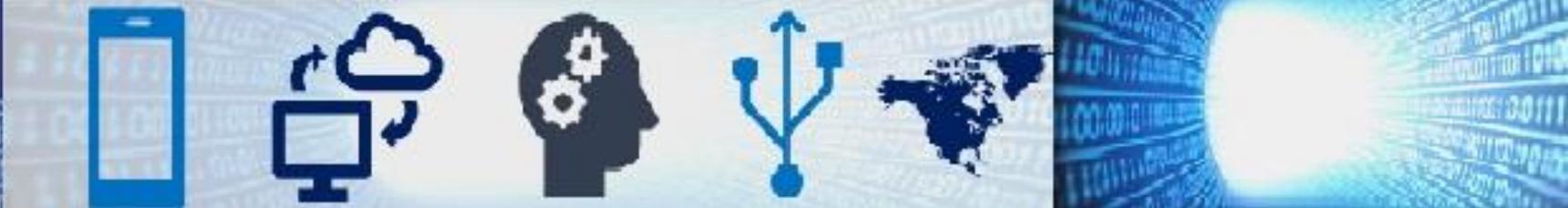
- ❑ Last 50 years - impressive growth in international trade; volume of global merchandise trade increased 17-fold, more than three times faster than the growth in world economic output.
- ❑ Agricultural trade growth at the rate of global economic output.
- ❑ Relatively slow growth in trade - failure to include agriculture fully in the multilateral trade negotiations under GATT that were so successful in reducing industrial tariffs - agricultural tariffs are as high now, on average, as industrial tariffs were in 1950.
- ❑ Effects of high border protection have been compounded by domestic support policies in many developed countries and in some developing countries by policies that promoted import substitution at the expense of international trade.
- ❑ Share of developing countries' agricultural exports in their overall exports fell from nearly 50 percent at the beginning of the 1960s to barely more than 5 percent by 2000
- ❑ Even for the group of the 49 LDCs, where agriculture is often the largest sector of the economy, the share of agricultural exports declined from more than 65 percent in the early 1960s to less than 15 percent by 2000



Trade facilitation in agriculture and food products

The changing landscape of agricultural markets and trade – Value Chain and Related Issues

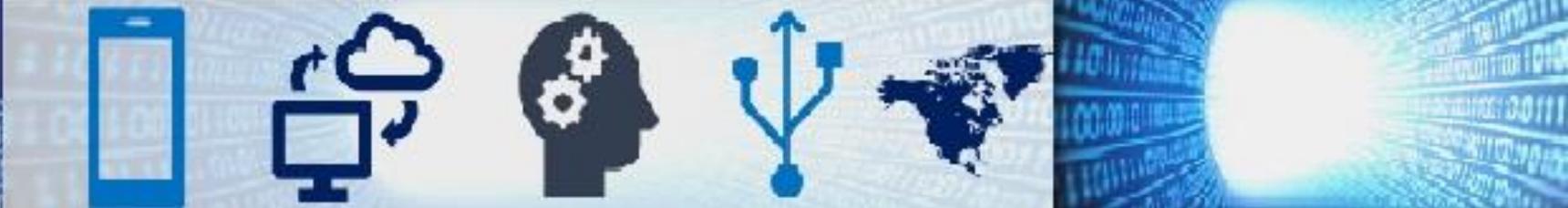
- ❑ International agricultural and food markets come closer
- ❑ Rules-based trading environment - trade in agro-food products has grown stronger - , it's becoming 'global' eg: food & clothing industry
- ❑ Increase in trade among emerging and developing countries
- ❑ Global agricultural production has also continued to increase, driven by rapid growth in a number of developing regions, in particular those of Asia and South America
- ❑ Increasing trade has also been accompanied by deeper integration of the world's food system. A growing share of agro-food trade is taking place in global value chains (GVCs) – agricultural and food processing value chains that are spread over several countries – linking agro-food sectors and other sectors of the economy from across the world.



Trade facilitation in agriculture and food products

Challenges:

- Standards
- Trade logistics
- Domestic infrastructure – cold storage and warehousing
- Trade Financing

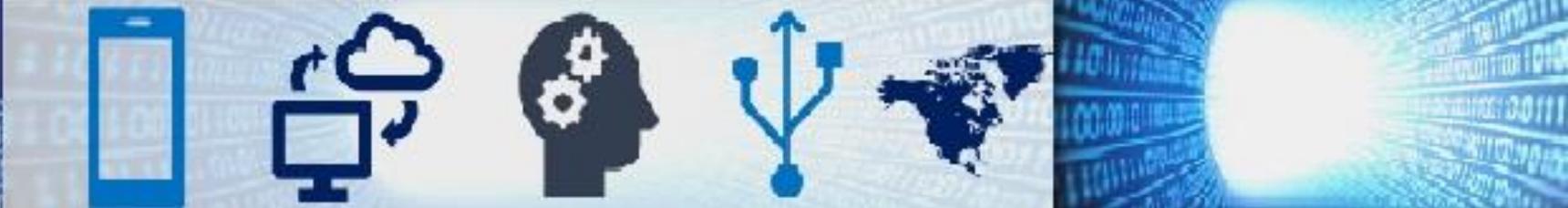


Trade facilitation in agriculture and food products

Way forward:

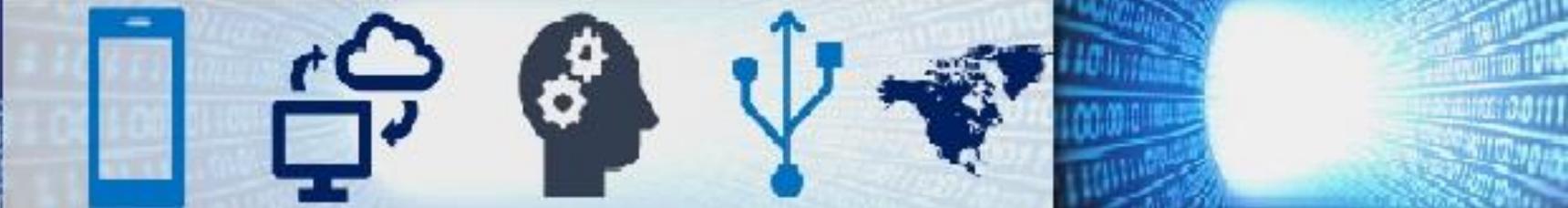
Framework for the long-term reform of agricultural trade and domestic policies, with the aim of leading to fairer competition and a less distorted sector:

- Market access
- Domestic support
- Export competition



SMEs participation in international supply chain

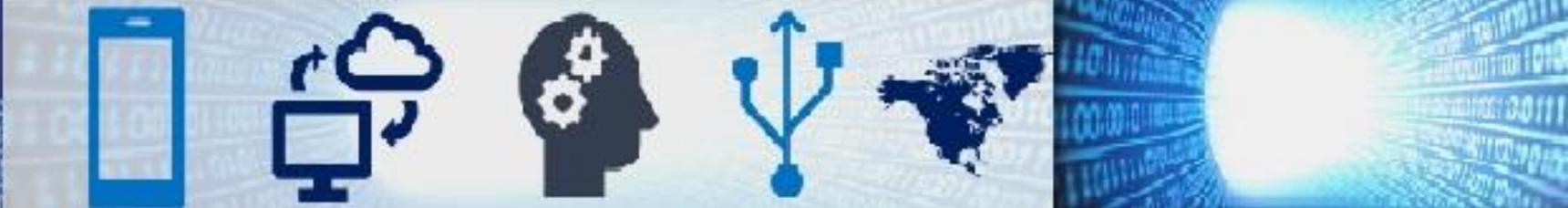
- Rising globalization and economic integration – enables SMEs –greater participation in GVCs
- Micro level – enhances technical capacity, greater utilization of capacity & enhanced production capacity, builds creditability – easier to access finance, attract investors, sustainable way to internationalize
- Macro level – benefits local economy – brings job opportunities, increase export value and builds foreign reserves, introduce new business practice and more advanced technology



SMEs participation in international supply chain

Barriers for SMEs in agricultural trade

- Costs of standards and certification
- Implementation of required traceability systems
- Compliance with regulatory and control requirements
 - SPS, quarantine, fumigation, import licenses, export licenses
- Compliance to food safety and health concerns
- Additional infrastructure requirements
- Customs clearance procedures and logistics
- Technical capacity

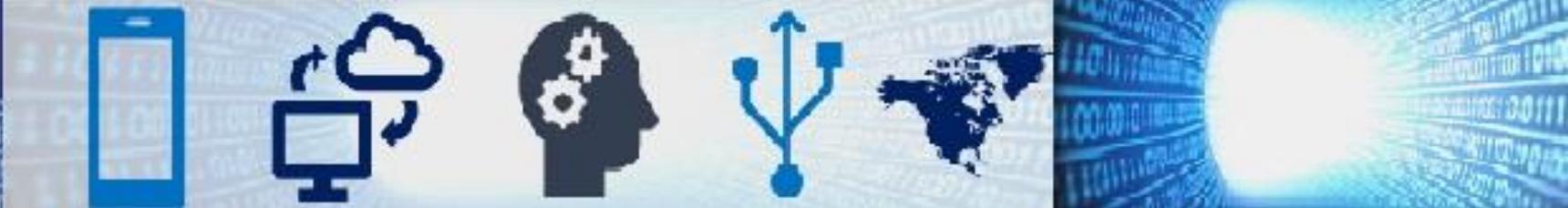


SMEs participation in international supply chain

Way forward:

Role of government:

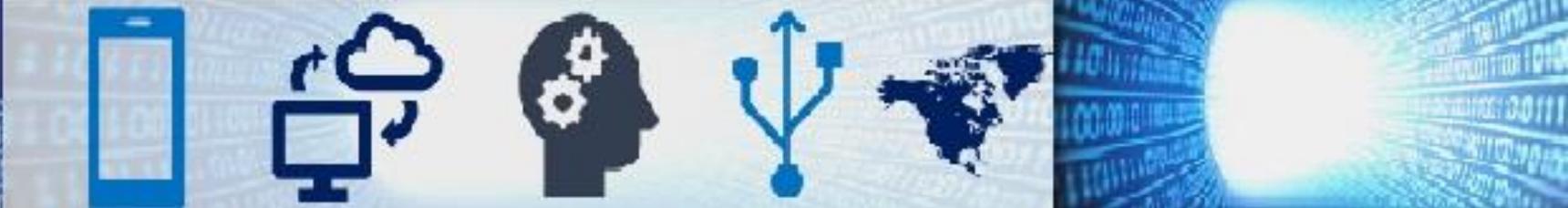
- ✓ Provide an enabling environment
- ✓ Improve access to finance
- ✓ Strengthen cooperation among SMEs
- ✓ Capacity building (eg: knowledge about FTAs)



Enabling environment for women in international trade

Key challenges:

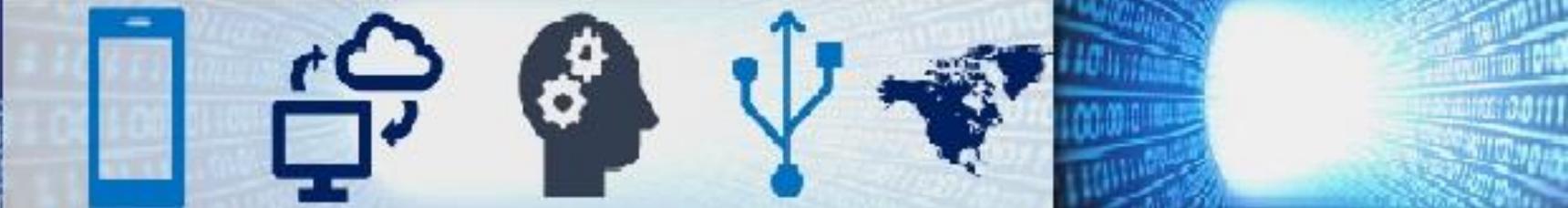
- Cheap source of labor
- Access to finance
- Technology transfer/upgrade
- Lack ICT skills
- Limited access to information and formal networks
- Limited ability to relocate
- Domestic obligations



Enabling environment for women in international trade

Way forward:

- National level policy changes – women inclusive
- Mainstream gender in the implementation of FTAs – include trade & gender chapters
- Assess the potential gendered impact of trade reforms
- Capacity building of women in financial literacy
- Shifts in socio-cultural attitudes



Thank You!