

REGIONAL WORKSHOP ON LEAST DEVELOPED COUNTRIES AND LEVERAGING TRADE AS A MEANS OF IMPLEMENTATION FOR THE 2030 AGENDA

Session 5: In search of the meaningful market access what are the policy options for LDCs

2-4 August 2017
Thimphu, Bhutan

Rajan Sudesh Ratna

Economic Affairs Officer

Trade, Investment and Innovation Division

UN ESCAP, Bangkok

Email: ratna@un.org



Presentation Structure

- **Discussion**
- **2030 ASD**
- **Market access issues**
- **Policy options**

Market Access: Discussions

- What comes to your mind when you think of 'market access'?
- What are related issues for getting effective market access?



2030 ASD and LDC's Trade

- **17.10 Promote a universal, rules-based, open, non-discriminatory and equitable multilateral trading system under the World Trade Organization, including through the conclusion of negotiations under its Doha Development Agenda.**
- **17.11 Significantly increase the exports of developing countries, in particular with a view to doubling the least developed countries' (LDCs) share of global exports by 2020.**
- **17.12 Realize timely implementation of duty-free and quota-free market access on a lasting basis for all least developed countries, consistent with World Trade Organization decisions, including by ensuring that preferential rules of origin applicable to imports from least developed countries are transparent and simple, and contribute to facilitating market access**

Is market access only linked to?

- Goods – (tariff and non tariff in market only?)
- Services – (regulations in markets only?)
- Only exports or imports too?

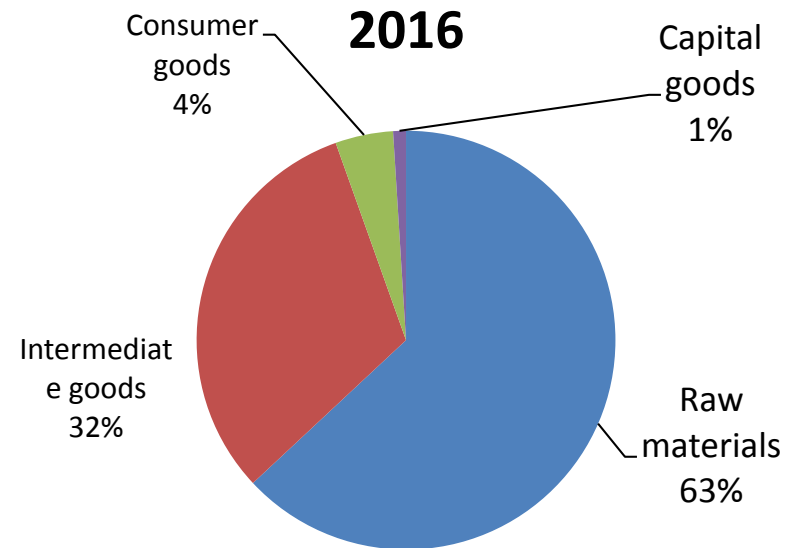
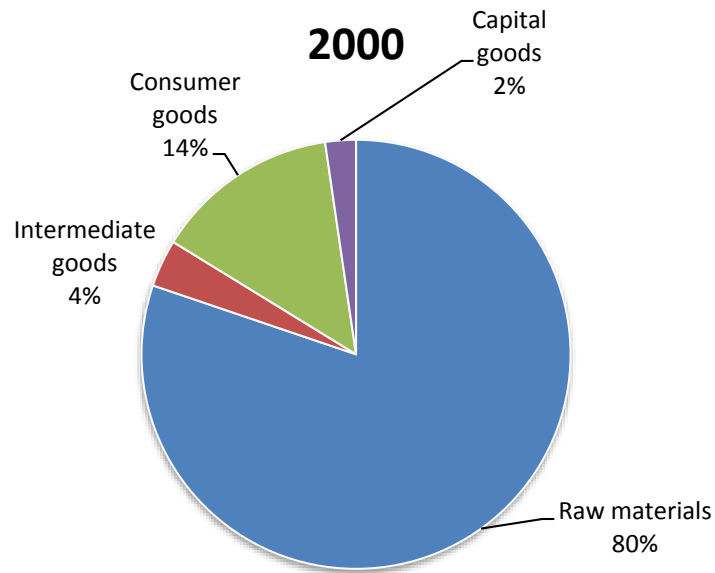
OR also linked to the exporting country's policies?

- Supply chains?
- IPRs?
- NTMs?
- Investments?
- Reducing trade costs?
- Infrastructure?

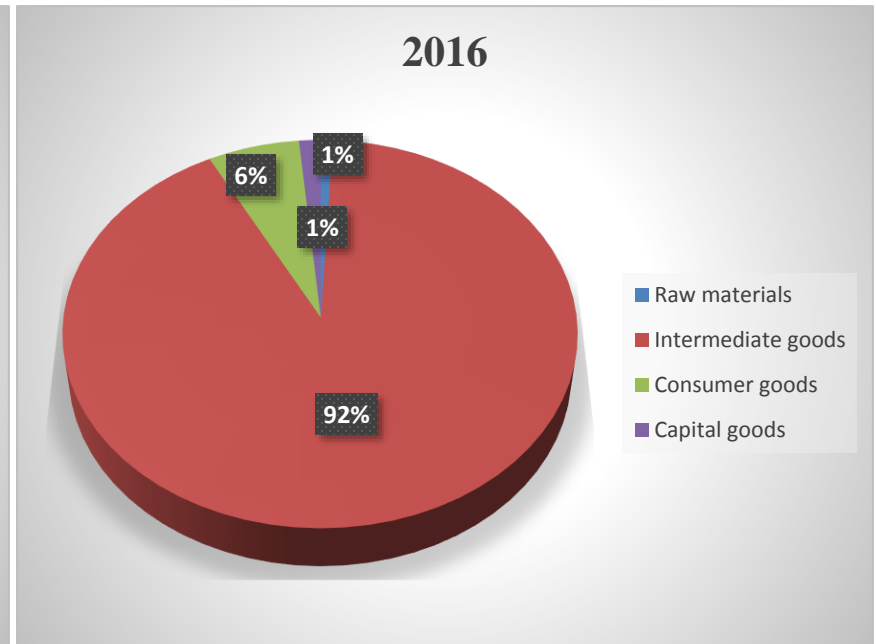
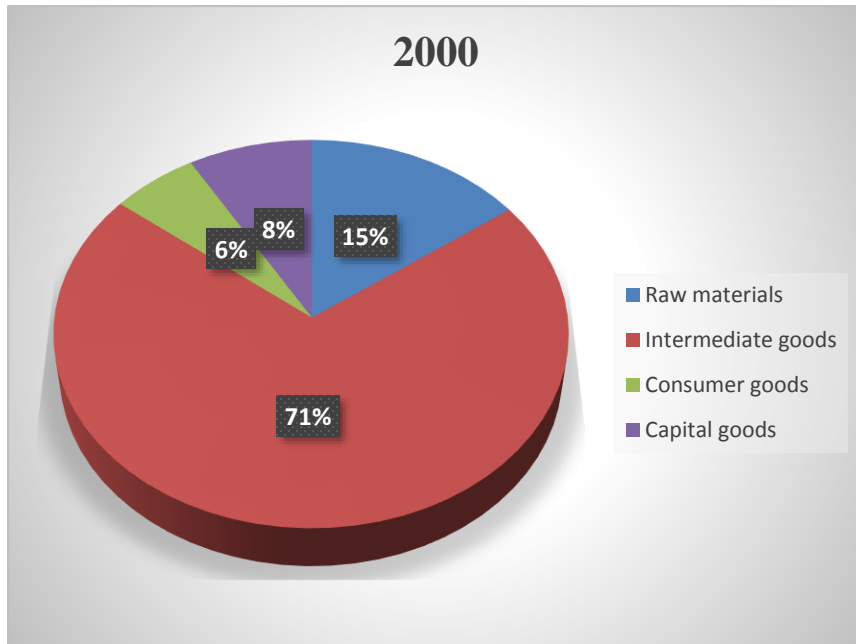
Export composition?

- **How important is the composition of items being exported?**
 - Raw material, intermediate products, consumer goods?
 - Value chain?
- **Product diversification?**
- **Market diversification?**

Afghanistan's exports

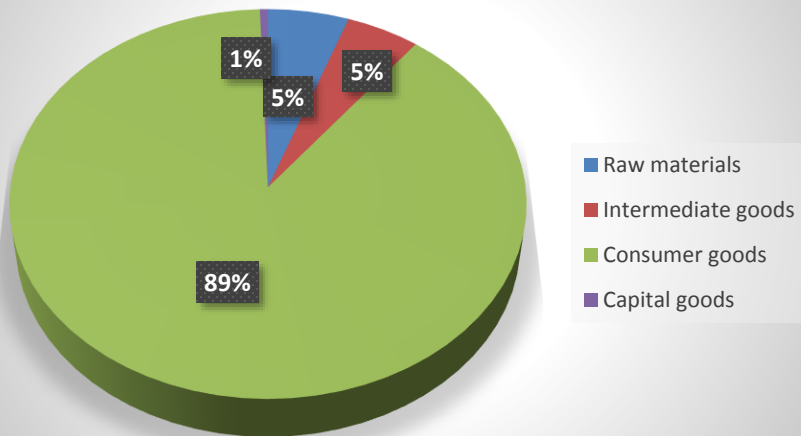


Bhutan

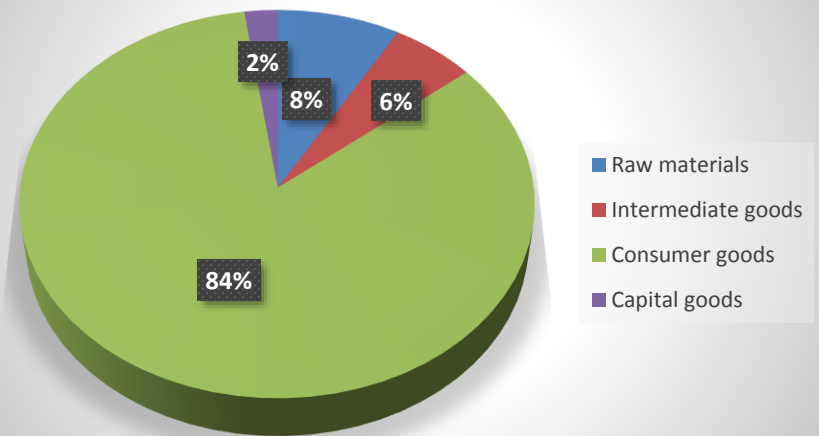


Cambodia

2000

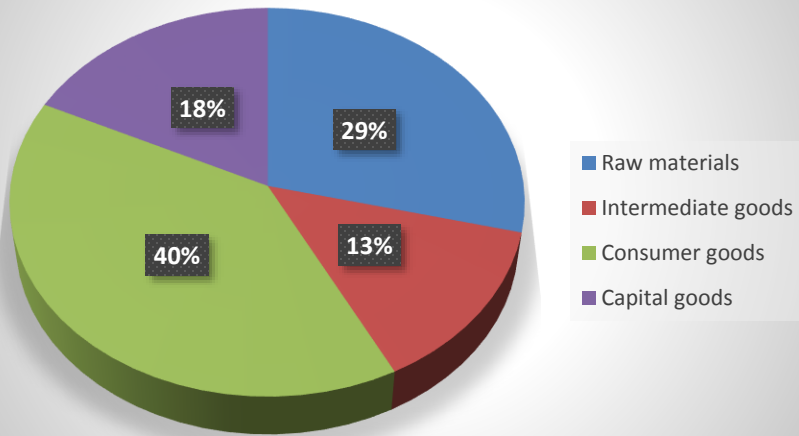


2016

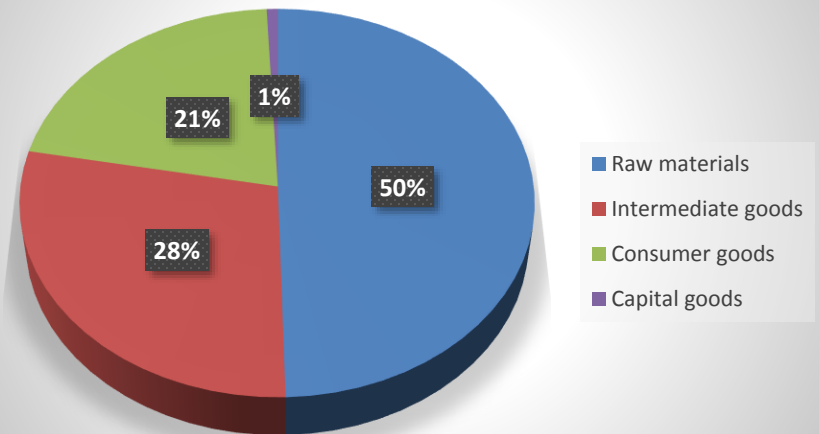


Lao PDR

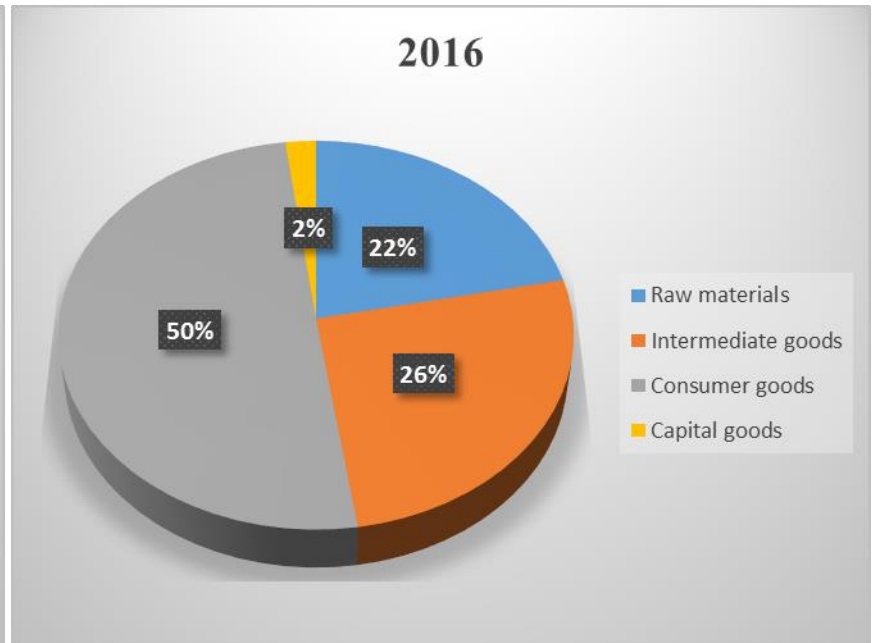
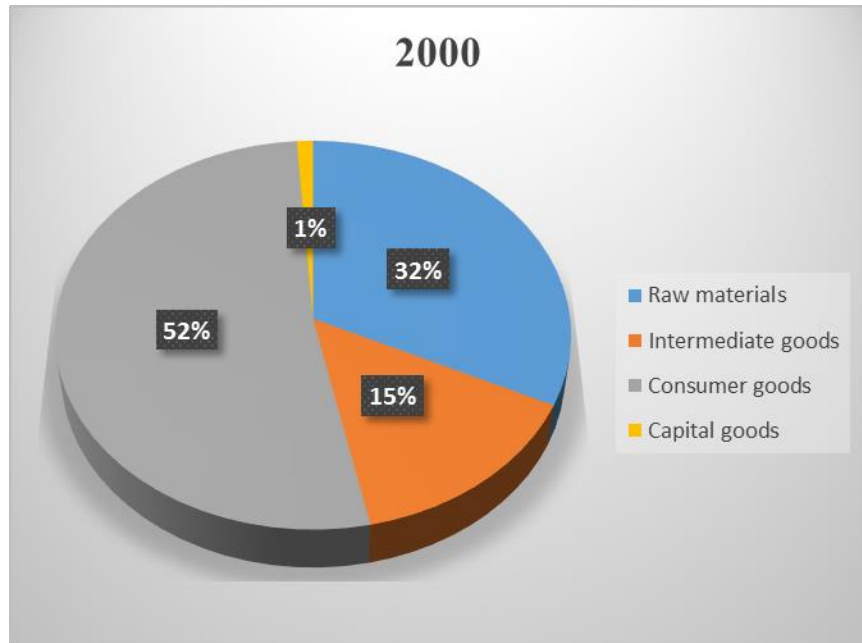
2000



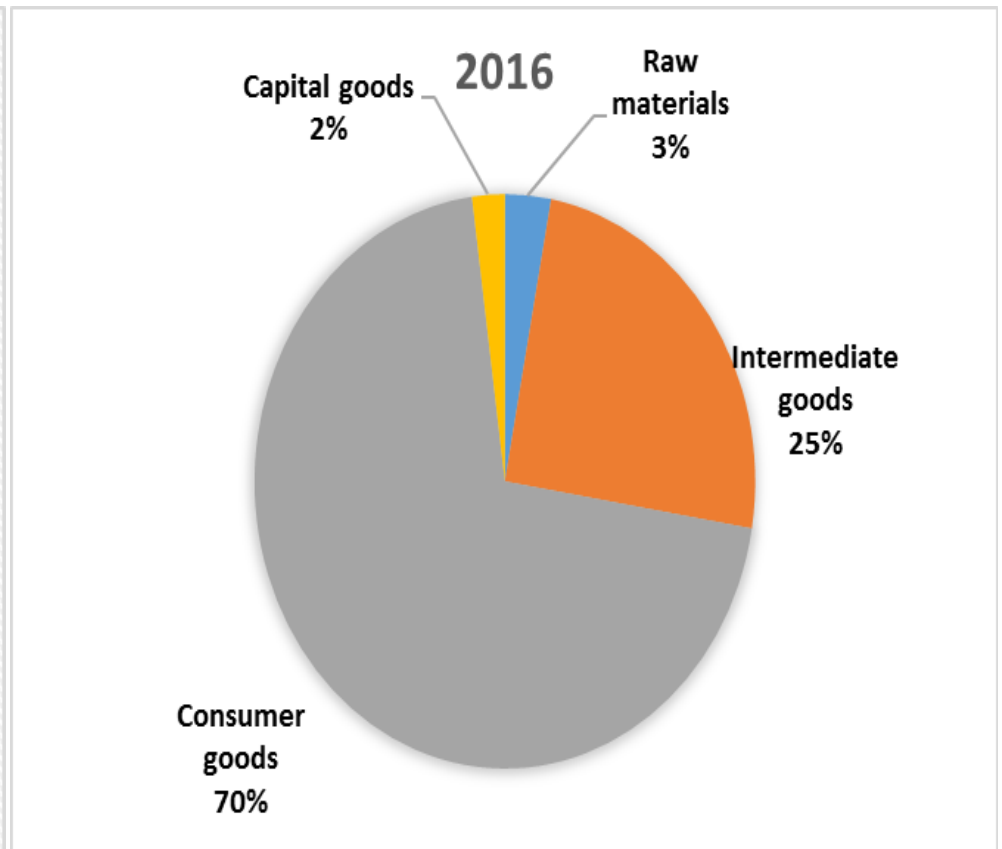
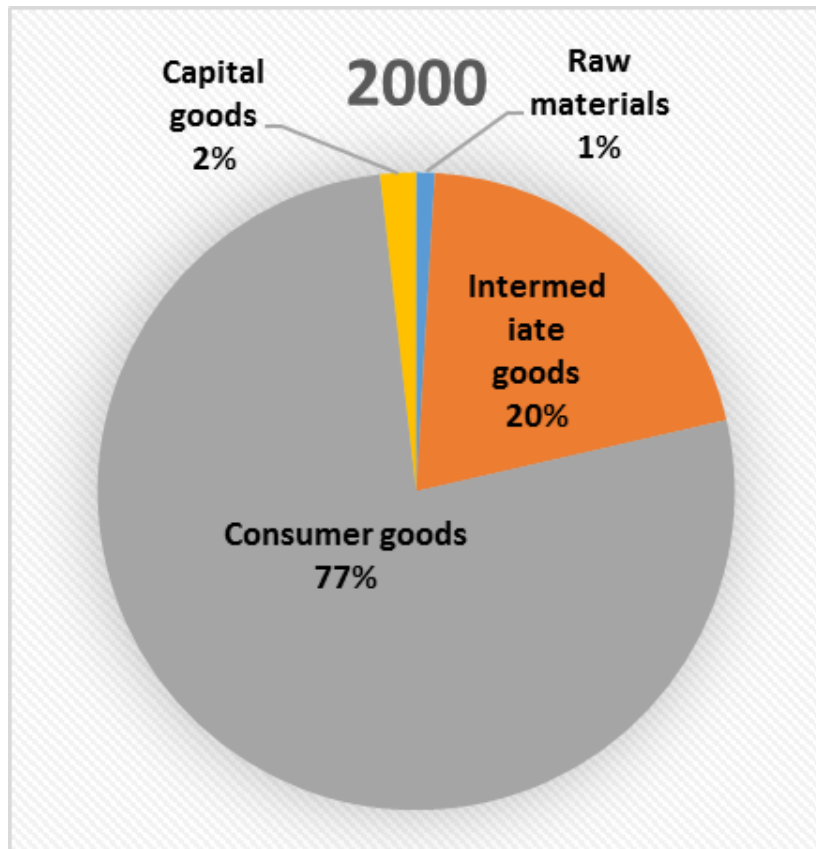
2016



Myanmar



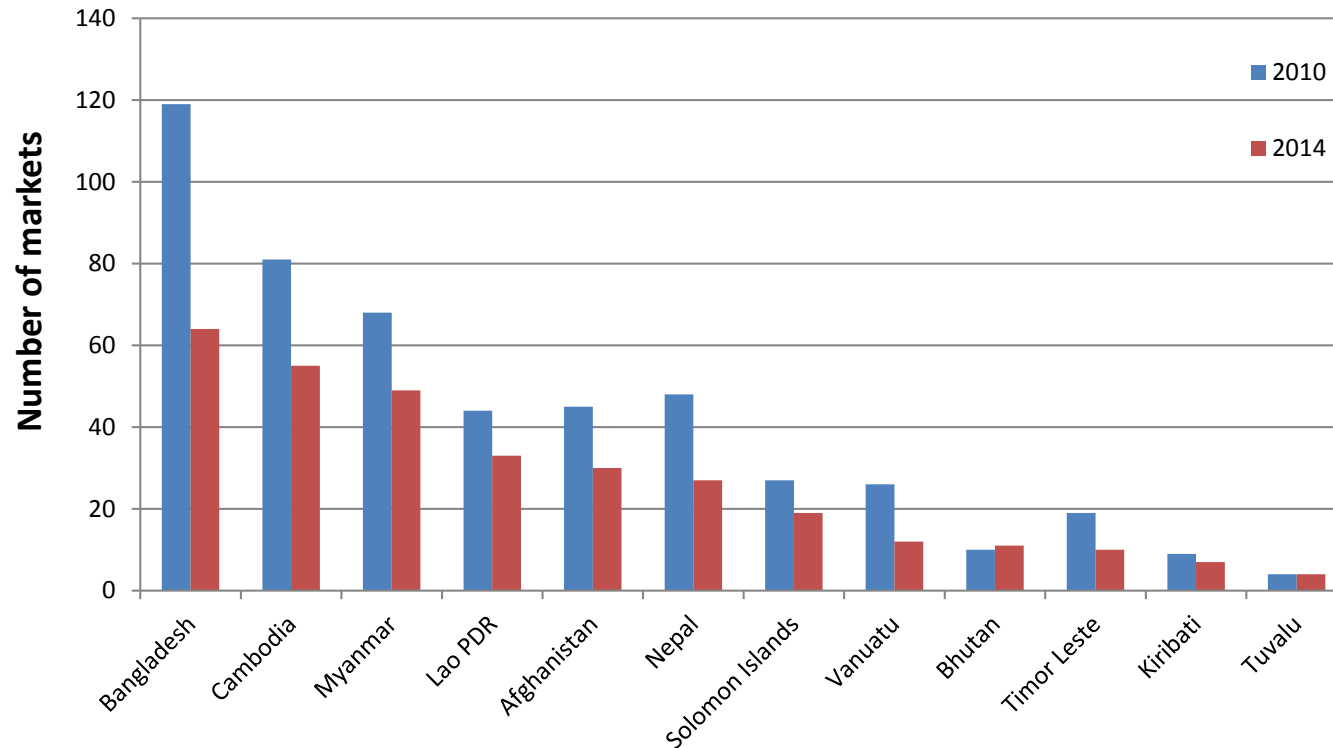
Nepal



Tariff Profile

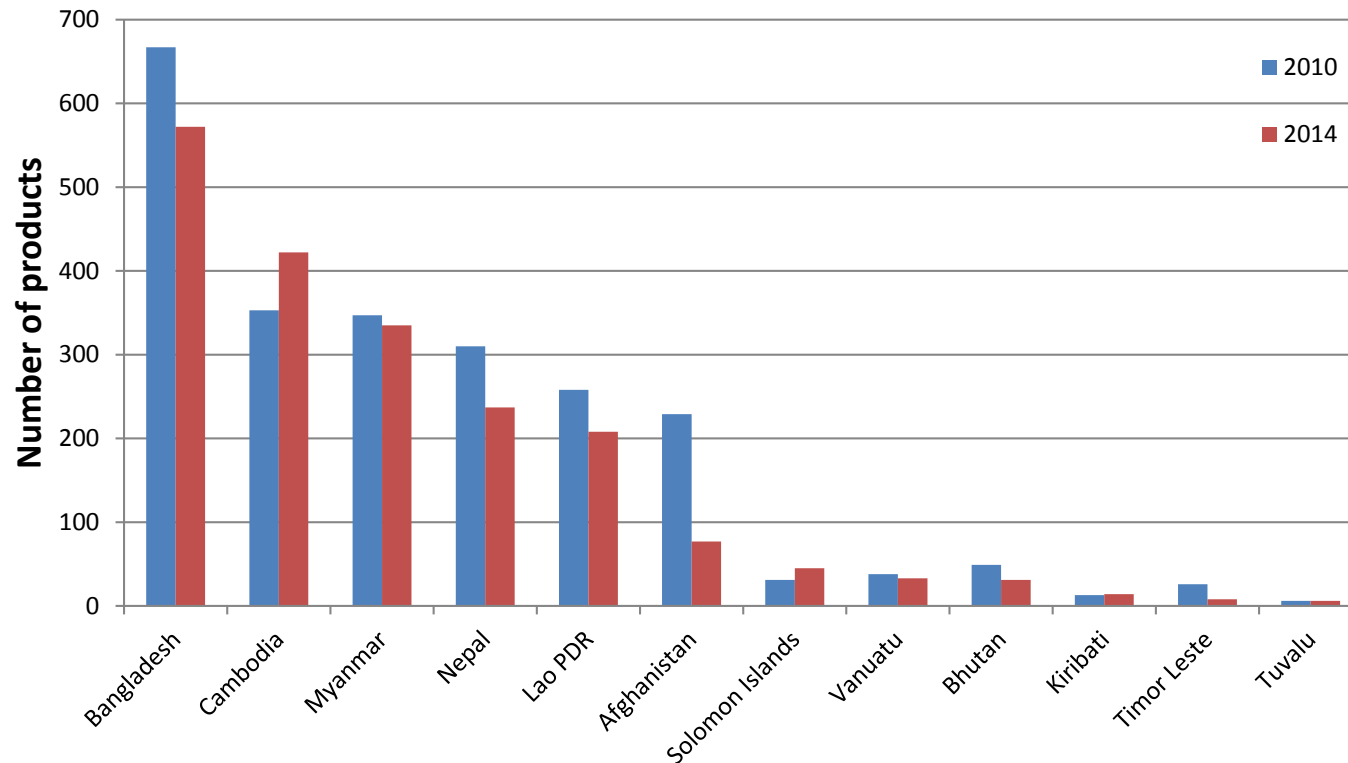
LDC Countries	WTO Status	Tariff					
		Total		Agriculture		Non-Agriculture	
		Bound	MFN Applied	Bound	MFN Applied	Bound	MFN Applied
Afghanistan	Member	13.6		33.7		10.3	
Bhutan	Observer						
Cambodia	Member	19.1	11.2 (2014)	28.2	14.9 (2014)	17.8	10.6 (2014)
Lao PDR	Member	18.7	10.0 (2015)	19.2	20.1 (2015)	18.7	8.3 (2015)
Myanmar	Member	84.1	5.6 (2015)	106.2	8.6 (2015)	21.2	5.1 (2015)
Nepal	Member	26	12.3 (2015)	41.5	14.3 (2015)	23.6	12.0 (2015)
Timor-Leste	Observer		2.5 (2015)		2.5 (2015)		2.5 (2015)
Source: WTO Tariff Profile							

Export diversification (number of markets) 2010-2014



Source: ESCAP's calculation based on data from Trade Outcomes Indicators available from WITS (number of products and markets indicator)

Export diversification (number of products) 2010-2014



Source: ESCAP's calculation based on data from Trade Outcomes Indicators available from WITS (number of products and markets indicator)

Services

- **Contribution to economy**
- **Which sectors and modes are important?**
- **Promoting tourism**
- **Mutual recognition agreements**

Services, Investments and ToT

- **Market access**
 - Mode 1
 - Mode 2 (is it export market or domestic market?)
 - Mode 3
 - Mode 4
- **MRAs**
- **Liberalizing sectors for investments – attract FDI**
- **Technical assistance and capacity building.**

WTO LDCs Services Waiver

- **17 December 2011, Geneva: 8th WTO Ministerial Conference declaration on “Preferential treatment to services and services suppliers of least-developed countries”.**
- **Article II:1 of the GATS may be waived to help LDCs increase their services exports.**
- **Members who want to grant preferential access to LDCs will notify WTO Services Council.**
- **LDCs will submit a collective request specifying sectors and modes to be affected by the waiver.**

The LDCs collective request to the WTO

- **21 July 2014:** LDC Group submits a request to obtain preferential treatment of their services exports.
- **Request:** waive Article XVI, Market Access and Article XVII, National Treatment Restrictions on LDC Services Suppliers.
- **Sectors included:** travel and tourism; banking and insurance; transport and logistics; education and training; IT and business outsourcing; artistic production.
- **Other restrictions to be waived:** visa and work permit; recognition of LDCs educational certificates

24 notifications: a growing list*

- Australia
- Brazil
- Canada
- Chile
- China
- European Union
- Hong Kong, China
- Iceland
- India
- Japan
- Liechtenstein
- Republic of Korea
- Mexico
- New Zealand
- Norway
- Panama
- Singapore
- South Africa
- Switzerland
- Taiwan Province of China
- Thailand
- Turkey
- United States
- Uruguay

* - as on 20 July 2017

Trade in services waiver: sectors addressed

- **Transport Services:**

Australia; Brazil; Canada; Chile; China; EU; Hong Kong, China; Iceland; India; Japan; Republic of Korea; Mexico; New Zealand; Norway; Panama; South Africa; Switzerland; Taiwan, POC; US

- **Travel Services:**

Australia; Brazil; Canada; Chile; China; EU; Hong Kong, China; Iceland; India; Japan; Republic of Korea; Liechtenstein; Mexico; Panama; South Africa

- **Other Commercial services:**

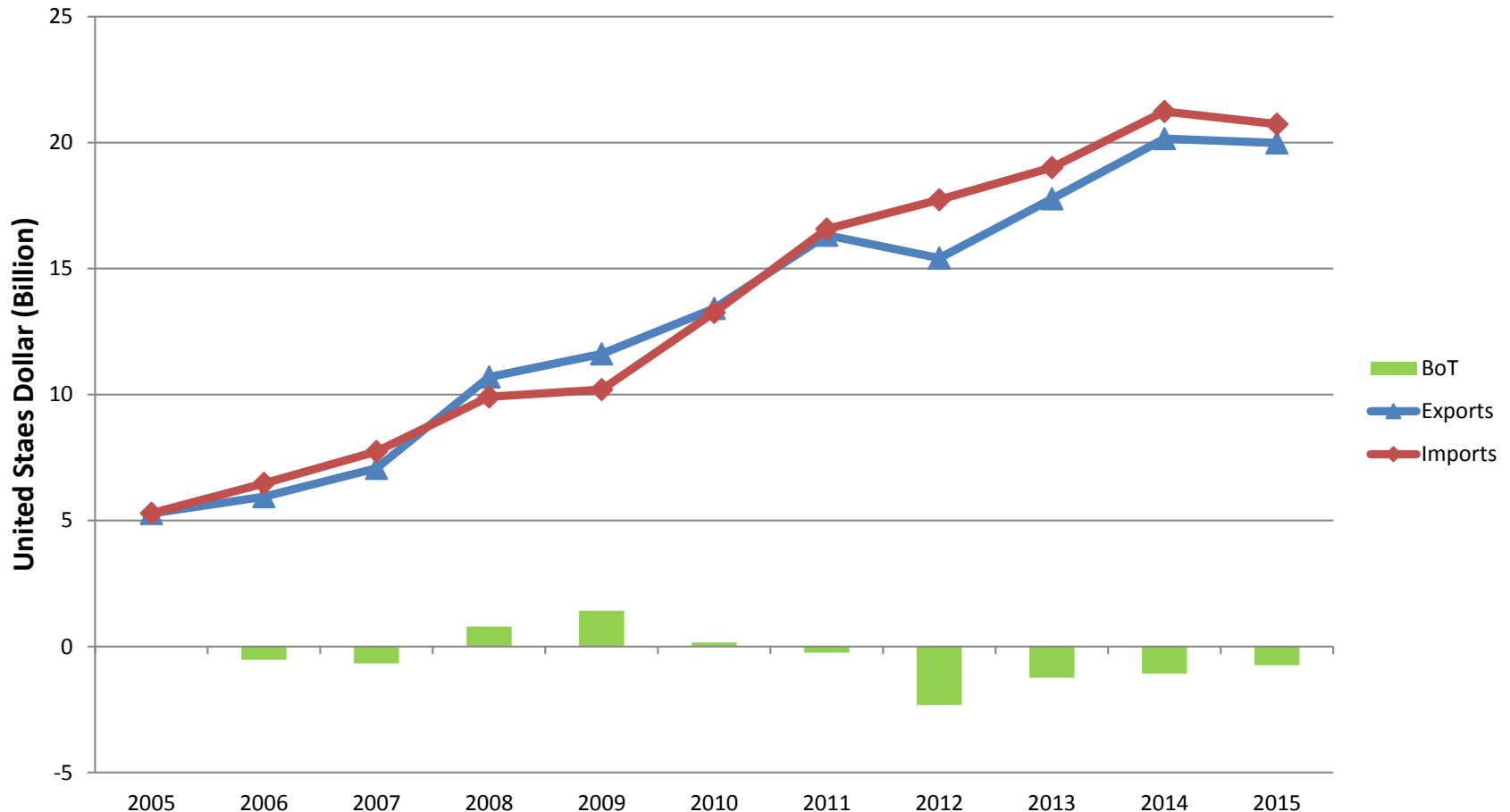
Australia; Brazil; Canada; Chile; China; EU; Hong Kong, China; Iceland; India; Japan; Republic of Korea; Liechtenstein; Mexico; New Zealand; Norway; Panama; Singapore; South Africa; Switzerland; Taiwan, POC; Turkey; US; Uruguay

Entry modes addressed for the sectors offered

LIBERALISATION	MODE 1	MODE 2	MODE 3	MODE 4
Fully liberalised	Australia; Canada; Chile; HK, China; Iceland; Japan; Republic of Korea; Liechtenstein; Mexico; New Zealand; Norway; South Africa; Switzerland; Panama; Taiwan, POC; Turkey; USA	Australia; Chile; HK, China; Iceland; India; Japan; Republic of Korea; Liechtenstein; Mexico; New Zealand; Norway; Singapore; South Africa; Switzerland; Panama; Taiwan, POC; Thailand; Turkey; USA; Uruguay	Canada; Chile; Iceland; Mexico; New Zealand; Norway; Singapore; South Africa; Switzerland; Panama; Taiwan, POC; Turkey; Uruguay	
Partially liberalised	EU; India; Uruguay	EU	Australia; China; Brazil; HK, China; India; Japan; Republic of Korea; Liechtenstein; USA	Canada; Chile; Iceland; India; Republic of Korea; Mexico; New Zealand; Norway; Turkey; USA

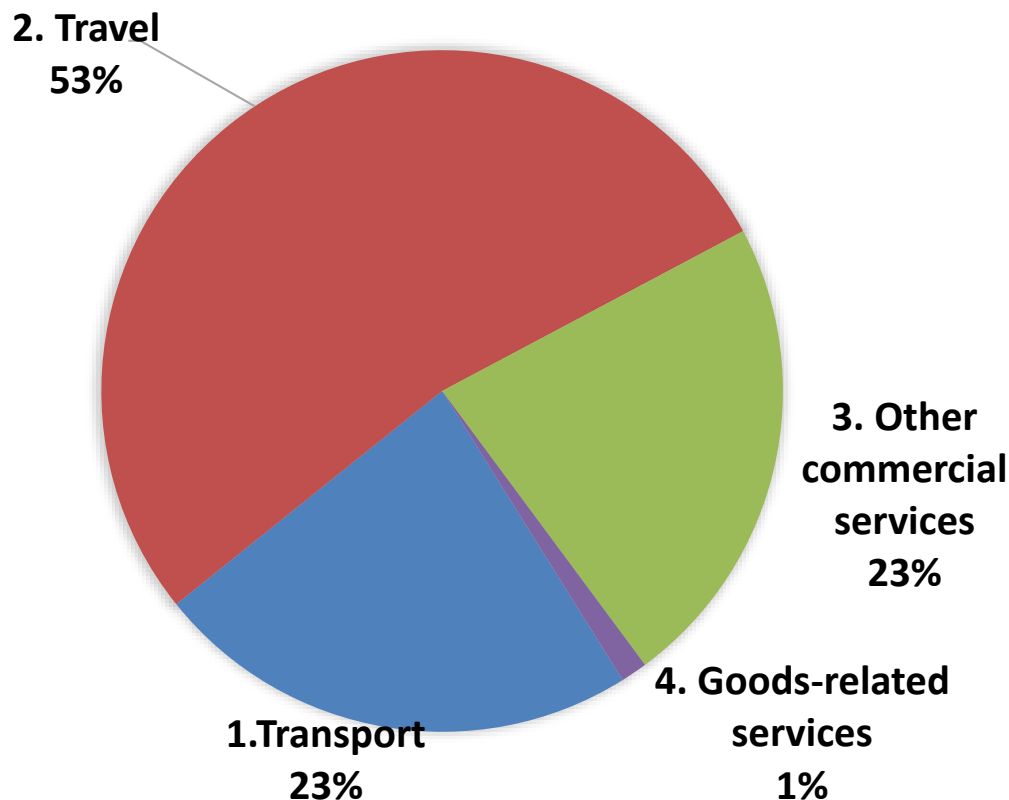
Source: Derived by ESCAP from WTO Council for Trade in Services, S/C/N Notifications (accessed on 17.07.2017)

Services imports and exports of APLDCs



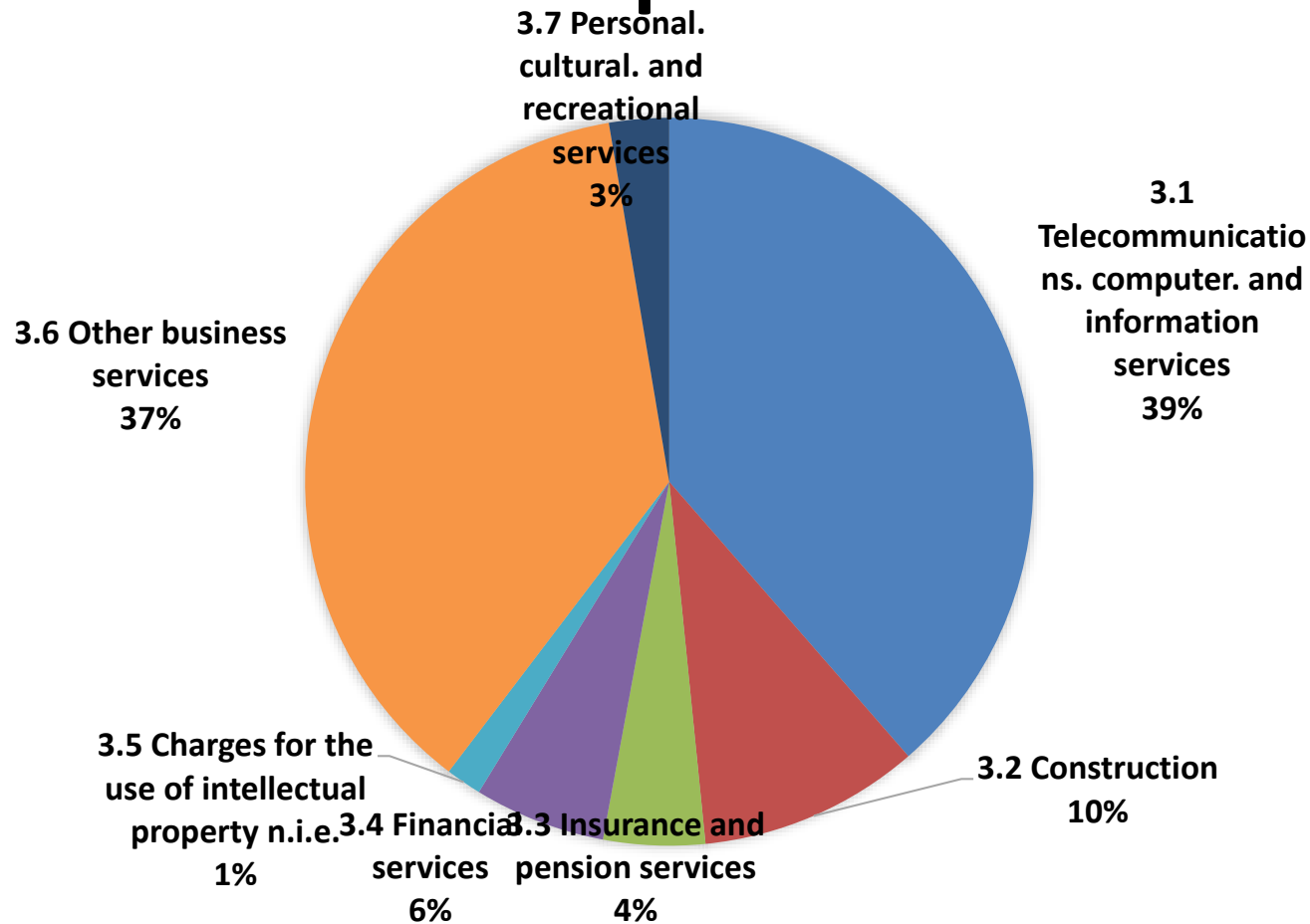
Source: ESCAP's calculations based on data from WTO statistical database (accessed on 14.07.2017)

Patterns of LDCs services exports: services exports by component



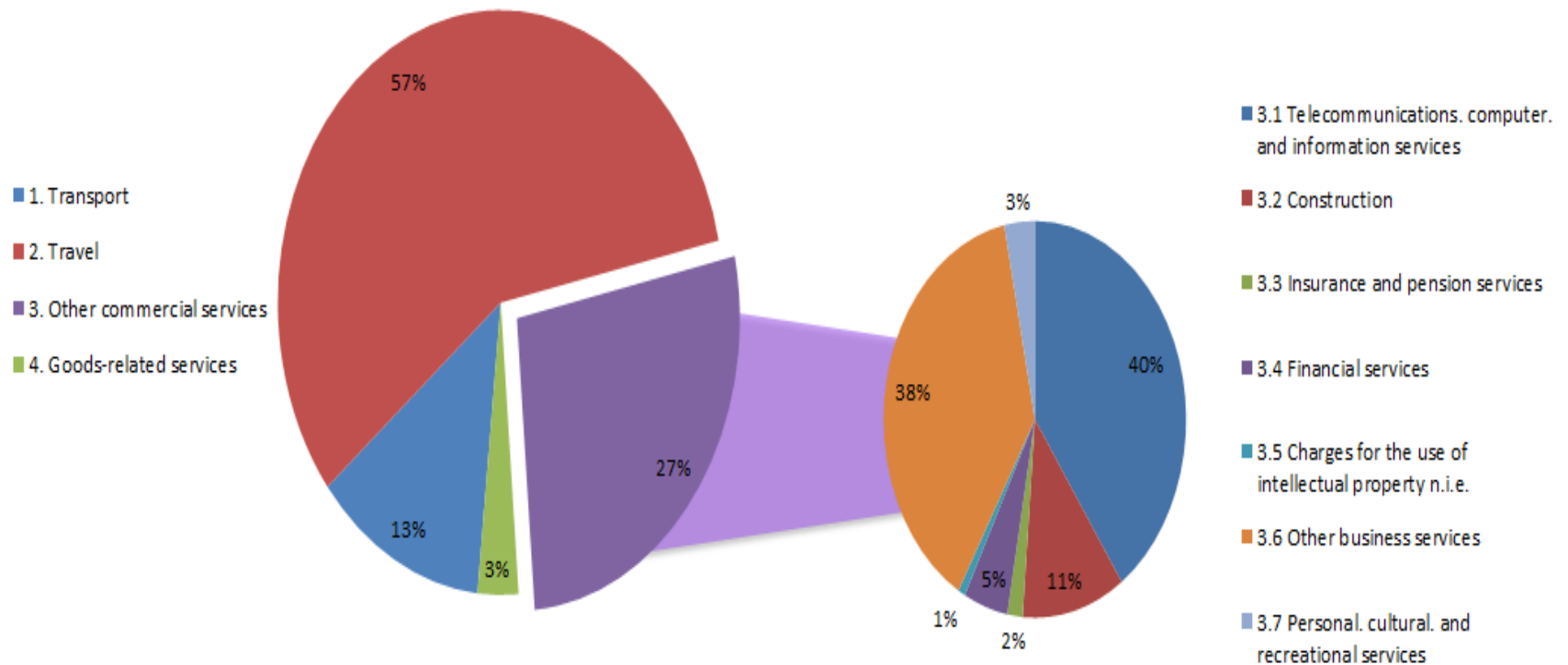
Source: ESCAP's calculations based on data from WTO statistical database (accessed on 12.07.2017)

Other commercial services exports by sub-component



Source: ESCAP's calculations based on data from WTO statistical database (accessed on 12.07.2017)

Patterns of Asia-Pacific LDCs commercial services exports



Source: ESCAP's calculations based on data from WTO statistical database (accessed on 12.07.2017)

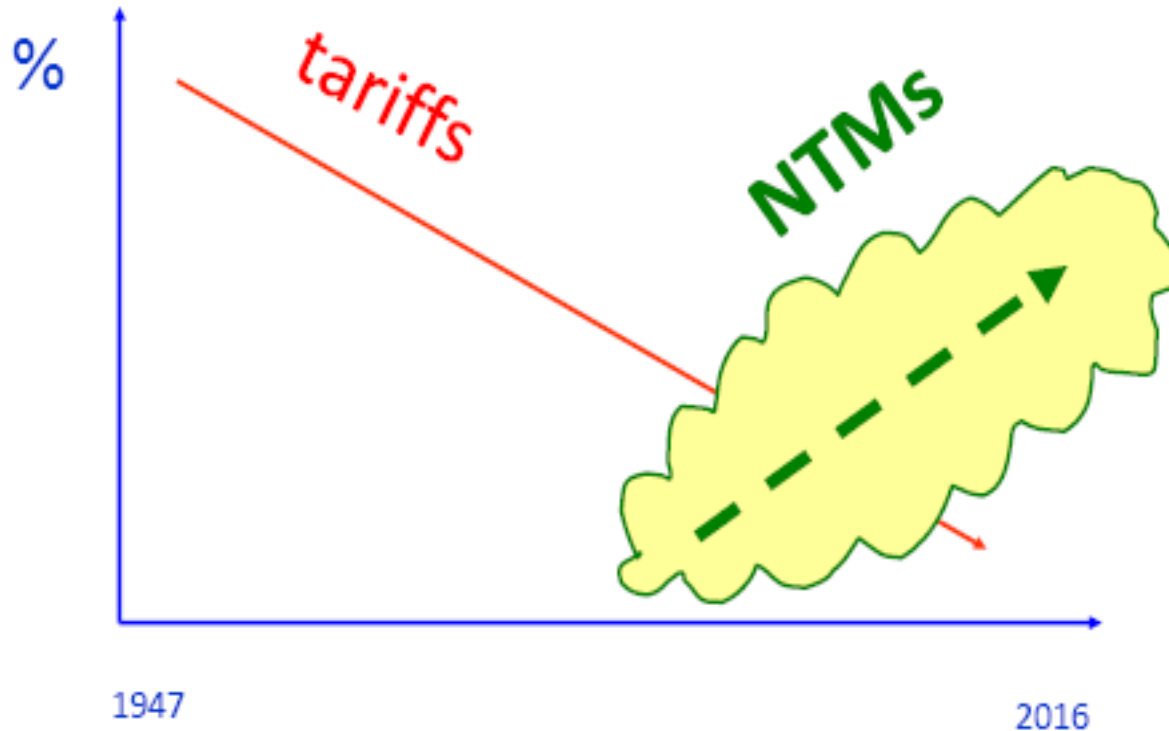
IPRs

LDC Countries	Patent Applications		Trademark Applications		Industrial Design Applications	
	Residents	Non-Residents	Residents	Non-Residents	Residents	Non-Residents
Afghanistan						
Bhutan (2013)	3	4		578		2
Cambodia (2014)	2	65	1,182	3,706	37	45
Lao PDR						
Myanmar (2012)			4,422	4,068		
Nepal (2013)	18	12	2,541	1,409	21	35
Source: WTO Trade Profile						

IPR

- **Branding:**
 - Made in...
 - Organic
- **Geographical indications**
- **Trademark**
- **Patents**

Non-tariff measures and trade costs



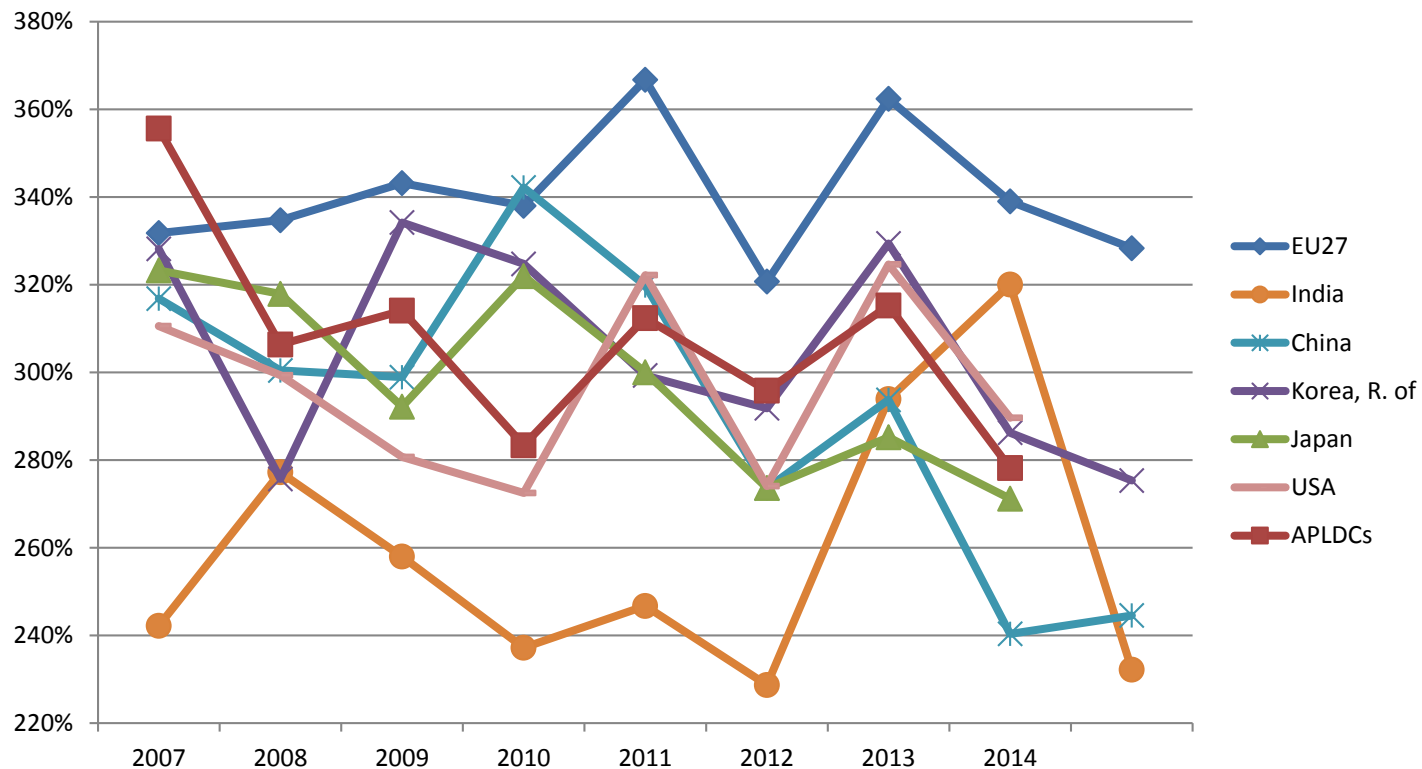
SPS and TBT issues are very important, especially participation in SPS and TBT Committee and raising STC.

Average ad valorem trade cost of APLDCs with world

Country	2010	2014 (or earlier when not available)
Afghanistan	289	197
Bangladesh	285	270
Bhutan	419	396
Cambodia	298	316
Kiribati	281	372
Lao PDR	387	366
Myanmar	569	N/A
Nepal	414	404
Timor Leste	341	313
Vanuatu	314	353

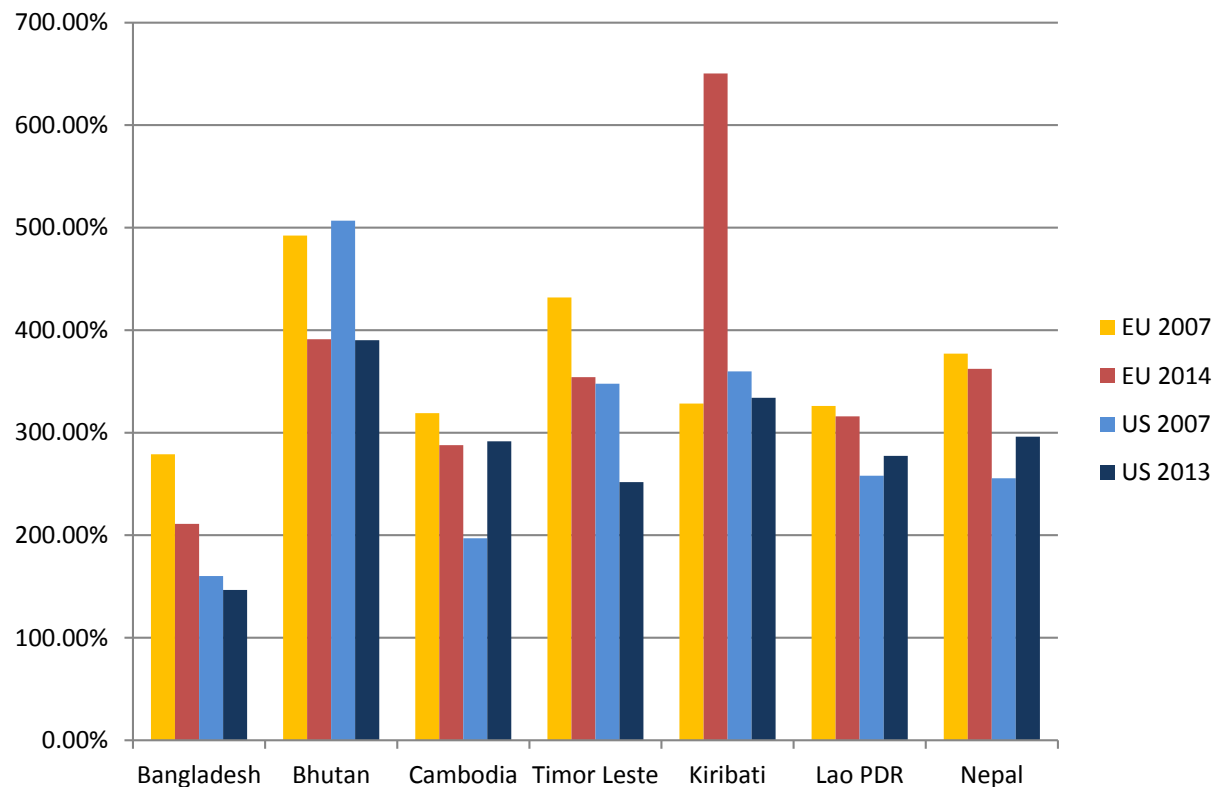
Source: derived from ESCAP-World Bank Trade Cost Database available from ARTNeT (only data from 10 APLDCs is included as data for Solomon Islands, Tuvalu is not available)

Average ad-valorem trade costs for APLDCs with major partners



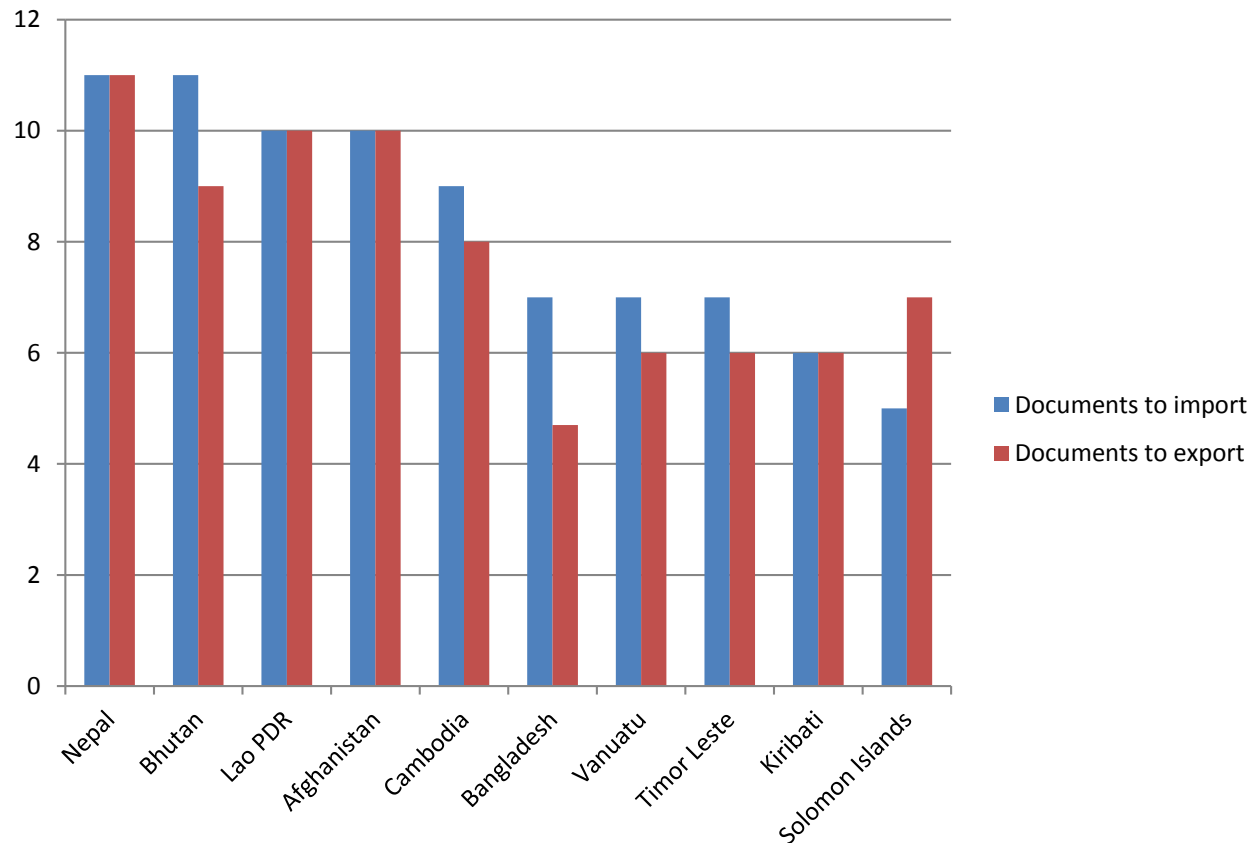
Source: derived from ESCAP-World Bank Trade Cost Database available from ARTNet (only data from 8 APLDCs is included as data for Afghanistan, Myanmar, Tuvalu, and Vanuatu is not available)

APLDCs ad-valorem costs of trade with EU 27 and United States



Source: derived from ESCAP-World Bank Trade Cost Database available from ARTNet (data is from the most recent year available when 2013-2014 data is missing)

Number of documents required for trade, 2014



Source: World Development Indicators (last updated 06.30.2017), data for Myanmar and Tuvalu is not available

Different options and approaches

- **WTO:**
 - Doha Round
 - LDCs – DFQF
 - PRoO
 - Services waiver
- **RTAs**
 - Where you are parties
 - Where you are not (preference erosion)
- **Autonomous: GVCs, RVCs**
- **Technical assistance & MRAs etc.**

Policies required

- **Goods: More than tariffs NTMs and trade costs are issues.**
 - **Measures for market/product diversification: investments & technology.**
 - **Niche products – organic, herbal etc. – value added**
 - **Liberalise tariffs and other barriers autonomously**
 - **Act as per SPS and TBT agreements**
 - **STC in WTO or join disputes as third parties**
 - **Harmonisation and MRAs (case of ASEAN)**
 - **Technical assistance – demand**

Policies required (2)

- **Services:**
 - Domestic regulations and regulators
 - Liberalise sectors which promote inflow of tourism (mode 2 and 3 both)
 - Measures for inflow of investments
 - Seek MRAs
 - Connectivity – open air policy?
- **Other measures:**
 - Reduce documentations and cost of trade
 - Paperless trade
 - IPR: GIs
 - Market development: Branding, image building
 - Trade fairs
 - Incentives

Thank you