Fifth Meeting of the Steering Group for the Regional Programme on Economic Statistics
5-6 May 2016, Bangkok

Towards effective trade-related targets and indicators in the context of implementation of the 2030 Agenda

Report of the Trade Focal Area on International Trade and Economic Globalization Statistics in Asia and the Pacific
Outline

• About Trade Focal Area programme
• Focus on Trade and SDGs
  – Report on initial data test for the selected trade-related indicators of the SDGs of the Asia-Pacific economies
  – What the selected indicators show, and how is that useful for monitoring and steering long-terms strategy such as 2030 Agenda?
• Identifying the format and topics of work for 2016-2017
Trade Focal Area programme

• Proposal submitted by India to the 4th Meeting of the SGRPES (2015) (initially discussed at the Regional seminar on ITS, 3-6 Nov 2014)
• Discussed by the breakout group and at the plenary (see the Report at http://www.unescap.org/sites/default/files/Report_of_the_4th_Meeting_of_SGRPES_0.pdf)
• Originally Trade Focal Area programme was supposed to span five components (micro-data; compilation of external trade indices; standard quality reports on international trade statistics; addressing bilateral trade asymmetries; and implementation of SDMX)
• The actual work was focused on analytical studies and capacity building (mostly related to concepts of value-added trade, services statistics, using trade statistics to inform policymakers, etc.) largely done by ESCAP staff
• Lately the focus shifted on trade-related SDGs and MoI in the 2030 Agenda
Trade and SDGs: Test data for trade-related indicators in Asia and the Pacific

- With a narrow approach, there are 6 SDGs where trade features directly (and more goals with indirect links)
- These 6 SDGs include 8 targets, and 10 indicators - Table 1
- So we tested how many of these indicators could be provided for Asia-Pacific economies, members of ESCAP
- Test data shows these results:
  - For some targets/indicators (14.6; 2.b.2 no data) [and 15.c not sure]
  - For some indicators only limited country/time availability (2.b.1, 3.b.1)
  - Data for others (3.b.2; 8.a.1; 10.a; 17.10.1; 17.11.1; 17.12.1) exists for between 39 and 54 economies
- The test data available for some of the countries with special needs (these are the countries identified to be in most need to benefit from trade as the MoI for SD) ► ideas for capacity building
<table>
<thead>
<tr>
<th>Goal</th>
<th>Goals and Targets</th>
<th>Indicators</th>
</tr>
</thead>
<tbody>
<tr>
<td>SDG 2</td>
<td>End hunger, achieve food security and improved nutrition and promote sustainable agriculture</td>
<td>2.b Correct and prevent trade restrictions and distortions in world agricultural markets, including through the parallel elimination of all forms of agricultural export subsidies and all export measures with equivalent effect, in accordance with the mandate of the Doha Development Round</td>
</tr>
<tr>
<td>(AAAA 83)</td>
<td></td>
<td>2.b.1 Producer Support Estimate</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2.b.2 Agricultural export subsidies</td>
</tr>
<tr>
<td>SDG 3</td>
<td>Ensure healthy lives and promote well-being for all at all ages</td>
<td>3.b Support the research and development of vaccines and medicines for the communicable and non-communicable diseases that primarily affect developing countries, provide access to affordable essential medicines and vaccines, in accordance with the Doha Declaration on the TRIPS Agreement and Public Health, which affirms the right of developing countries to use to the full the provisions in the Agreement on Trade-Related Aspects of Intellectual Property Rights regarding flexibilities to protect public health, and, in particular, provide access to medicines for all</td>
</tr>
<tr>
<td>(AAAA 86)</td>
<td></td>
<td>3.b.1 Proportion of the population with access to affordable medicines and vaccines on a sustainable basis</td>
</tr>
<tr>
<td></td>
<td></td>
<td>3.b.2 Total net official development assistance to the medical research and basic health sectors</td>
</tr>
<tr>
<td>SDG 8</td>
<td>Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all</td>
<td>8.a Increase Aid for Trade support for developing countries, in particular least developed countries, including through the Enhanced Integrated Framework for Trade-related Technical Assistance to Least Developed Countries</td>
</tr>
<tr>
<td>(AAAA 90)</td>
<td></td>
<td>8.a.1 Aid for Trade commitments and disbursements</td>
</tr>
<tr>
<td>SDG 10</td>
<td>Reduce inequality within and among countries</td>
<td>10.a Implement the principle of special and differential treatment for developing countries, in particular least developed countries, in accordance with World Trade Organization agreements</td>
</tr>
<tr>
<td>(AAAA 84)</td>
<td></td>
<td>10.a.1 Proportion of tariff lines applied to imports from least developed countries/developing countries with zero-tariff</td>
</tr>
<tr>
<td>SDG 14</td>
<td>Conserve and sustainably use the oceans, seas and marine resources for sustainable development</td>
<td>14.6 By 2020, prohibit certain forms of fisheries subsidies which contribute to overcapacity and overfishing, eliminate subsidies that contribute to illegal, unreported and unregulated fishing and refrain from introducing new such subsidies, recognizing that appropriate and effective special and differential treatment for developing and least developed countries should be an integral part of the World Trade Organization fisheries subsidies negotiation</td>
</tr>
<tr>
<td>(AAAA 83)</td>
<td></td>
<td>14.6.1 Progress by countries in the degree of implementation of international instruments aiming to combat illegal, unreported and unregulated fishing</td>
</tr>
<tr>
<td>SDG 17</td>
<td>Strengthen the means of implementation and revitalize the global partnership for sustainable development</td>
<td>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</td>
</tr>
<tr>
<td>(AAAA 79, 80, 83)</td>
<td></td>
<td>17.10.1 Worldwide weighted tariff-average</td>
</tr>
<tr>
<td>(AAAA 82)</td>
<td></td>
<td>17.11 Significantly increase the exports of developing countries, in particular with a view to doubling the least developed countries’ share of global exports by 2020.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>17.11.1 Developing countries’ and least developed countries’ share of global exports</td>
</tr>
<tr>
<td>(AAAA 85)</td>
<td></td>
<td>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 facilitate trade</td>
</tr>
<tr>
<td></td>
<td></td>
<td>17.12.1 Average tariffs faced by developing countries, least developed countries and small island developing States</td>
</tr>
</tbody>
</table>
Trade and SDGs: What do the selected indicators show?

• This depends on how well are these indicators defined and on the quality and quantity of data
• Mostly indicators will show what they are supposed to show, i.e.:
  – 8.a (8.a.1) - value of committed and disbursed flows and this could be tracked for different Aid for Trade categories (even if not indicated). However, there are no (easy to grab) data on the AfT contributed by EIF
  – 10.a (10.a) at present we use a proxy calculating the share of zero duty imports based on value, not the number of tariff lines. However, it not defined which tariff rates to use (bound or applied- the former will give lower share)
• In principle the indicators can serve the purpose of tracking/reviewing the progress towards countries meeting the targets
• Still number of questions remain e.g. do targets actually define the “end point”: does “prevent” means zero level in the final year?
  – Or, for example, would 10.a.1 require for the share of tariff lines with zero duty go to 100% for the LDCs [most likely if to be in sync with the WTO DFQF] but what about “developing countries” as there is no similar commitment in the WTO about those [which represent 2/3 of the WTO membership]
What is the indicator framework for?

• Not only for review/monitoring towards meeting the target but also to provide feedback/input to policymakers

• The process of setting the indicator framework not finalized as the IAEG-SDGs was authorized to continue working
  – They might focus on the pre-selected 229 indicators; but there is a provision “for refinement”; perhaps addition or substitution?
  – For example, what is the value of this information “double the share in world export” if one does not know much on the “quality” of exports?
What should the trade-related indicators be about?

• Trade is NOT the goal in itself
  – thus any measure of flows etc. should be just a supplementary indicator (also because Governments could not be held accountable for increasing trade it is FIRMS that largely do trade)

• Policymakers need to be able to differentiate between net benefits (costs) caused by various measures/actions undertaken by Governments

• Measurable trade-related indicator correlated with the realization of the desirable trade objectives aligned with sustainable development
There are supplementary indicators for the existing targets

- For 2.b: should we include NTMs and which?
- For 6.a: trade and barriers in key water-related goods and services
- For 7.b: trade and barriers in key clean energy-related goods and services
- For 8.2: changes in export diversification in terms of products and markets; high-tech exports as a share in total exports; labour-intensive exports as a share in total exports
- Etc.
Good new target/indicators candidates for inclusion:

- Reducing trade costs by XX % every five years
  - Data available in the UNESCAP-World Bank Trade costs database at present for agricultural and industrial trade
- Reducing services trade restrictiveness index by XX% every five years
  - Data available in the World Bank (and with a limited country coverage in OECD) database on a sectoral basis, but should be improved on
- Increase utilization rate of reciprocal preferences* under each BTA/RTAs by xx% until fully utilized
  - Data not available except for developed countries and select developing countries
- Dealing with NTMs, digital trade etc. should also be more directly considered

* Similar target/indicator should be made for non-reciprocal preferences
Capacity building

- Looking back at the indicators for which many countries do not have data, improved compilation of statistics necessary
- For newly proposed targets checking methodology for indicators and quality of data and making sure about country coverage
What should be the role of the Trade Focal area programme in the next period?

Several questions:

• Structure of the Trade focal area group – who will be the members

• It should set a realistic topic for its work

• Focus on trade and SDGs is a good candidate
Thank you!
mikic@un.org
Annex

PDF documents