

Executive Summary

INTRODUCTION



This first issue of the **Barometer of International Trade Relations (INTRAREL)** presents the main results of the global poll on trade issues coordinated by the **Institute for International Trade** of the University of Adelaide (Australia) and the **International Chair WTO/Regional Integration** of the University of Barcelona.

It compiles and organizes the answers of 216 respondents from all the regions of the globe. Respondents are trade negotiators based in capitals or in Geneva,

policy-makers, business people and representatives of business associations, academics and consultants, journalists and representatives from Geneva-based inter-governmental and non-governmental organizations.

The main objective of the Barometer is to detect and evaluate changes in the "mood" of International Trade Relations. This being so, this first issue simply paves the way for successive issues.

The poll was conducted during July 2007.

SUMMARY

When individual answers are put together and analyzed, it appears that this set of well-informed respondents does not expect much from the Doha Round. Perspectives for new market access opportunities in goods and services arising from the current multilateral round seem very limited, especially when one turns to agricultural and (even more) to services negotiations.

Prospects for the post-Doha Round world include an increase in the number of disputes brought before the WTO's dispute settlement mechanism and the likelihood that pressures coming from the US and other countries could lead China to comply more strictly with the commitments made during its accession to the WTO.

As prospects for the Round are not bright, incentives to negotiate bilateral agreements will grow. This view has gathered almost unanimous support from respondents in all the regions of the World. However to translate these incentives into actual initiatives can prove difficult.

Only 55 per cent of respondents agree with the idea that the US and large developing countries will show a stronger interest in negotiating trade agreements between them and fewer than 40% of respondents seem optimistic about bilateral US-EU initiatives to liberalize the transatlantic trade and investment environment. Domestic evolution in the US and the EU is not perceived as favouring new liberalization initiatives.

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PROSPECTS FOR THE DOHA ROUND

Seventy-three per cent of all respondents think that the potential for the agriculture negotiations to produce real improvements in market access will be seriously undermined by exceptions for sensitive products and special safeguards. In Latin America and Caribbean (LAC) countries and among Geneva-based international organizations this perception is shared by more than 80% of respondents, whereas this view is held by fewer than 50% of European respondents.

Forty-two percent of all respondents believe that NAMA negotiations will create new opportunities for exporters. There are wide differences among regions as regards this view. More than 70% of Asian respondents, 57% of Australia & New Zealand respondents, 54% of LAC countries respondents and 51% of

African respondents share this view. Among North American and European respondents, this view is held by only 27% and 31% of respondents, respectively.

Twenty-two per cent of all respondents consider it very unlikely that the outcome in the services negotiations will provide a substantial increase in real market access. In Asia and LAC countries, this perception is shared by 36% of respondents, while only 7% of North American respondents and 3% of respondents from Geneva-based international organizations agree with this view. Twenty-five per cent of all respondents consider very unlikely that the outcome in the services negotiations provide a substantial increase in real market access.



*Respondents
don't expect
much from
Doha Round*

THE POST-DOHA ROUND WORLD

The environment of trade negotiations

Forty-two per cent of all respondents agree that the persistence of enormous trade and current imbalances in the world economy creates an environment unfavorable to trade negotiations. In Asia, this view is shared by 73% of respondents and by 63% of respondents in Africa, being less than 35% of respondents in the EU, LAC countries and among Geneva-based international organizations.

Fifty-eight per cent of all respondents believe that pressures from the US and other countries will lead China to adopt measures to comply with commitments on trade liberalization and transparency made during its accession to the WTO. This view is widely shared in Asia (82%

of respondents), in North America (71%) and among Geneva-based international organizations (77%). In Europe only 31% of respondents agree with this view, which is shared by 36% of Australia and New Zealand respondents.

Sixty-one per cent of all respondents think that the failure of or a limited outcome from the Doha round would lead to a large increase in the number of disputes brought before the WTO's dispute settlement mechanism. This perception is held by 72% of North American and Australian and New Zealand respondents. In Africa and Asia, the adherence to this view falls to a percentage around 40/45% of respondents.



Denis Balibouse, Corbis

Multilateral and bilateral initiatives

Ninety-two per cent of all respondents share the perception that failure of or slow progress in multilateral liberalization will encourage bilateral trade negotiations around the world. Only in Africa is the percentage of adherence to this assertion below 80%. Among Geneva-based international organizations, this view is held by 100% of respondents.

Thirty-nine per cent of all respondents believe that the US and the EU will succeed through a variety of initiatives in liberalizing the transatlantic trade and investment environment. In North America, this view is shared by 45% of respondents while in the EU this perception is around 21%. Above average percentages of respondents from Geneva based international organizations (60%) and from Asia (45%) share this view.

Fifty-four per cent of all respondents think that the US will show a stronger interest in pursuing bilateral trade negotiations with large developing countries like Brazil and India. North America and LAC countries score below-

average percentages: 36% and 44% of respondents, respectively.

Fifty-five per cent of all respondents agree that large developing countries (e.g., Brazil and India) will become more interested in negotiating preferential agreements with major developed countries. This view reaches above-average percentages in the European Union (62% of respondents) and among Geneva-based international organizations. Among Asian and Australia & New Zealand respondents, this perception is held by around 35% of respondents.

Twenty-one per cent of all respondents think that African countries will become less interested in trade agreements with major developed countries because of their increasing trade with China. Only among African (with 31% of respondents) and Australia & New Zealand (36% of respondents), this perception was shared by an above-average percentage of respondents.



Incentives to negotiate bilateral agreements will grow

Trade policy in the US and EU

Thirty-four per cent of all respondents believe that European business and government policy-makers are increasingly moving away from protectionist policies like those associated with the Common Agricultural Policy. Among North American and Australia & New Zealand respondents this view is held by 50% or more respondents. In developing regions (LAC, Asia and Africa), this perception is shared by 20% or fewer respondents.

Fifty per cent of all respondents agree that Democratic Party control of the US Congress and the possibility that a Democrat may become President in 2009 are enhancing the strength of protectionist sectors. This view is shared by only 29% of North American respondents, but by much larger percentages in LAC countries (76% of respondents), Australia & New Zealand (64%) and Geneva-based international organizations (73%).



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General Survey

Question A. The persistence of enormous trade and current imbalances in the world economy creates an environment unfavourable for trade negotiations.

Question B. Failure or slow progress in multilateral liberalisation will encourage bilateral trade negotiations around the world.

Question C. The US and EU will succeed through a variety of bilateral initiatives in liberalizing the transatlantic trade and investment environment.

Question D. European business and government policy-makers are increasingly moving away from protectionist policies like those associated with the Common Agricultural Policy.

Question E. Democratic Party control of the United States Congress and the possibility that a Democrat may become President in 2009 are enhancing the strength of protectionist sectors.

Question F. The USA will show a stronger interest in pursuing bilateral trade negotiations with large developing countries like Brazil and India.

Question G. Large developing countries (e.g., Brazil and India) will

become more interested in negotiating preferential agreements with major developed countries.

Question H. African countries will become less interested in trade agreements with major developed countries because of their increasing trade with China.

Question I. Pressures from US and other countries will lead China to adopt measures to comply more strictly with commitments on trade liberalization and transparency made during its accession to the WTO.

Issue Survey: Doha Round

Question J. The industrial market access negotiations will create significant new opportunities for exporters.

Question K. The potential for the agriculture negotiations to produce real improvements in market access will be seriously undermined by exceptions for sensitive products and special safeguards.

Question L. The outcome in the services negotiations is likely to provide a substantial increase in real market access.

Question M. The failure or a limited outcome from the Doha Round would lead to a large increase in the number of disputes brought before the WTO's dispute settlement mechanism.

THE RESULTS AT A GLANCE

Questions ordered according to how the respondents have judged their degree of likelihood or unlikelihood. Bars show the net difference (%) between answers 1 and 2 (most likely and likely) and answers 4 and 5 (unlikely and very unlikely).

