

# TRADE TALKS: GETTING BUSINESS ON BOARD

## CHALLENGES

Businesses in developing countries can't afford to ignore global trade talks.

International trade agreements are reshaping national laws on where and how companies can trade. Whether we speak of agriculture, services, textiles and clothing, intellectual property or other topics, WTO agreements dominate the international

trade arena. WTO member states — 148 so far — are even now refining a set of global trade rules. What's more, bilateral and regional agreements add layers of complexity to the environment in which business has to make decisions.





Businesses in developing countries have not made their voice heard enough in the trade negotiations that lead to these rules. And often they are not satisfied with the results. Governments have sometimes agreed to trade rules that hinder their firms' ability to do business. Their most important exports don't reach enough foreign markets, while their local markets are open to competition for which they were not prepared.

Negotiators need the views of business. They have many policy options to assess and their teams are often small. It's not easy to analyse the business implications of market access barriers, influence international

standards or evaluate the impact of different trade proposals on exporters. Nor is it possible if business and government do not work together.

There has been little tradition of "business advocacy" in the South. As global trade talks continue to shape the business environment, exporters and governments in the developing world must learn to work with one another to improve market access and obtain special conditions for their firms.

## SOLUTIONS

- ▶ **Public-private teams.** When a government's vision and the private sector's drive come together, it can be extremely effective. Countries need to go to global talks in business-government teams if they want results that benefit their economies.  
  
Successful negotiation strategies depend, to a large degree, on the quality of collaboration between national trade negotiators and business leaders.
- ▶ **Industry groupings.** While big private corporations can promote their interests individually, most of the smaller firms can't afford to. Business needs to do its homework, on an industry basis, and inform governments under what sort of rules they can do business.
- ▶ **Information and training.** WTO rules are not written in the language of business. The business community needs to understand what is on the negotiating table and how they can influence the outcome. They need help in sorting the complex package of bilateral, regional and multilateral rules in force. Most importantly, they need good practices and telling business cases so that they can conduct effective business advocacy.

## How ITC Can Help

- ▶ **World Tr@de Net** is a set of informal national networks of trade players in 51 developing and transition economies. Members include business associations, governments, trade specialists, training institutions and universities. They develop action-oriented country plans for business advocacy on WTO issues. ITC supports them with kick-off events, training materials, case studies, issue papers, a newsletter and a web site. The continuous flow of information about the business implications of the world trading system is improving government-business dialogue and encouraging more business participation in trade negotiations.
- ▶ **Business for Development** regional workshops bring business leaders and government negotiators together to debate issues that shape national negotiating positions and contribute to building a business advocacy culture.
- ▶ **JITAP**, the Joint Integrated Technical Assistance Programme of ITC, UNCTAD and WTO, helps 16 African countries develop trade policy through inter-institutional committees, national reference centres and enquiry points on multilateral trade issues, as well as training and strategy development by sector.
- ▶ **The GATS Consultation Kit** and related programmes help service industry associations gather service firms' input on services trade issues and advise governments on negotiations on the WTO agreement.