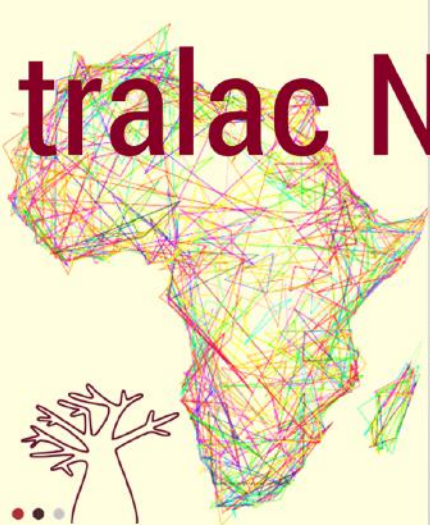


tralac Newsletter



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The Multilateral Trading System – *quo vadis?*

This tralac newsletter provides an opportunity to reflect on the current state of multilateral trade governance.

There is now broad acceptance that the multilateral trading system is in crisis. Renewal and recalibration of this system have become urgent. Developments in the global economy have outstripped the system that was created in the late 1980s/early 1990s, leaving governance gaps especially in what economists used to call the 'new generation trade issues' such as investment and competition policy. Technology developments of the past few decades have changed not only how trade is conducted, but the very nature of the global economy, resulting in deeper global integration and interdependence.

Geo-political shifts are notably underpinned by fundamental economic developments and reorganisation of the global economy. In this context, the economic rise of China and the associated global consequences must be considered. In short, the crisis in the multilateral trading system, runs deep. It has to reckon with the fact that trade itself is increasingly contentious, and that trade policy is now a seriously contested policy area.

It's again an exciting and challenging time to be working on trade – and we have a series of Blogs covering many complex issues concerning multilateral trade governance. Although this newsletter does not provide a complete discourse of the current state of the multilateral trading system, what ails it and what needs to be done to renew and reform it, our aim is to encourage open debate. Our aim is that this debate should include developing countries and especially voices from Africa.

Our [September newsletter](#) focused on dispute settlement. The parlous state of the dispute settlement in the World Trade Organisation (WTO), that used to be regarded as the centre piece of the multilateral trading system, is not only a reflection of concerns about operational issues such as the appointment of members of the Appellate Body, but also about fundamental differences regarding the role of dispute settlement in the multilateral trading system.

We are particularly pleased to have contributions to our October newsletter from the World Trade Organisation's [Deputy Director-General Alan Wolff](#) and the [Director of the Agriculture and Commodities Division, Edwini Kessie](#).

Trade is definitely back on the governance and development agenda.

Leadership, innovative policy analysis and active debates are essential to shape a 21st century trade policy and governance agenda. This is urgently required to support economic decisions that will aggregate to deliver inclusive development outcomes.

We look forward to your
feedback.

The **tralac** team



tralac | trade law centre

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tralacBlog

Perspectives on Africa's trade and integration



tralacBlog is a forum to share and engage with the views of tralac researchers and Associates, as well as guest contributors, on pressing regional integration and trade policy issues affecting African countries in order to encourage relevant, topic-related discussion and debate.

[Read more](#)



Assuring Continuation of Effective WTO Dispute Settlement

Alan Wolff - 19 Nov 2018

Recognition is growing that the multilateral trading system needs to be updated to address current realities and to renew the general commitment to rules-based trade. This effort will not be possible unless all stakeholders have confidence in the WTO as an efficient and fair forum for the settlement of disputes.



Regional Integration as a building block for the Multilateral Trading System

Edwini Kessie - 19 Nov 2018

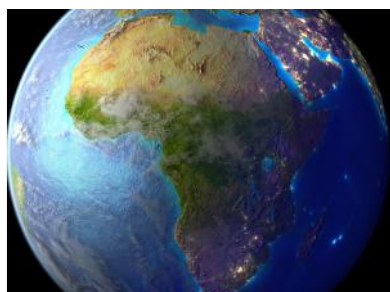
African countries have remained steadfastly supportive of the WTO at a time of growing protectionism and opposition to the liberal trade order. African countries believe that regionalism and multilateralism are not mutually exclusive, but they can rather reinforce each other. Trade is not a zero-sum game.



WTO Trade Facilitation Agreement: An African perspective

Talkmore Chidede - 19 Nov 2018

If Africa is serious about increasing trade across the continent, countries should prioritise implementing trade facilitation measures within the TFA and other national, regional or plurilateral instruments. The benefits envisaged in the AfCFTA can only fully realised if effective and efficient trade facilitation measures are put in place.



African Responses to Global Crises

Gerhard Erasmus - 19 Nov 2018

If Africa wants to embark on a road towards the establishment of an integrated union with the powers to speak with one voice about global affairs and their impact on the continent and on African countries, there should be a specific strategy about how to make that possible.



Modernisation of the multilateral trading system – WTO reforms

Talkmore Chidede - 19 Nov 2018

The multilateral trading system and the World Trade Organisation (WTO) are under threat. Strengthening and modernising the system is urgently needed to ensure that the system is adapted to keep up with the realities of the 21st century as well as support inclusive development and growth.



The Settlement of Trade Disputes: Where do we stand and what can be done?

Gerhard Erasmus - 19 Nov 2018

The crisis in the dispute settlement arrangement of the WTO has a paralysing effect on the multilateral trade system. It seems to indicate that the scope of the applicable rules and the jurisdiction of adjudicating bodies, as well as procedures for surveillance of compliance, have not kept pace with external developments.



A WTO multilateral investment facilitation agreement: An African perspective

Talkmore Chidede - 19 Nov 2018

Over the years, African countries have facilitated investments through unilateral, bilateral or regional measures without any multilateral obligations. A multilateral agreement on investment facilitation is important for Africa. It would reinforce, complement or advance the existing national, bilateral or regional measures.



Is it time for a new Global Order?

Gerhard Erasmus - 19 Nov 2018

How will the international community tackle the challenge of global reform? What should a reform strategy aim to achieve? Who will take the initiative? The challenge now is to steer the forces of change in a direction which will ensure shared prosperity and stability and better governance at home.



American mid-term Elections: What International Implications?

Gerhard Erasmus - 19 Nov 2018

The American mid-term elections took place during the first week of November 2018. The results of the US mid-term elections hold important implications for President Trump's domestic goals, but it is unlikely that there will be substantive change to the trade and international policies of the United States.



The 2018 Global Food Security Index: What does the picture look like?

Obert Bore - 19 Nov 2018

The 2018 Global Food Security Index (GFSI) focused on the risks and resilience in food security. Trade-related risks affecting food supply include protectionist policies, high tariffs for agricultural goods, export bans, inadequate storage and transport infrastructure. These factors increase costs of food for consumers.

Questions & Answers (FAQs)

Multilateral trade governance

Q: Is there still a role for multilateral trade governance?

A: We believe the answer to this question must be in the affirmative. The 21st century reality is one of deep level integration of global markets and commercial arrangements. And then there is the role of technology. Developments, especially in the ICT space, are facilitating global integration and also changing the nature of integration. The increasing complexity of global value chains (GVC) and the large proportion of global trade that is GVC-connected, highlight the importance of investment governance in this context. This means that markets transcend national geo-political borders and the associated national policy and jurisdictional foundations. Such deep integration requires, perhaps much more so than before, multilateral governance solutions.



Q: Does multilateral trade governance reduce the importance of national policy?

A: Multilateral governance solutions are not a substitute for national policies; they do not absolve national governments of their responsibility to develop national policies and regulations to ensure that it is possible to meet the requirements of new technologies and market realities. These developments require policy and regulatory responses that keep pace with economic developments and provide incentives for investment in the expansion and diversification of production capacity, to create jobs, income and wealth. Education and ongoing skills development, accompanied by labour market regulatory reform, are among the priority domestic policies in a digital 21st century economy.

[Download the Q&A](#)

Publications and Analysis



[Download](#)

Monitoring Regional Integration in Southern Africa Yearbook 2017/18

This 15th edition of Monitoring Regional Integration in Southern Africa provides a comprehensive review of the manifold transformation process that the southern African region has been through since 2001.

All the states in the region share a common quest for economic growth and the desire to be more present and involved in the global market, in order to draw a more positive balance from their trading activities. However, new challenges and choices arise and need to be taken into consideration in these modern and often complicated times.

Joint strategies are also constantly challenged by the unique diversity the southern African region is marked by. Whilst appreciating each nation's individual character, overcoming and mastering social, historical, political, geographical and climatic differences but working as one has been one of the main accomplishments of southern African integration.

This edition was edited by Trudi Hartzenberg, Gerhard Erasmus, Paul Kalenga & Talkmore Chidede



Tobacco in Africa: production and trade

Trade Brief by Ron Sandrey

This paper reviews African tobacco production and trade, a commodity which has attained a growing share of global production over the past five decades despite a relative decline in importance as a crop on the continent. This suggests that tobacco is

Simulating UK-Africa Trade Liberalisation: South Africa

Trade Brief by John Stuart

With the United Kingdom set to exit the European Union in the near future, current news is focusing on the future UK-EU trade relationship. This paper provides a hypothetical analysis of complete post-Brexit liberalisation between South Africa (SACU)



Intra-Africa trade and tariff profiles

Trade Data Analysis

tralac has prepared several Trade Data Updates to provide an overview of the intra-African trading relationships of individual African countries; the top import and export products traded; and applicable tariffs. Each country update is accompanied by an infographic.





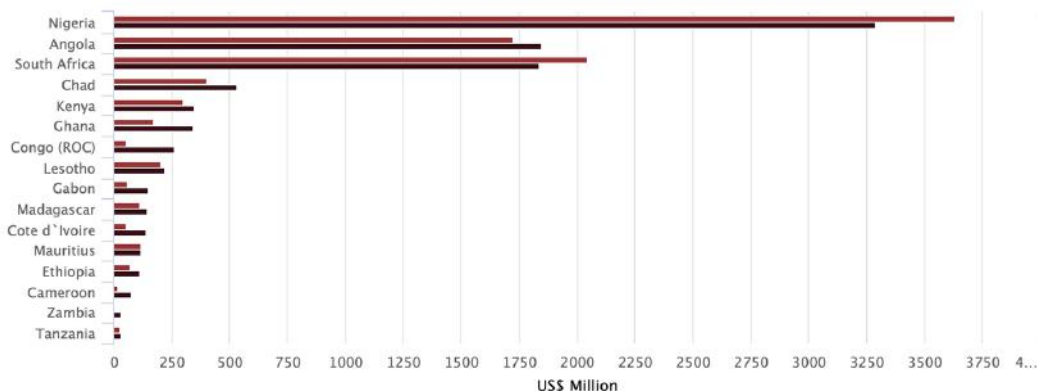
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African Growth and Opportunity Act

AGOA trade to September 2018 continues to show slight increase over 2017 period

Combined exports from AGOA beneficiary countries to the US were up by 7.3% compared to the same period in 2017, from **\$17.6b to \$18.9b**. Trade under AGOA/GSP increased from \$9.1b to \$9.47b over the same comparative period, an increase of 4% year-on-year. Among the leading exporters, **South Africa** and **Nigeria** recorded lower AGOA exports (albeit South Africa's overall US-bound exports increased by almost 7% year-on-year), while those from **Angola** and Chad were up year-on-year.

Leading exporters utilising AGOA | \$ million year-to-date to September



● 2017 YTD to SEPTEMBER ● 2018 YTD to SEPTEMBER

agoa.info

Key trade stats for AGOA beneficiaries to end September 2018

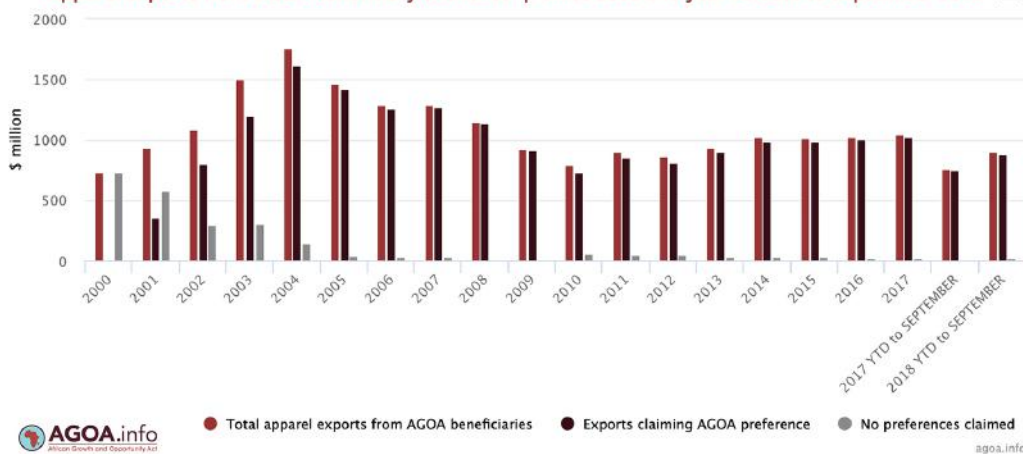
Aggregate exports to US:

Year to Date to Sept 2018:
\$18.9 billion (up 7.3% yoy)

Share of AGOA exports: Year to Date to Sept 2018: **\$9.47 billion** (up 4% yoy)

With respect to the **apparel sector**, exports claiming AGOA preferences increased by almost 18% year-on-year to September 2018, with **Kenya** the leading exporter ahead of **Lesotho**, and with more than double the AGOA exports in this sector of **Mauritius** and **Madagascar** combined.

Apparel exports from AGOA beneficiary countries | Since 2000 and year-to-date to September 2018



● Total apparel exports from AGOA beneficiaries ● Exports claiming AGOA preference ● No preferences claimed

agoa.info

Since earlier this year, South

Africa has been subject to **special safeguard duties** on steel (25%) and aluminium (10%) exports to the United States, which apply irrespective of whether a product ordinarily qualifies under AGOA. In the period to September 2018, South Africa's iron and steel exports to the US are down sharply by 18% (to \$640m). Over the same period, US import duties paid on these (South Africa) imports increased more than 300-fold to \$14.5 million. On aluminium and aluminium products, exports from South Africa were up 15% to \$348m, albeit with import duties paid of \$17.7m (an almost 500-fold increase over the previous period).

It should be noted that the above numbers refer to aggregate steel and aluminium exports from South Africa to the United States, albeit that not all tariff lines are covered by the safeguard duties. While not yet fully reflected in the above data (to September 2018), the **US Department of Commerce** has since exempted some tariff lines (based on certain US company applications) from the safeguard duties (see related article [here](#)). Many applications for additional exemptions remain current and ongoing (see [here](#)).

Latest AGOA news updates

AGOA eligibility update: US President Trump recently announced that Mauritania will lose its AGOA beneficiary status in January 2019 as a result of its non-compliance with AGOA's eligibility requirements, and specifically, its failure to make progress on human rights (slavery). "Despite intensive engagement with the United States, the Government of Mauritania has failed to meet critical required benchmarks to address these issues to date" – according to the Presidential Proclamation (see [here](#)). See the list of AGOA beneficiary countries at this [link](#).



Nigeria: How exporters can benefit from AGOA



US to end trade benefits for Mauritania over forced labour



Kenya: US Ambassador Godec's remarks on direct flight launch between Nairobi and New York



Ghana Chamber to build capacity of businesses to utilise opportunities in AGOA



Hello, America! USAID, direct flights to increase AGOA exports to US



Nigeria: 'Many manufacturers don't know much about AGOA' — NEPC



Kenya looks beyond apparel to double earnings from AGOA



'Protecting South Africa from US anti-trade action'

AGOA and related resources

Access a wide selection of **web resources** related to AGOA, including national chambers of commerce, export promotion agencies, development and finance agencies, regulatory authorities and trade resources.

Other resources include information on AGOA **product eligibility**, country eligibility **status**, and rules of origin (**general** and for **apparel**).

An extensive range of **FAQs on AGOA** is also available. For example: what are the rules of origin requirements? What are the AGOA trade benefits? Where do I find the text of the legislation?



Chambers of Commerce
Chambers of Commerce located in Africa



Development & Finance
Agencies involved in trade related development and finance



Government Depts (USA)
Links to US government websites and resources



Regulatory Authorities (USA)
Authorities tasked with various trade-related regulatory responsibilities



Sector Associations and Export Promotion (Africa)
Associations representing the interests of specific sectors



Trade Resources
Resources relating to the process of exporting and importing



US Embassies in Africa
Links to US embassies in African countries



Video Resources
Video resources related to AGOA