

## **Brief Record of Discussion: Trade Policy Coordinating Committee**

### **First Trade Policy Coordinating Committee Meeting**

1. Following the call by the April 2004 Senior Officials Meeting for the creation of a Trade Policy Coordinating Committee (TPCC), the first meeting of that committee was held on September 12, 2004, in advance of the September Senior Officials Meeting. The purpose of that meeting was to draft a possible agenda of work for the TPCC, which could be presented to the Senior Officials Meeting for approval.
2. The meeting began with a discussion of WTO accession issues. The countries that have already acceded to the WTO (China, the Kyrgyz Republic and Mongolia) noted that the benefits they had received from their accession included increased trade volumes and improved access to information on trade policies in other countries. They also noted that the process of revising laws and regulations to be WTO-compatible—while difficult—was advantageous, as it encouraged reforms needed to enhance competitiveness, and brought their trade policies in line with international best practices. China also noted that their WTO accession had greatly increased foreign investment in their country. Others noted that an additional advantage to WTO accession is the signal to the world community, in particular potential investors, of the country's commitment to a given set of trade policies.
3. At the same time, it was noted that the process of WTO accession is difficult. In particular, it was noted that accession could have adverse implications for a country's ability to diversify, including infant industry protection. Some delegates, however, questioned the ability to successfully pursue infant industry protection.
4. Delegates discussed whether WTO accession should be pursued as a group or individually. They agreed that accession would have to be pursued individually, but noted the importance of ensuring cooperation and full information sharing with other countries in the region. They also emphasized that it was important to ensure that each country kept regional interests and commitments in mind while undertaking WTO accession negotiations. Almost all country delegates expressed significant interest in the role of agricultural policy in the WTO, and in particular the need to seek sufficient room for agricultural subsidies. The Kyrgyz delegate, however, noted that the Kyrgyz Republic had eliminated agricultural subsidies, as they had proven ineffective.
5. The meeting then discussed key regional and bilateral trade issues. Particular attention was paid to how to ensure compatibility of the trade components of various regional agreements—in particular, the planned Central Asia Common Market (CACM), the Eurasian Economic Community, and the various free trade agreements—as well as the compatibility of these agreements with the obligations inherent in WTO accession.
6. During the course of the discussion, a number of possible topics for future work by the committee were raised by the delegates. The delegates agreed to submit this list of topics

to the Senior Officials Meeting for their consideration. In particular, the delegates recommended that the Senior Officials Meeting 1) determine whether they are in agreement with these possible topics; 2) prioritize the topics, including by identifying 2 to 3 topics on which they would like the committee to work first; and 3) provide greater specificity to these topics, by noting, to the extent possible, what and when precisely they would like to see come out of the proposed work.

### **Sector Session at the Senior Official Meeting**

7. The SOM reviewed the proposed agenda topics prepared by the TPCC, and agreed all were important. However, the delegates felt the initial list was excessively focused on WTO accession issues. In addition, an agreement was reached to study the potential benefits from measures to facilitate trade

8. Delegates held extensive discussions on the prioritization of the proposed topics. The attached table lists the three priority areas proposed for work by the TPCC, as well four other important areas for future work by the committee.

9. Delegates also discussed at length the question of whether a regional analysis of the impact of WTO accession should be included as a priority item. Recognizing the limits to the resources the MIs can devote to the issues identified by the TPCC, it was decided to exclude this analysis from the initial priority items. However, there was agreement that the inclusion of this issue would be discussed in the 3<sup>rd</sup> Ministerial Conference. .

## **Central Asia Regional Economic Cooperation (CAREC) Program:**

### **Topics for Future Work of the Trade Policy Coordinating Committee (TPCC)**

#### **Priority Work Program for the Committee<sup>1</sup>**

1. Study of comparative advantages in trade in the Central Asia region and in global markets, and the potential role for trade policies related to infant industries.
2. Review of regional trade agreements, including (i) analysis of the relationships and potential conflicts between existing and/or planned regional agreements signed by Central Asian countries; (ii) analysis of the relationships and conflicts between regional agreements signed by Central Asian countries and actual or potential WTO obligations; and (iii) review of other regional trade agreements, and their lessons for Central Asia.
3. Regional analysis of existing barriers to trade in Central Asia and an evaluation of the potential benefits of adopting measures to facilitate trade.

#### **Areas for Future Work**

4. Regional analysis of the impact of WTO accession, including both benefits and losses, as well as sectoral analysis.
5. Agricultural policy and WTO accession.
6. Regional program of information and education about WTO accession, focused on the general public and civil servants.
7. Regional measures to address the special trade-related problems of land locked countries.

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<sup>1</sup> In all points in this list, "Central Asia" should be understood to mean the member countries of CAREC.