

Question No.5 Write short notes on the following:

(a) Issues in world Trade



Solution: The most significant issues in world trade include: (a) regionalism vs. multilateralism; (b) liberalisation & globalisation in foreign trade; (c) electronic commerce & electronic data interchange; (d) environmental challenges; etc

1. Regionalism Multilateralism

Supporters of Regional Trade Arrangements (RTAs) maintain that these agreements have enabled countries to liberalise trade and investment barriers to a far greater degree than multilateral trade negotiations allow. Some empirical evidence supports each view. To make this approach more attractive to members of a regional initiative, they could be offered credit for the reduction in trade barriers, which could be used in future multilateral trade negotiations.

2. Globalisation and Liberalisation

Globalisation & liberalisation broadly mean integration of different countries with the world. Policymakers in the 21st century will find themselves pursuing development goals in a landscape that has been transformed economically, politically and socially. Two main forces will be shaping the world in which development policy will be defined and implemented. These are globalisation and liberalisation.

3. Electronic Commerce and Electronic Data Interchange

Electronic commerce is re-creating the world's economy as liberalisation and increased competition transform information based industries. The rate at which electronic commerce brings benefits to any particular country will depend on how fast it liberalises its market and adopts a predictable trade regime the essential conditions for encouraging the enormous investments in technology required by electronic commerce. Electronic data interchange means paperless communication. Some of the industrial countries have gone to the extent of saying "No EDI No Trade".

4. Environment

The WTO Committee on Trade and Environment has brought environmental and sustainable development issues into the mainstream of WTO work. The Committee's first

Report notes that the WTO is interested in building a constructive relationship between trade and environmental concerns. Trade and environment are both important areas of policy making and they should be mutually supportive in order to promote sustainable development.