

## **Welcome Remarks by the Director-General**

### **IMF/World Bank/WTO Trade Workshop**

**5-6 June 2013**

Ladies and gentlemen, I wish you good morning.

I would like to welcome you all to the second Annual IMF/World Bank/WTO Trade Workshop. Let me express my thanks in particular to the presenters - all leading experts in their respective fields - for agreeing to participate in the workshop. The fact that we are repeating this event for the second time - the first one was in Washington the year before last - reflects the success of the previous workshop and confirms the importance of bringing together experts to discuss their research in trade policy related topics.

This workshop is a product of on-going collaboration among the three institutions represented in this room and helps to consolidate interagency links on trade policy analysis and research, which is one of the pillars of our coherence mandate. I believe it is fundamental to highlight the importance of research not only to understand how trade works today and in the future, but also to improve the success of trade negotiations, especially in light of the Ninth WTO Ministerial conference, which as you all know, will be held in Bali in December.

Good policy should be backed by good research: policymakers take policy decisions in order to achieve certain outcomes; researchers assess the success or failure of such policies, and their implications. Moreover,

researchers are generally not shy about saying how they think policy could be improved in future, or even sometimes questioning the motivations behind policies. Provided the analysis is well-founded and well-intentioned, the efforts of researchers should be welcomed.

At its best, a tighter partnership between policymakers and researchers can only be socially beneficial. We know, however, that this is not always the way things work. It is important that researchers make their work both policy-relevant and accessible. Only if researchers make this effort can they expect to be taken seriously by policymakers. I think all three of our institutions have tried hard to produce communication-friendly work, and I encourage you to continue to do this and to do it better.

I believe it is your responsibility to promote awareness within governments of the link between research and policy, and of the importance of good analysis for good policy. On this topic, a special session has been organized in this workshop where Aaditya Mattoo, Ranil Salgado and Patrick Low will talk about research that is currently taking place in our respective organizations and its relevance in terms of future policymaking.

In the current environment, there is often the tendency for researchers to feel the pressure to publish, which frequently results in very narrow technical analysis in a very specific area, neglecting the bigger picture in terms of social and policy aspects. I take this opportunity to encourage our researchers to constantly question themselves about the policy implications of their analyses. I have already spoken about the

importance of effective communication between researchers and governments, but I believe you have an equal burden of responsibility in trying to raise the awareness of the public at large of policy issues and options.

The nature of trade is changing – in particular given the rise in reach and extension of production networks - so we need to understand and adjust to this new reality for future policy making, bearing in mind the role of trade in contributing to sustainable development, growth, jobs and poverty alleviation. Last year I established a Panel on Defining the Future of Trade to examine and analyse the challenges to global trade opening in the 21st century. The panel comprised a distinguished group of individuals from business, labour, and other non-governmental organizations as well as personalities with deep experience in Government. I was interested in hearing views from these quarters and decided not to invite any academics onto the panel on this occasion. In developing its conclusions and recommendations, the Panel consulted widely with an array of stakeholders.

I believe some interesting observations about the future of trade governance emerged from their work and their short report is worth reading. The core conclusions of the Report were couched in four challenges of convergence – among governments, among different trade regimes, between trade and domestic policies, and between trade policy and the public policies underlying non-tariff measures. These inter-relationships refer both to those who make policy and the policies they make. Their dimensions capture the essence of the challenges facing

trade, and the complexities of the environment in which trade will operate in the years ahead.

This year's World Trade Report, which will be launched on July 18<sup>th</sup>, also focuses on the shaping factors of trade in coming decades. The report examines likely trends in world trade and how current and future economic, social and political factors might weigh on these trends. Among the shaping factors examined in the report are demography, investment, technology, the disposition and availability of energy and other natural resources, transportation costs, and institutions.

While much economic literature focuses on these factors, broader socio-economic factors are also key, including social, environmental and macroeconomic concerns that are high on the political agenda. The report also considers whether these developments are likely to reinforce, moderate or reverse current trends, such as the increased fragmentation of production, the rising importance of trade in services or the continued growth in trade among developing and emerging economies. Finally, the report contemplates the future facing the multilateral trading system, as well as ways that the multilateral trading system could influence outcomes. It seems to me that the topics you have selected for consideration in this workshop all touch upon themes in the report

You have an intensive and interesting programme. I have received positive reports of your sessions yesterday, and wish you *bonne continuation* in your discussions today. I thank you for your attention.