

Topic I: Reducing Internal Barriers to Trade and Development: Examining the World Trade Organization's (WTO) Aid for Trade Program

In reference to the conundrum that is trade, Plato says, “To find a place where nothing need be imported is well-nigh impossible. But if the trader goes empty-handed, having nothing which they require who would supply his need, he will come back empty-handed”¹. The Arab Republic of Egypt has been a member in good standing of the WTO, since joining the trade forum in the year of its inception, 1995. The WTO seeks to solve the paradox of trade. Egypt fully supports the organization’s tenets which include lowering trade barriers and encouraging development and economic reform. We are a signature to the WTO’s Aid for Trade (AFT) program. AFT’s stated mission is “ensuring that developing countries can harness trade to raise living standard, improve health and education, protect the environment, alleviate poverty, and secure their development.” It is imperative to point out that Africa as a region remains at the margins of the world economy and global trade of which Africa accounts for a mere 2%. Millions of Africans live below the poverty line existing on incomes of less than \$1 per day. The need to integrate African economies at the global level is imperative. The successful implementation of the AFT program would be a catalyst for economic change throughout the region.

World Bank Group President Zoellick says, “Countries need to bring down trade barriers to the products poor people produce. But, market access is not enough. Aid for Trade is also a critical part of this picture in order to help countries integrate into and benefit from global markets.”

Egypt humbly suggests that our embracing of the tenets of free trade can be utilized as a roadmap for other developing African countries. President Mubarak and the Egyptian government have overseen growth which has increased steadily in recent years. Egypt now has one of the Middle East’s fastest growing economies. Egypt launched bold reforms in 2004 that triggered an impressive acceleration of growth, to 7% for 2006 and 2007. In its most recent review of Egypt’s economy, the IMF says the expansion has broadened from energy, construction, and telecommunications to agriculture and manufacturing. Between December 2004 and March 2007, 2.4 million jobs were created. As a result, unemployment which had been chronically high dropped from 10.5% to 9%. Additionally exports and imports also rose sharply. Egypt brought about this turnaround by implementing market reforms that have addressed critical impediments to private business and investment. Since 2004, the establishment of a functioning, competent foreign exchange market lifted both formal and informal restrictions on access to foreign exchange. We cut our weighted average import tariff to approximately 6.9% by 2007, thus accelerating integration with the global economy.²

As we have clearly evidenced, the economic plan that has worked in Egypt can also be utilized, with appropriate modifications, as the economic plan for the African Aid for Trade Network of the WTO’s Aid for Trade Program.

Topic II: Tariffs and Market Access for Agriculture

The ultimate economic goal of most modern nation-states is to have foreign markets open to their exports while at the same time restricting domestic markets to foreign imports. The most popular mechanism for accomplishing this end is employing a tariff. A tariff is, simply put, a tax or surcharge on imports that raises the price of those imports making them less attractive and more expensive than one’s own domestic products. One of the pillars of the WTO is the principle of tariff reductions as a means of promoting the concept of free trade, and another pillar is the concept of trading equally and without discrimination. It is the belief of the WTO and Egypt that by lowering tariffs and other barriers to free trade that all nations of the world can prosper. However it is again important to note that any tariff reduction scheme will have a demonstrably greater adverse effect on the agricultural products of developing countries such as Egypt.

Therefore, Egypt must weigh the implications of the WTO tariff reduction plans to our own line-by-line tariff structure and for its market access opportunities. Keep in mind that 98% of Egypt’s tariffs are bound tariffs, a most-favored-nation tariff resulting from previous negotiations under the GATT which are incorporated as the

¹Plato, Republic, Book II. pg. 28

² Bush, Ray(2007)‘Politics, power and poverty: twenty years of agricultural reform and market liberalization in Egypt’, Third World Quarterly,28:8,1599 — 1615

integral component of any country's schedule of concessions and represent a commitment not to raise a tariff above a specified level. Egypt has brought down the average tariff rate on a wide assortment of products from 14.1% to 9%; additional tariffs are still in existence, which are destined for drastic cuts if the Swiss formula is fully implemented. Clearly, a number of high tariffs still exist. The tariff structure includes six tariff rates, pegged to the degree of processing, that range between 2% on raw material, spare parts, and primary feeding products and 40% on durable consumer goods.

Dominique Strauss-Kahn, Managing Director of the IMF, congratulated President Mubarak on Egypt's impressive economic performance underpinned by an ambitious structural reform program, including the liberalization of trade, foreign investment, and the exchange market, extensive privatization, and the modernization of the financial sector. The reform program has not only boosted domestic investor confidence but also made Egypt a choice investment destination for regional and other international investors.

Egypt's position on tariffs and market access to agriculture is based on the following tenets: providing market access for products of export interest to Egypt; ensuring that Egypt is allowed to choose its own rate, scope, pace and extent of future liberalization so as not to cause adverse effects on local industries; addressing the problems that Egypt may face from erosion of preferences; addressing the need for Egypt to build its supply capacity so that it can take advantage of any increased market access opportunities. In addition, we are fully aware of the fact that lower tariffs and a more liberal economy is an advantage for Egypt because ultimately, lower tariffs should encourage competition and provide the consumers with better quality and better priced products.

Topic III: Examining the Relationship between the World Trade Organization and Multilateral Environmental Agreements

Trade and environmental sustainability are intricately intertwined in ways which the complex systems of each only exacerbate; to promote the goals of one with disregard to the other is to promote the weakness of both. To pursue trade without regard to the environment will lead to a depletion of resources and an economic failure of epic proportions, to better the environment without thought to trade will produce weaker economies with little if any sustainable economic growth in countless nations around the globe; not only can these goals coexist, they must coexist.

Egypt is a signatory to no less than 65 MEA's and amendments, some of the more prominent and influential of these include the Basel Convention, the Convention on the Conservation of Migratory Species of Wild Animals (Bonn), the Convention on Biological Diversity (CBD), the Convention on International Trade in Endangered Species of Wild Flora and Fauna (CITES), the Montreal Protocol, the United Nations Framework Convention on Climate Change, and the Kyoto Protocol. The Basel Convention directly impacts and prohibits the flow of hazardous waste generally forcing each country to dispose of it within their own borders and take on possibly redundant expenses; Egypt has set up a secure landfill in Alexandria among other avenues to dispose of its 325,000 metric tons of waste, where as fewer states having larger landfills and disposal sites would be more economically beneficial.

The WTO's Dispute Settlement Understanding is the appropriate forum to assist in cases of trade and environmental protection as it has the technical ability and resources to handle disputes from most any MEA. Thus one legal body may hear all cases relating to trade and environmental issues, rather than having an individual legal body for each of the over 250 MEA's for a dispute that may or may not be classified under that particular agreement. Maintaining an environmental perspective on trade negotiations is necessary if we are to proceed forward with any sense of cohesiveness between trade and environment issues, this may be achieved by granting all pertinent MEA's permanent observership status to the Trade and Environment Committee and its special negotiating sessions; this will ensure that the environment is never excluded from trade negotiations no matter their time or place.

Egypt feels that additional conferences and negotiations would be immensely beneficial to further addressing MEA/WTO trade policies; a specific "green" conference would behoove the creation of a consensus as it would allow for delegates to strictly focus on trade and environment issues and better identify methods to make the rules governing those issues more transparent. However, as this would be a conference focusing exclusively on trade and the environment, it would make it harder to reach a consensus as countries could not broker negotiations involving multiple platforms as is possible in the Doha round. Therefore, while a "green" conference, would be very beneficial, it would also force states to negotiating solely on environmental issues, thus perhaps leading to nations taking uncompromising positions and forcing the negotiations to a stand still.