

# Global Agenda Council on Global Trade & FDI 2012-2014



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## Understanding/Context

Global Trade is an important driver for economic growth. In the past 30 years, world merchandise and commercial services trade have increased by about 7% per year on average, reaching a peak of US\$ 18 trillion and US\$ 4 trillion respectively in 2011. The changing nature of world trade, however, also poses a challenge to global trade governance: the rapid shift from the developed to developing economies in the past decade, the rise of global value chains, and increased foreign direct investment (FDI) flows – to name but a few – have made global trade governance more complex. The speed of these changes also means that new realities struggle to be reflected in a timely manner. Against this backdrop, the aim of the Global Agenda Council on Trade & FDI is to inform the policy debate on critical issue areas to shape the global trade agenda.

## Shaping the Agenda

Past work by the Global Agenda Council on Trade & FDI includes examining plurilateral agreements as a complement to the single consensus rule in the World Trade Organization (WTO); an analysis of how regional trade agreements (RTAs) can be dovetailed with WTO disciplines and “multilateralized”; and a review of global value chains and how they affect or should affect trade policies in countries as well as in RTAs and in the WTO.

In 2012-2013, the Council’s aim was to identify ways of enhancing prosperity worldwide by encouraging more FDI inflows to both developed and developing countries. In view of the different barriers and distortions that are preventing the realization of FDI’s full potential and its current fragmented governance, the Council makes a strong case for a multilateral agreement on investment. The Council is convinced the convergence of political, economic and

technological trends has created the right circumstances to pursue a multilateral agreement on investment. All of the above resulted in reports which were made widely available to the trade community and launched at WTO events.

In 2013-2014, the Council is addressing the role of mega-regional trade agreements: the Trans-Pacific Partnership and the US-EU Transatlantic Trade and Investment Partnership.

**“Mega-regional trade agreements will be a true game-changer for the global trading system.”**

A report to be launched in April 2014 will present a holistic discussion on mega-regionals, including their potential impact on global trade and investment flows (in case of both success and failure); the reaction of rising powers to mega-regionals; the impact on BRICS and non-BRICS economies; the role of the business community; and how to facilitate the relationship between mega-regionals and the multilateral trading system.

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