

Preface

ESPEN BARTH EIDE

Managing Director and Member of the Managing Board
World Economic Forum

The Global Enabling Trade Report 2014 is launched at a time of restored hope for global trade. After several difficult years trying to advance the Doha Round, the Bali package, which was agreed to just a few months ago, and which has the Trade Facilitation Agreement at its centre, has the potential to enable progress on many of the practical obstacles faced by businesses. This is good news as the alternative to progress via a global trade regime is a proliferation of regional or inter-regional trade agreements, which could lead to compartmentalization of norms and rules in the international trade system.

However, real-world impact will come only with implementation of the negotiated measures. The 2014 Enabling Trade Index presented in this *Report* therefore sets a benchmark to assess trade facilitation reforms agreed to in Bali. We hope to see significant advances by the time we launch the 2016 edition of this *Report*. The World Economic Forum will continue to support public-private co-operation and dialogue towards this goal, focusing on practical steps to overcome trade barriers of many forms.

National trade policy has become more complex; it is no longer largely about tariff reduction. Decision-making is less straightforward, requiring collaboration among stakeholders as well as coalitions of government departments, outsourced providers, infrastructure investors and digital expertise. At the same time, the rise of global value chains makes the prize bigger. The success of many countries that punch above their weight in the Enabling Trade Index shows what can be done.

Since the 2012 edition of the *Global Enabling Trade Report*, the Forum and its partner companies, together with selected governments, have sought to better understand the value of trade facilitation and how to make it happen. The *Valuing Growth Opportunities* study reported that reducing even a restricted set of trade barriers halfway to the level of global best practices would yield close to a five percent increase in global GDP. Developing regions and smaller enterprises would see the largest gains. To achieve these gains, governments would need to take a more supply-chain focused approach to trade reform, both in international coordination and domestic action.

From Valuation to Action, another output from the Forum's Enabling Trade programme, points specifically to broader benefits of reducing supply-chain barriers to society at large. These include a minimization of food waste, a major challenge to sustainably feed the world's growing population. Reciprocally, gaining the support of a cohesive industrial sector, such as automotive manufacturers, can be an effective tool in securing trade facilitation reforms.

Our experience from working with business and governments to foster change is that trade in goods has indeed become intricately intertwined with cross-border investment, trade in services and the international movement of workers. During the lifetime of this *Report* series, we have seen the global trade reform narrative shift strongly to addressing border management concerns. A newly emerging emphasis is on behind-the-border issues, with modularity and replicability as key criteria for companies seeking to trade and invest. The world is now faced with both the implementation challenge stemming from Bali and, for more advanced economies, the question of "what's next for twenty-first century trade facilitation?"

The Enabling Trade index provides a reminder of the fundamental attributes that govern a nation's ability to benefit from trade. Since its introduction in 2008 it has become a widely used reference, forming part of the toolbox of many countries in their efforts to benefit from trade and helping companies with their investment decisions.

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