

Backgrounder
WTO Public Forum 2014
Why trade matters to everyone

Sub-theme: Trade and Consumers

Session Topic: Economic Cooperation & Consumer Welfare: A Win-win for All Stakeholders

Date: Thursday, 2 October 2014

Time: 3:00 pm to 5:00 pm in Room S3 at the WTO

Abstract

According to classical as well as modern variants of trade theories, trade liberalisation has direct benefits for consumers as it provides access to a wider variety of products at lower prices as well as increased quality. As international trade enables specialisation, exploits economies of scale, and generates competition in market, not only does this result in increased consumer welfare, but it also stimulates efficient allocation of resources and enhanced productivity, which are at the heart of economic progress. Both producer and consumer welfare therefore, are outcomes of an effective international trade regime, particularly when coupled with sound domestic regulations.

Despite the fact that consumer welfare gains from international trade is more predictable and assured, its impacts on economic development as well as its importance is often unkenpably discounted in the mainstream discourse on trade. Furthermore, it is observed that the consumer welfare effects of trade are often neglected as consumers' savings due to imports are not as visible as producers' export earnings.

This session will seek to generate awareness about consumer welfare gains from trade liberalisation and identify how consumer interests can be better represented in trade policy matters in order to realise such gains. It will also look at the larger political benefits associated with economic cooperation, good governance and their subsequent impact on consumer welfare.

Based on the above understanding, the objectives of this session are to:

- Identify various policy issues in international trade that impact consumer welfare and discuss the status of discussions on these topics
- Understand how both consumer and producer welfare can be enhanced by greater economic cooperation that assumes a balanced approach to trade liberalisation and regulations
- Determine the degree to which more broad-based bilateral and/or regional economic cooperation can potentially function as a bridge between producers and consumers

The session will be moderated by Mr Bipul Chattopadhyay, Deputy Executive Director, CUTS & Head, CUTS CITEE.

The panellists will be:

- Dr Harsha Vardhana Singh (Former Deputy Director General, World Trade Organisation)
- Mr Herbert Ladwig (Managing Director, Global Organic Textile Standards)
- Mr Peter Draper (Senior Research Fellow, South African Institute of International Affairs)
- Dr Octavia Cerchez (Professor of International Economics, University of Business and International Studies)
- Mr Phillip Evans (Deputy Chair, Competition and Markets Authority)
- Dr Mohammad A. Razzaque (Adviser & Head, International Trade and Regional Cooperation Section, Economic Policy Division, Commonwealth Secretariat)