



**INTE20086A.A2020 - GLOBAL BUSINESS ENVIRONMENT
SESSION #5: THE WTO, THE IMF AND THE WORLD
BANK IN GLOBAL GOVERNANCE**

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04 February 2022**

COURSE ORGANIZATION

- 1 - The Global Business Environment: An Introduction**
- 2 - Globalization: Trends and Challenges**
- 3 - Nation-States, Cities, and Global Competitiveness**
- 4 - Domestic Institutions and Local Governance Still Matters**
- 5 - The WTO, the IMF and the World Bank in Global Governance**
- 6 - Economic Development and Poverty: Target Missed or Met?**



THIS SESSION

- **Defining International Governance and International Institutions**
- **Finance:**
 - The IMF and the BIS
- **Trade:**
 - GATT, WTO and International Arbitration
- **Development:**
 - World Bank and the UNDP
- **Criticisms and Conclusions**

INTERNATIONAL GOVERNANCE

International Governance is needed:

- To eliminate “Beggar thy neighbour” policies
 - e.g., trade protectionism
 - To manage and control externalities:
 - E.g., environmental pollution
 - Acid rain in North America
 - Smoke clouds in South-East Asia
 - To regulate, police and manage other problems:
 - E.g., overfishing in the seas and oceans; greenhouse gases and the depletion of the ozone layer
- International cooperation between states is important to keep the world economy open and functioning.



ARE YOU FOR STEEL TARIFFS TO HELP THE STEEL WORKERS
OR AGAINST THEM TO HELP THE AUTO WORKERS ?



**BEGGAR THY NEIGHBOUR POLICIES:
PROTECTIONISM, SUCH AS TARIFFS OR CURRENCY
MANIPULATION, WILL CAUSE WORLD TRADE TO SHRINK.**



MORE RECENTLY

“While protectionism may intuitively seem to benefit the American economy, it contradicts decades of modern economic insight, and it will ultimately make working class Americans worse off.”

INTERNATIONAL INSTITUTIONS

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- **International regimes**
 - Principles, norms, rules, and decision-making procedures around which actor expectations converge in a given issue area
 - E.g., GATT, Kyoto Protocol
- **International organizations**
 - Legal and physical bodies that manage and implement international regimes
 - E.g., WTO

MAIN INTERNATIONAL ECONOMIC INSTITUTIONS TODAY

04/02/2022

Finance

- International Monetary Fund (IMF)
- Bank for International Settlements (BIS)

Trade

- General Agreement on Tariffs & Trade
- World Trade Organization (WTO)

Aid and Development

- World Bank
- United Nations Development Program (UNDP)
- Regional development banks



ALL THESE INSTITUTIONS WERE CREATED IN THE MID-1940s, WHY?

INTERNATIONAL FINANCIAL INSTITUTIONS



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BRETTON WOODS

- Goal: to create a postwar economic environment to promote worldwide peace and prosperity
- When 44 countries met in Bretton Woods, New Hampshire in 1944
- Bretton Woods era
- Created at the end of WWII
 - International Monetary Fund
 - International Bank for Reconstruction and Development (Official name of the World Bank)
- Created a system based on the gold standard
- Bretton Woods system ended August 15, 1971

OBJECTIVES OF THE IMF

See their webpage at
<https://www.imf.org/en/About/Factsheets/IMF-at-a-Glance>

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It was established to:

- promote international monetary cooperation and stability, by monitoring foreign exchange systems, and ensuring orderly exchange arrangements;
- to foster economic growth and high levels of employment;
- and to provide temporary financial assistance to countries to help ease balance of payments adjustment.

MEMBERSHIP IN THE IMF

Fast Facts About the IMF

1944 Year the IMF was established

\$1 trillion Total amount the IMF is able to lend to its member countries

190 Member countries

29 Current lending arrangements

150 Nationalities represented by staff

80 Countries that received emergency financing as of January 29

24 Executive Directors representing 190 member countries

0% Interest rate on loans to low-income countries

\$303 million For hands-on technical advice, policy-oriented training, and peer learning

Open to any country willing to agree to rules and regulations

Membership requires payment (deposit) of a quota.

Quota size reflects global importance of country's economy and political considerations.

The quota:

- 1.determines voting power
- 2.serves as part of official reserves
- 3.determines country's borrowing power

Aug 2021 - SDR 456 billion (US\$650 billion)

IMF DECISION MAKING: A WEIGHTED VOTING SYSTEM

SEPTEMBER 2021

- **United States** (16.5%)
- **Japan** (6.14%)
- **China** (6.08%)
- **Germany** (5.31%)
- **France** (4.03%)
- **United Kingdom** (4.03%)
- **Italy** (3.02%)
- **India** (2.63%)
- **Russian Federation** (2.59%)
- **Brazil** (2.22%)
- **Canada** (2.22%)



INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (WORLD BANK)

- **Was created in 1945 with following goals.**
 - Goal 1: to help finance reconstruction of European economies**
 - **Accomplished in mid 1950s**
 - Goal 2: to build the economy of developing countries**

MEMBERSHIP IN THE WORLD BANK

- The World Bank is like a cooperative, made up of 189 member countries as of August 2021.
- These member countries, or shareholders, are represented by a Board of Governors, who are the ultimate policymakers at the World Bank.

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Quota size reflects global importance of country's economy and political considerations.

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- 3.determines country's borrowing power

IBRD Subscriptions 2021- \$247 billion

WORLD BANK DECISION MAKING: A WEIGHTED VOTING SYSTEM JULY 2021

■ United States	15.77%
■ Japan	7.41%
■ China	5.03%
■ Germany	4.23%
■ France	3.9%
■ United Kingdom	3.9%
■ India	3.05%
■ Canada	2.72%
■ Russian Federation	2.57%
■ Saudi Arabia	2.57%
■ Italy	2.53%




BANK FOR INTERNATIONAL SETTLEMENTS (BIS)

Established in 1930, Basel, Switzerland

- Manage Germany's war reparation payments imposed by the Treaty of Versailles

Roles today

- The central bank of central banks
- Ensures international cooperation of central banks and assists with monetary policy development.
- Ensures that central banks maintain reserve assets and capital/asset ratios above prescribed international minimums in order to avoid over-indebtedness.
- Lender of last resort



INTERNATIONAL TRADE INSTITUTIONS

THE GATT'S BEGINNING

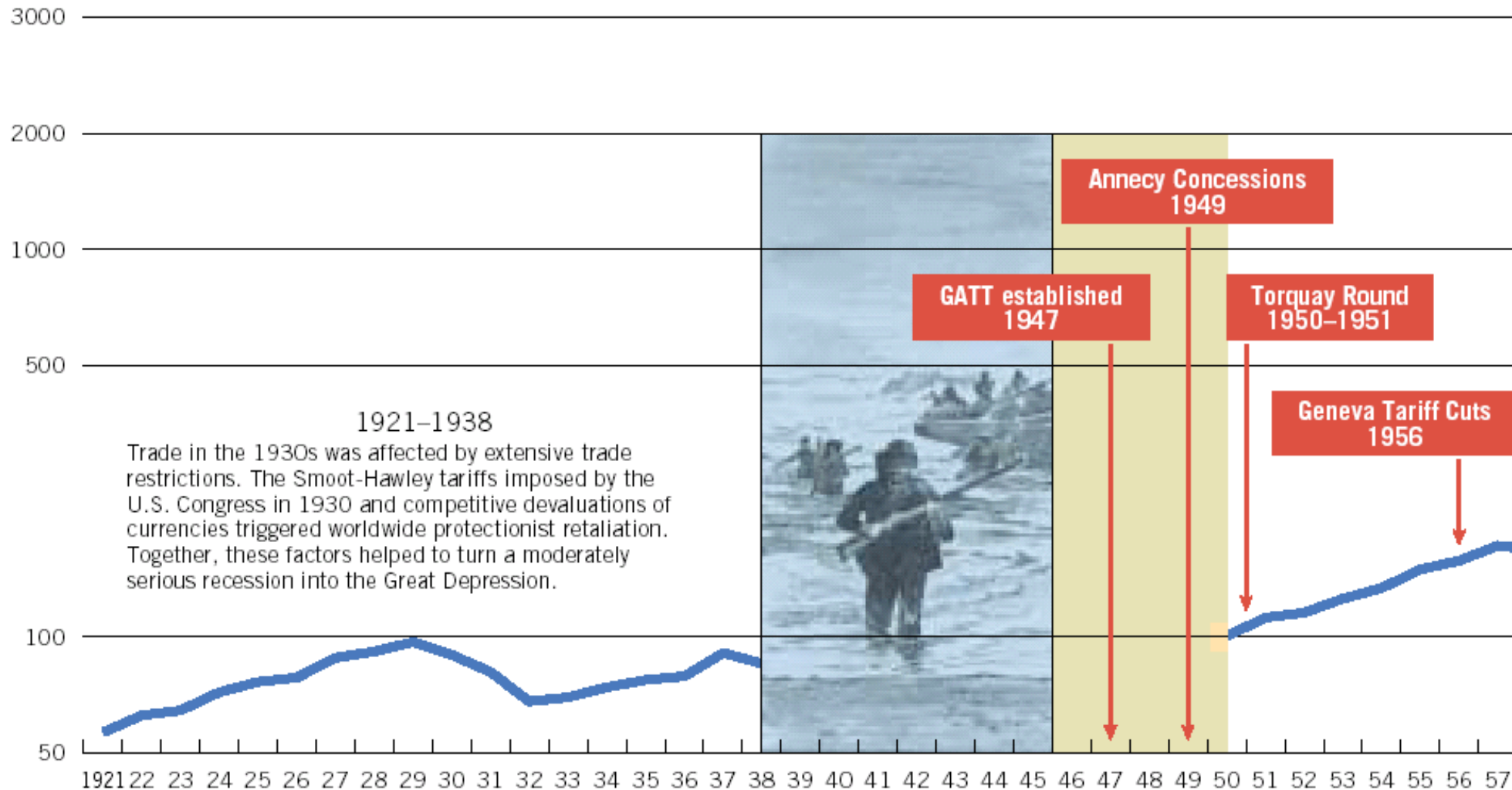
- General Agreement on Tariffs and Trade
- Developed as part of the Havana, Cuba conference in 1947 (ITO)
- Provided forum for trade ministers to discuss barriers to international trade

The role of GATT (1947-1994):

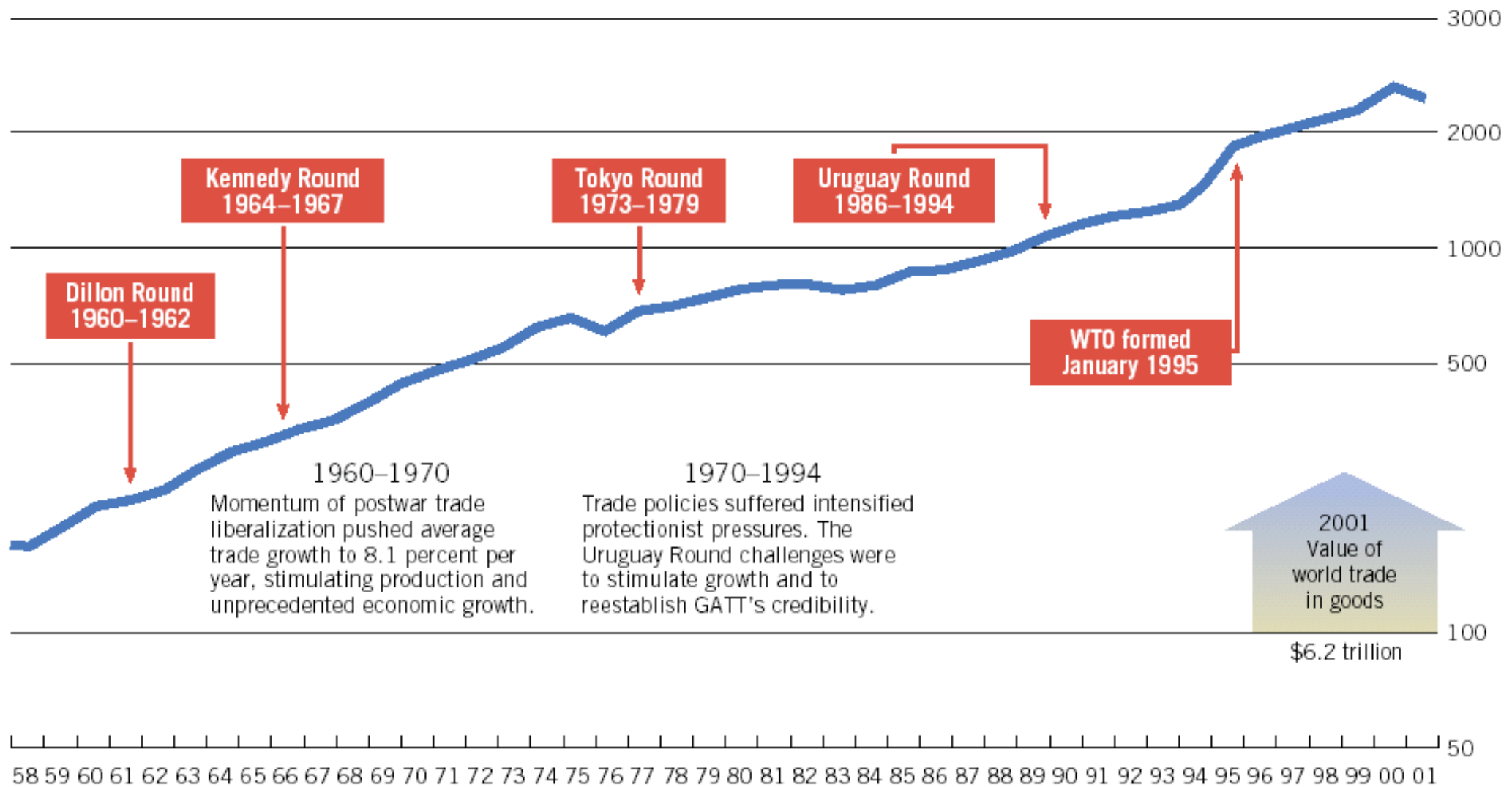
- Goal: to promote a free and competitive international trading environment benefiting efficient producers.
- Accomplished by sponsoring multilateral negotiations to reduce tariffs, quotas, and other nontariff barriers.

THE HISTORY OF GATT'S EFFECT ON WORLD TRADE IN GOODS

VOLUME OF WORLD TRADE: 1950 = 100 (semilog scale)



THE HISTORY OF GATT'S EFFECT ON WORLD TRADE IN GOODS



Round	Dates	Number of Participants	Average Tariff Cut (%)
Geneva	1947	23	35
Annecy	1949	13	NA
Torquay	1950–1951	38	25
Geneva	1956	26	NA
Dillon	1960–1962	45	NA
Kennedy	1964–1967	62	35
Tokyo	1973–1979	99	33
Uruguay	1986–1994	117	36

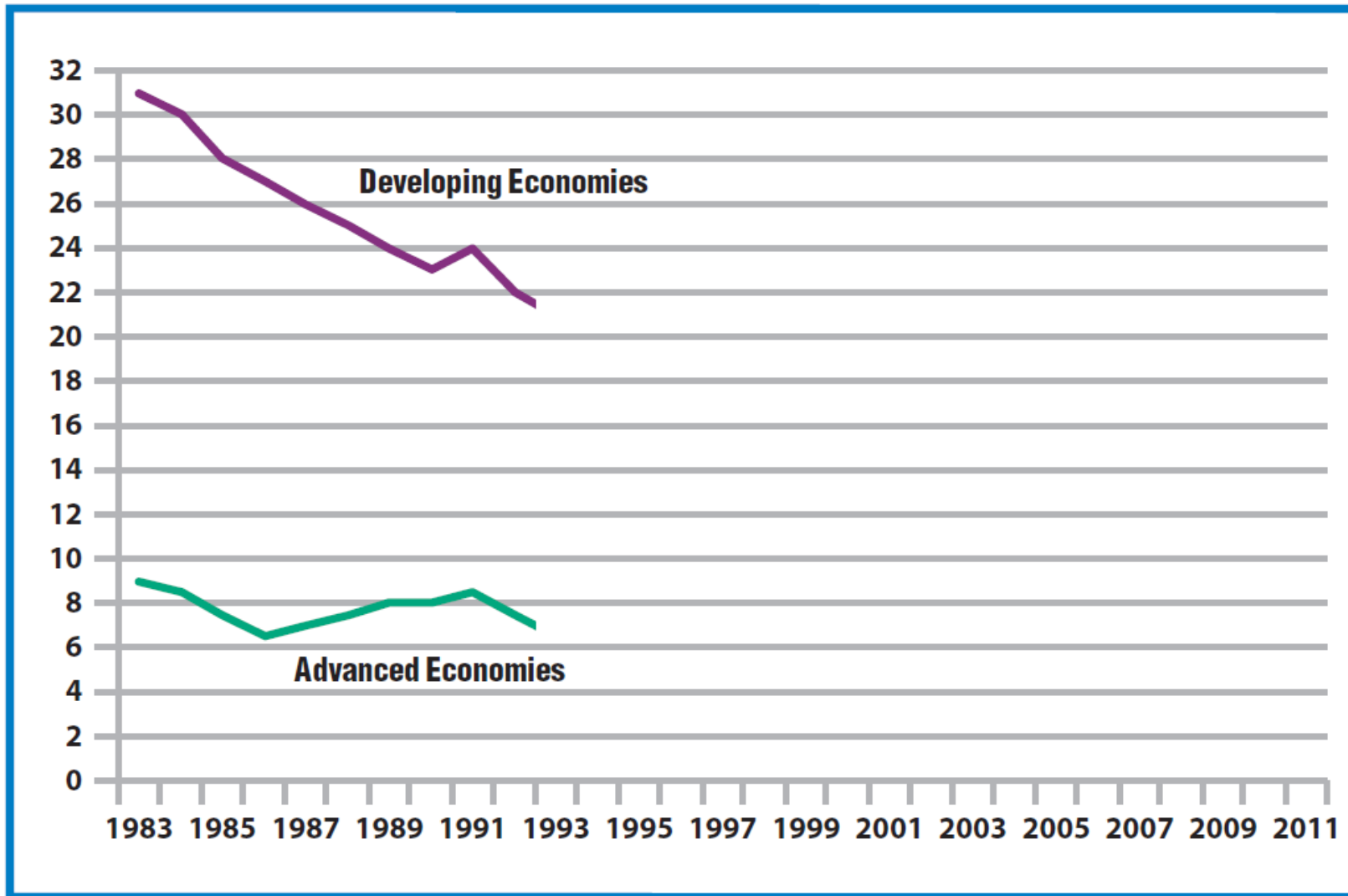
GATT NEGOTIATING ROUNDS

TARIFF AVERAGES BEFORE AND AFTER THE URUGUAY ROUND

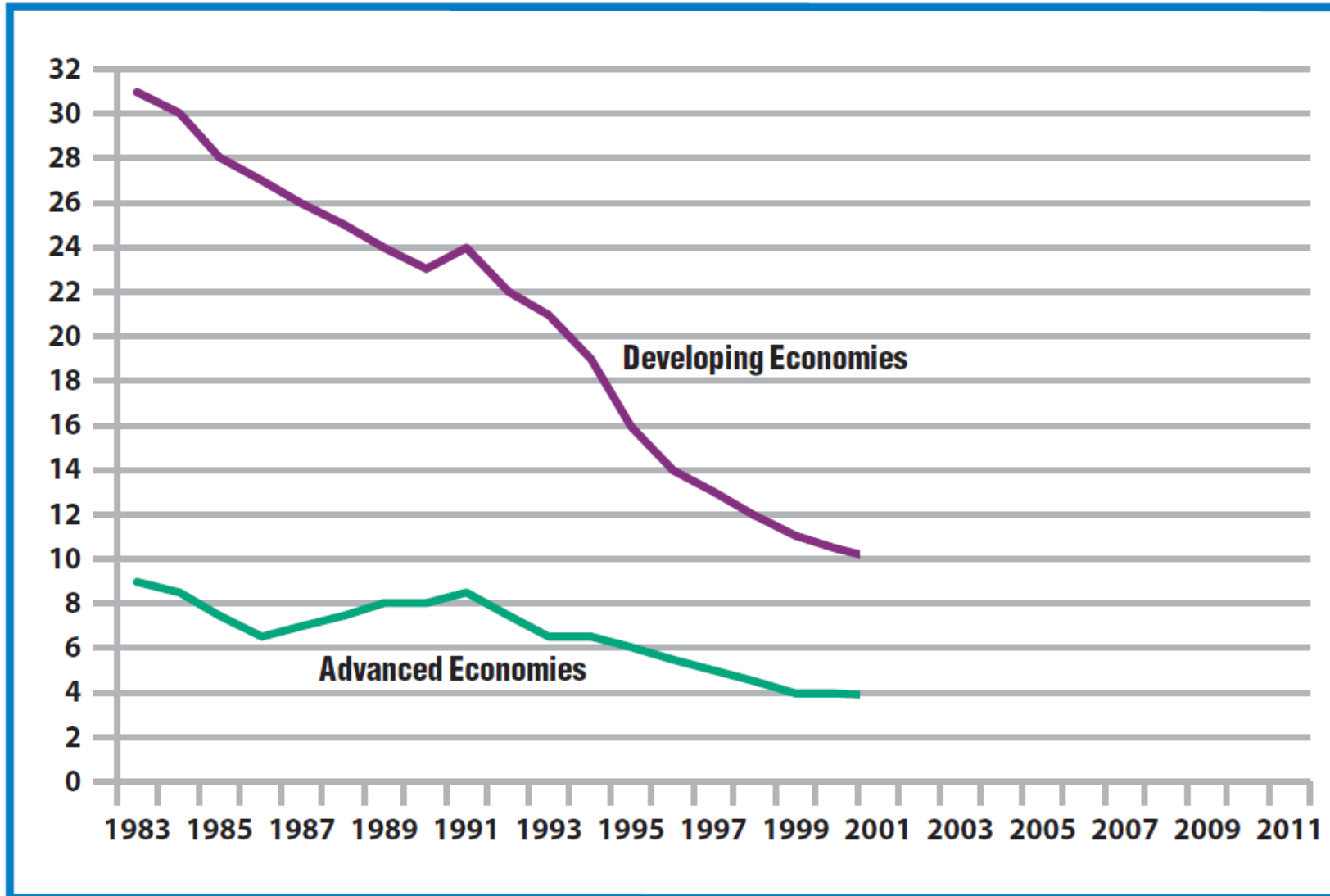
	Developed countries	Developing countries	Transitioning countries	Countries (global)
Before cycle	6.2%	20.5%	8.6%	9.9%
After cycle	3.7%	14.4%	6.0%	6.5%

Weighted averages based on commercial exchanges for industrial products excluding petroleum

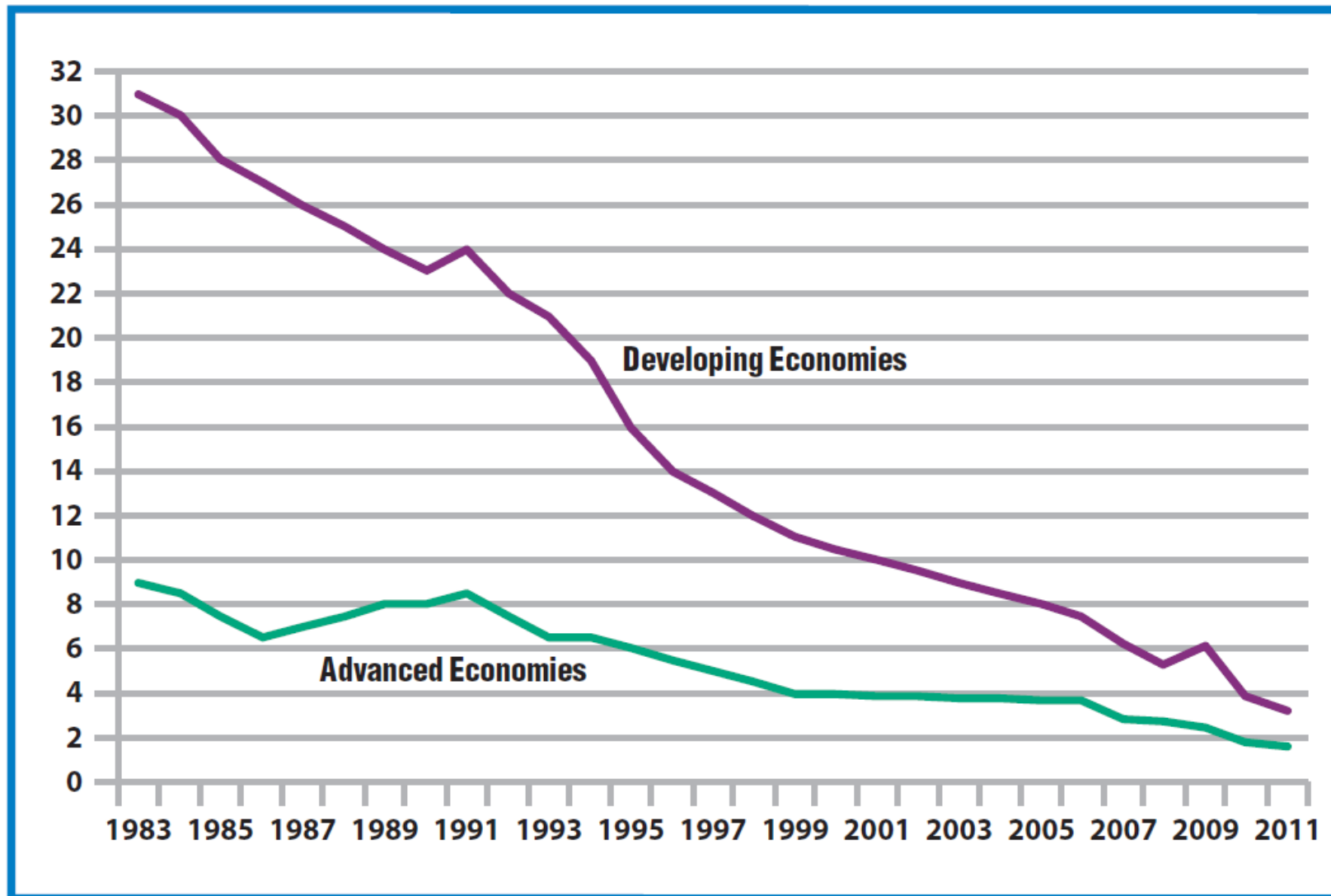
AVERAGE TARIFF RATES OVER TIME, %

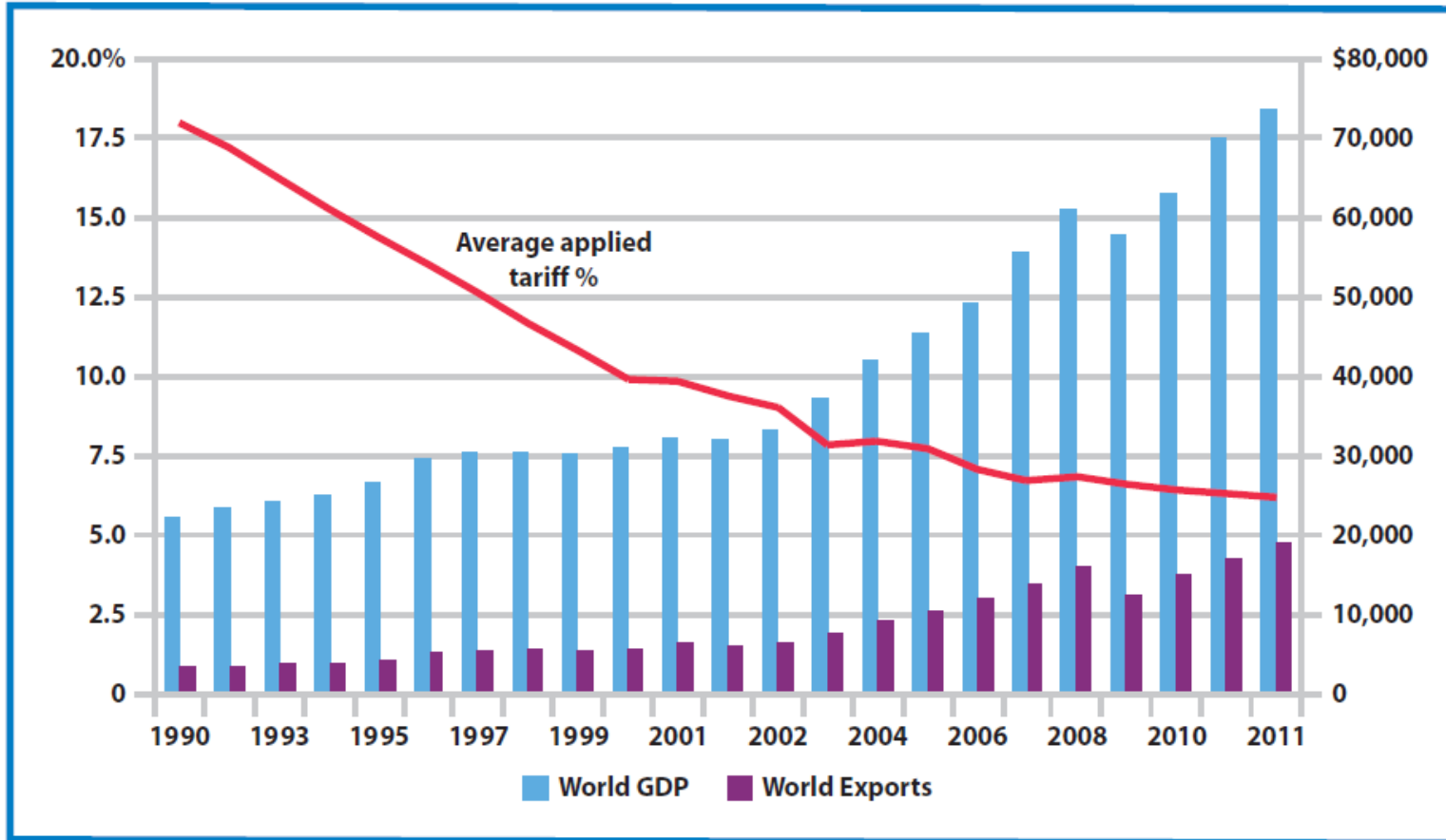


AVERAGE TARIFF RATES OVER TIME, %



AVERAGE TARIFF RATES OVER TIME, %





RELATIONSHIP BETWEEN TARIFFS, WORLD GDP, AND THE VOLUME OF WORLD TRADE

DIFFERENCES BETWEEN WTO AND GATT

- GATT focused on promoting trade in goods; WTO's mandate includes:
 - trade in goods
 - trade in services
 - international intellectual property protection
 - trade-related investment
- WTO's enforcement powers are stronger
- Established Doha Round Negotiations (2001)

FUNCTIONS

The WTO's overriding objective is to help trade flow smoothly, freely, fairly and predictably. It does this by:

- Administering trade agreements
- Acting as a forum for trade negotiations
- Settling trade disputes
- Reviewing national trade policies

Structure:

- The WTO has 164 members (2019), accounting for over 97% of world trade. Around 25 others are negotiating membership (observers).
- Decisions are made by all members and typically by consensus.

https://www.wto.org/english/thewto_e/acc_e/acc_map_e.htm



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Source: The World Trade Organization

WTO's TRADING SYSTEM PRINCIPLES

WITHOUT DISCRIMINATION

Members should not discriminate between their trading partners (all are granted “most favored nation status”) nor discriminate between their own and foreign products, services, or nationals (who receive “national treatment”).

FREER

Members lower trade barriers through negotiations.

PREDICTABLE

Members agree not to arbitrarily raise trade barriers (including tariffs and nontariff barriers) against foreign companies, investors, and governments.

MORE COMPETITIVE

The WTO discourages “unfair” practices such as export subsidies and dumping products below cost to gain market share.

BENEFICIAL FOR LESS DEVELOPED COUNTRIES

The WTO gives less developed nations more time to adjust, greater flexibility, and special privileges.

A world map with a grid of latitude and longitude lines. The map is rendered in shades of gray. Several countries are highlighted in a vibrant green color, representing the Cairns Group members: Canada, the United States, Mexico, Argentina, Chile, Colombia, Ecuador, Peru, Venezuela, Cuba, the United Kingdom, India, China, and Australia. The text 'WTO CHALLENGES' is overlaid in large white letters across the center of the map.

WTO CHALLENGES

The Cairns Group and the Doha round

04/02/2022

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INTERNATIONAL DEVELOPMENT INSTITUTIONS

Jahan Ara Peerally - GBE S5 - HEC Montreal



INTERNATIONAL DEVELOPMENT ORGANIZATIONS

- **World Bank**
 - Grants loans to states (different from IMF loans)
 - Funds infrastructure projects
 - Funds capacity-building projects
 - E.g., microcredit institutions and female literacy
 - Provides technical assistance
 - Unlike IMF and “hard loan policy” – soft loan policy through the IDA
- **United Nations Development Programme (UNDP)**
 - Provides technical assistance
- **Regional development banks**
 - Africa, Asia, Europe, Latin America
 - Provides funding to companies
 - Funds capital projects
 - Provide technical assistance



2
million+

Classrooms built or rehabilitated
benefiting over 105 million
children per year.



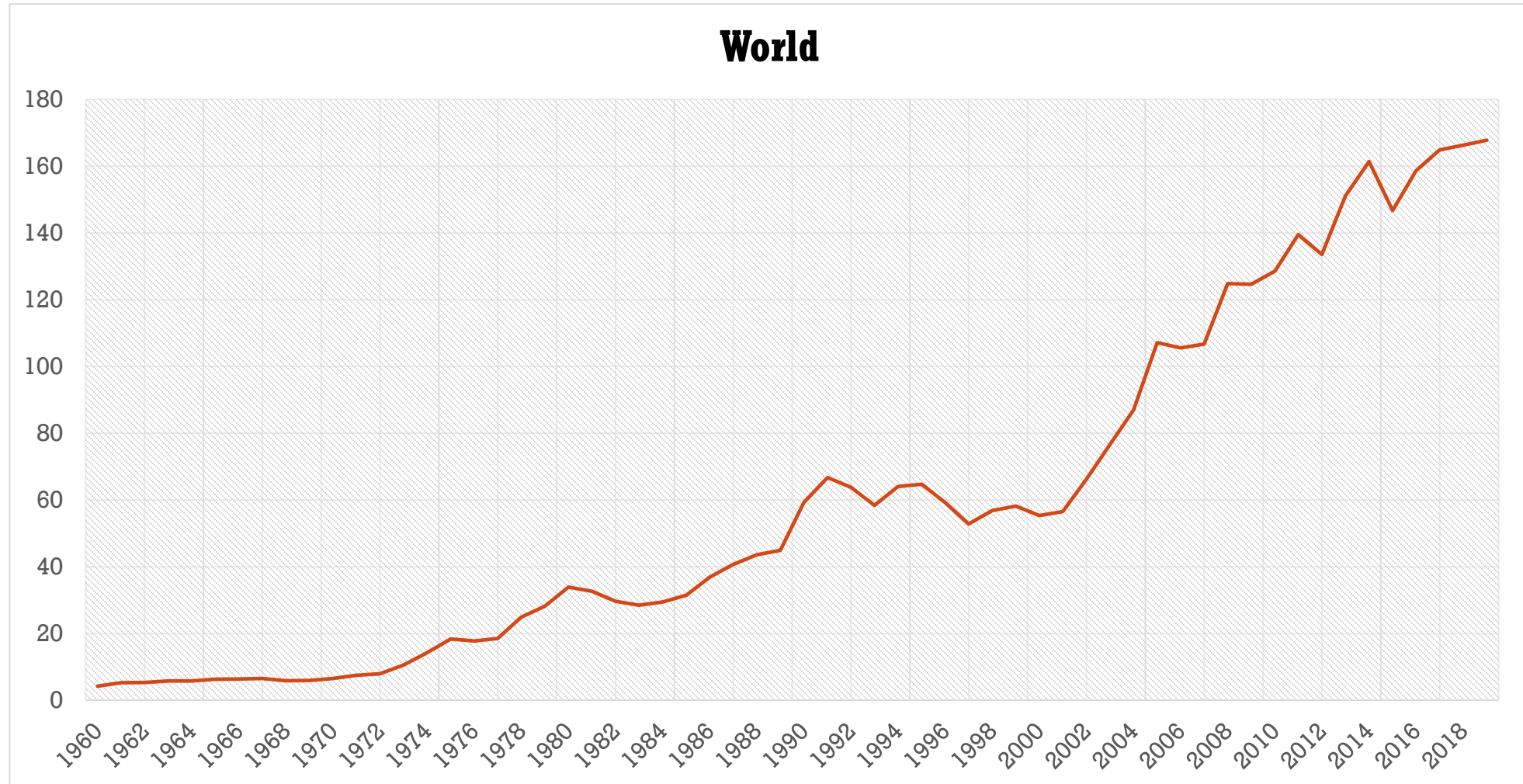
33
million

Mosquito nets purchased and/or
distributed to prevent malaria.

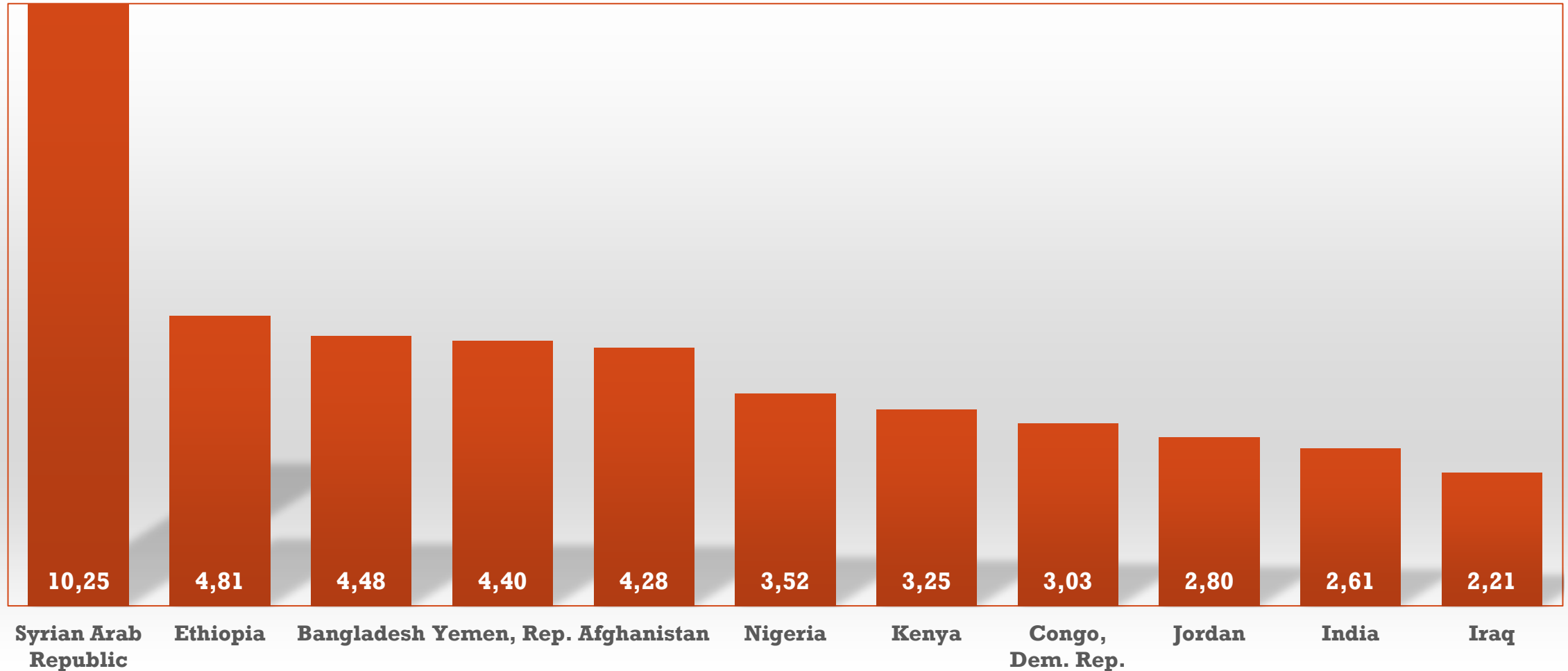


*@WorldBank IDA-financed projects deliver positive
change for 2.8bn people—most of whom survive on less
than \$2 a day. Discuss on Twitter: #AidEffectiveness*

NET OFFICIAL DEVELOPMENT ASSISTANCE AND OFFICIAL AID RECEIVED (CURRENT US\$ BILLION, 1960-2019)



TOP 10 RECEIVERS OF WORLD BANK OFFICIAL DEVELOPMENT ASSISTANCE (CURRENT US\$ BILLION, 2019)



Source: The World Bank, 2021



CRITICISMS

- **Exploitation of developing countries**
 - **Fosters global inequalities**
- **Profits before the security and well-being of workers**
 - **Child labour**
 - **Job loss in developed countries**
- **Profits before the environment**
 - **Race to the bottom (RTB) or “downward harmonization”**
- **Democratic deficit**
 - **IOs are not elected**
- **Undermines national sovereignty**
 - **More difficult to provide welfare state**
 - **IOs have their own liberal agenda**

The Star

Ottawa lent \$1 billion to a mining company that allegedly avoided nearly \$700 million in Canadian taxes

Critics question whether the government should help companies that don't pay tax in Canada.



By Marco Chown Oved
Investigative Reporter
Mon., Feb. 5, 2018

The Oyu Tolgoi mine in Mongolia's south Gobi desert in an Oct. 11, 2012, file photo.

Federal government gave \$42M to J.D. Irving subsidiary, records show

Atlantic Wallboard LP wasn't required to repay \$35M given to the company in 2006

CBC News Posted: Feb 06, 2018

Records obtained by The Canadian Press through an access-to-information request show that the company, which makes gypsum wallboard products commonly called drywall, has not been required to repay at least \$35 million. (Andrew Vaughan/The Canadian Press)

April 23, 2015

Canada loans Volkswagen \$500-million to 'open doors' for suppliers

By BARRIE McKENNA

Federal credit agency says money is intended to 'open doors' at car maker for local auto part suppliers

Export Development Canada is making a \$525-million loan to Volkswagen AG in a bid to get the German auto maker to boost its Canadian supply base as it expands in Mexico and the Southern U.S.

The euro-denominated financing – EDC's largest this year – will "open doors" at Volkswagen for Canadian auto part suppliers, especially smaller ones, according to Carl Burlock, the federal export lender's senior vice-president of financing and investment. "We have the opportunity to add more Canadian suppliers because the expansion is in North America," Mr. Burlock said. "It's close to home."

Mexican president urges Canadian mining firms to pay taxes

Wants to avoid disputes reaching international tribunals



Reuters

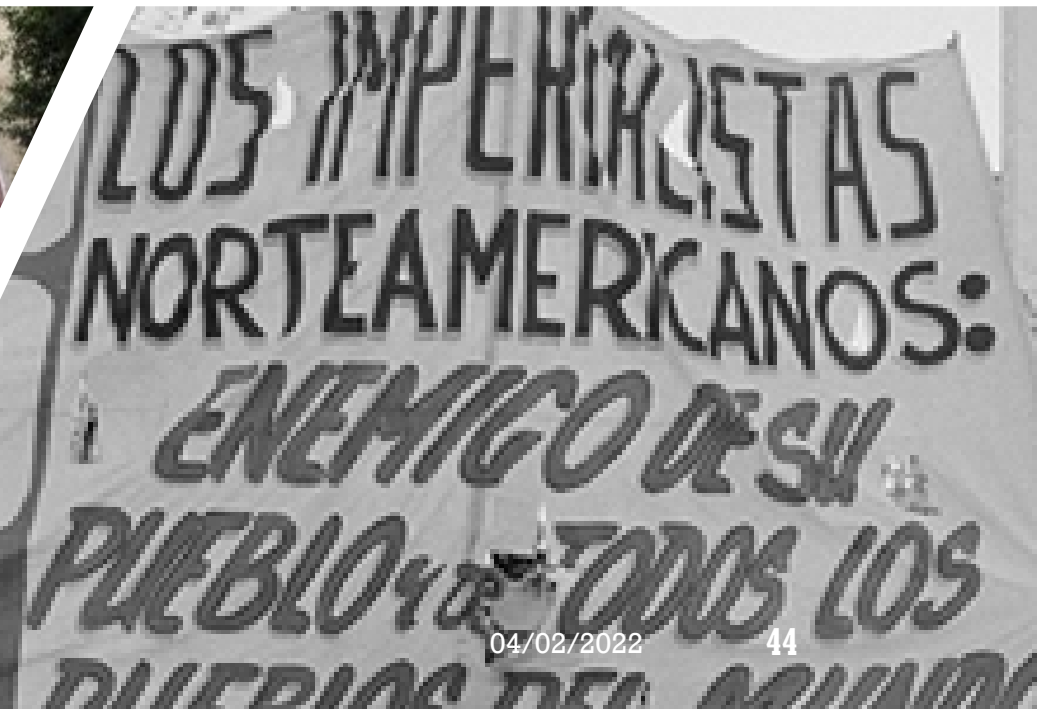
Jun 09, 2020 • Last Updated 3 months ago • 1 minute read



Mexico's President Andres Manuel Lopez Obrador PHOTO BY REUTERS/HENRY ROMERO/FILE PHOTO

MEXICO CITY — Mexican President Andres Manuel Lopez Obrador said on Tuesday some of Canada's mining firms were behind on their tax payments and urged the Canadian government to lean on them to avoid the dispute reaching international tribunals.

"There are a few Canadian mining companies that are not up-to-date, they want to go to international tribunals," Lopez Obrador told a regular government news conference.



Greece submits official request for IMF loan

Friday 24 July 2015 21:15

1 of 3



Ministry of culture contract employees protest the delay in their salaries, some up to six month

Protests in Greece against EU-IMF loan deal

ATHENS - Agence France-Presse

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G+ 0

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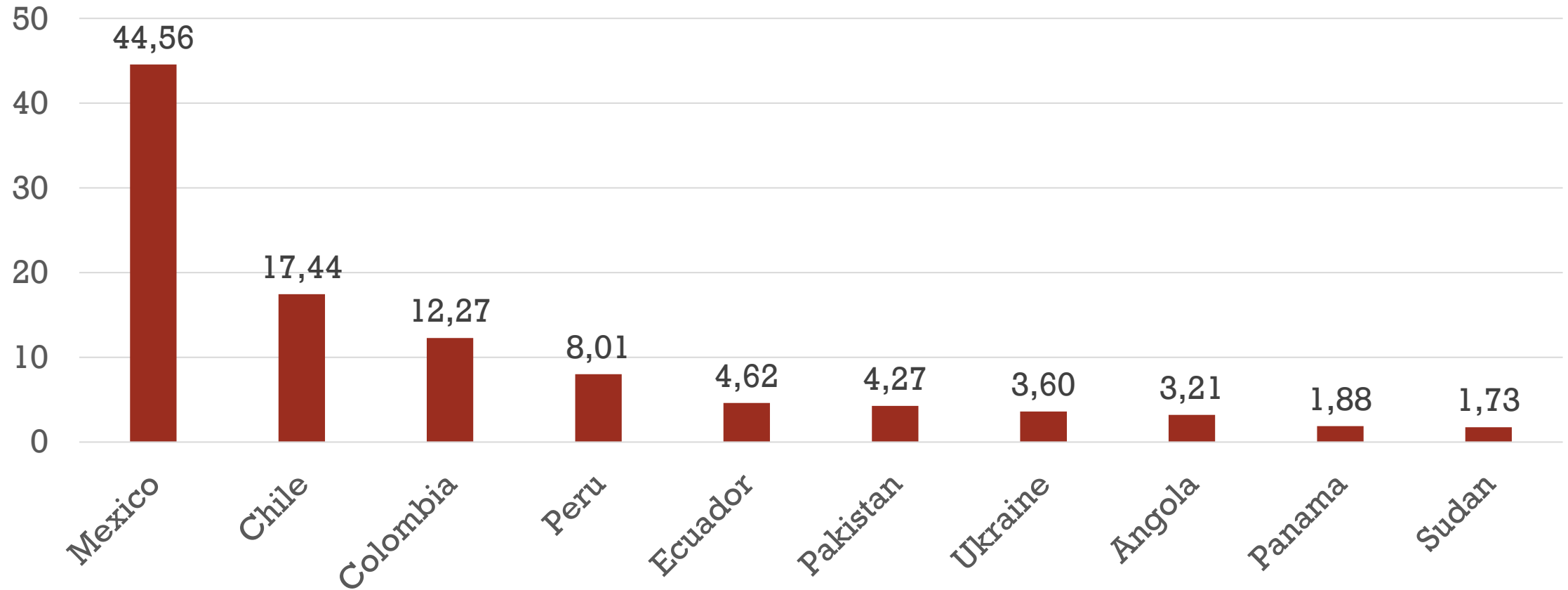
Communist-affiliated PAME workers union protester writes a slogan against the EU-IMF loan deal outside the finance ministry in Athens during their occupation of the building on June 11, 2015. AFP Photos



Seun Kuti; Nigerian artist

TOP 10 IMF BORROWERS, AS OF AUGUST 2021 (SDR BILLION)

Total Amount Agreed





**RICE PRODUCERS WOULD
LIKELY BENEFIT IF TRADE
BARRIERS WERE
ELIMINATED IN THIS
MARKET.**

**THE WORLD MARKET FOR
RICE IS DISTORTED BY
HIGH TARIFFS, RANGING
FROM 20-43 PERCENT
(SOMETIMES IN EXCESS
OF 100 PERCENT).**

ARTICLE FOR PREVIEW ONLY. **SUBSCRIBE NOW**



WORLD

South Korea Plans Tariff of Over 500% on Rice Imports

Sept 2014



South Korea plans to impose a tariff of up to 513% on rice imports to help protect its farmers. A farmer

Rice Tariff Confrontation Tariff Negotiations Ongoing over South Korean Rice Market



April 2016

Economics

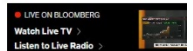
Rice Excluded From Trade Accord U.S., Japan Aim to Sign Soon

By Jenny Leonard, Mike Dorning, and Michael Hirtzer
17 septembre 2019 à 01:19 UTC-4 Updated on 17 septembre 2019 à 13:11 UTC-4

- ▶ U.S. rice producers won't be allowed to sell more to Japan
- ▶ Growers hope issue is addressed in second phase of talks

Terms of Trade is a daily newsletter that untangles a world embroiled in trade wars. Sign up here.

U.S. rice growers won't get increased sales under the current terms of a trade deal agreed by President Donald Trump and Japanese Prime Minister Shinzo Abe, people familiar with the accord said.



Country	Average Import Tariff	
	Agricultural Products	Non-Agricultural Products
Australia	1.2	2.6
United States	4.7	3.1
European Union	11.4	4.2
China	13.8	6.5
Mexico	13.9	6
Canada	15.1	2.1
Japan	15.5	2.5
India	38.8	14.2

SAMPLING OF IMPORT TARIFFS, 2021 (PERCENT)

49

OTHER ISSUES



Anger after Saudi Arabia 'chosen to head key UN human rights panel'

Wife of imprisoned blogger Raif Badawi says move amounts to "a green light to flog him"

Tom Brooks-Pollock | Sunday 20 September 2015 11:56 BST | 188 comments




128K
 shares



Source: The Independent (UK)

Venezuela: UN says responsibility for human rights violations 'lies at the highest level of government'

'These human rights violations show no signs of abating'

Samuel Osborne | @SamuelOsborne93 | Tuesday 8 August 2017 09:37 BST | 216 comments


547
 shares



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 Independent US

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UK and Saudi Arabia 'in secret deal' over human rights council place

Leaked documents suggest vote-trading deal was conducted to enable nations to secure a seat at UN's influential body



Saudi prince Khalid bin Faisal bin Abdulaziz welcomes David Cameron in 2012. Photograph: AFP/Getty Images



CRITICISMS

Are these criticisms justified?

Would the international economy be better off without these institutions? Why?

If so, what are the alternatives?

CONCLUSION: KEY LESSONS ON INTERNATIONAL GOVERNANCE

- International cooperation between states is key to a prosperous world economy
- International institutions are needed in order for globalization to succeed
 - Stable and open financial system: G-20, IMF and BIS
 - Stable and open trading system: WTO (GATT, GATS, TRIPS, TRIMS, etc.)
 - Financial and technical support for socio-economic development: World Bank, UNDP, regional development banks
- Otherwise, instability, protectionism, depression and poverty are likely to prevail in most of the world
- International institutions can only work as well as member states want them to

Next Week

ECONOMIC DEVELOPMENT AND POVERTY: TARGET MISSED OR MET?

**ALL READINGS LISTED UNDER
ZONECOURS ARE REQUIRED READINGS**



ADDITIONAL INFO & DATA



GOVERNMENT INTERVENTION: TYPES, EFFECTS, RATIONALE

GOVERNMENT INTERVENTION (1 OF 2)

- Governments intervene in trade and investment to achieve political, social, or economic objectives.
- Governments impose trade and investment barriers that benefit interest groups, such as domestic firms, industries, and labor unions.
- Government intervention alters the competitive landscape, by hindering or helping the ability of firms to compete internationally.
- Government intervention is an important dimension of **country risk**.

GOVERNMENT INTERVENTION (2 OF 2)



- Protectionism – National economic policies that restrict free trade. Usually intended to raise revenue or protect domestic industries from foreign competition.
- Customs – The checkpoint at national ports of entry where officials inspect imported goods and levy tariffs.

GOVERNMENT INTERVENTION: KEY INSTRUMENTS



- **Tariff** -A tax on imports (e.g., Citrus, textiles).
- **Nontariff trade barrier** - Government policy, regulation, or procedure that impedes trade.
- **Quota** - Quantitative restriction on imports of a specific product (e.g., Imports of Japanese cars).
- **Investment barriers** - Rules or laws that hinder foreign direct investment (e.g., Mexico's restrictions in its oil industry).
- **Source:** Keith Dannemiller/Alamy

EXAMPLE OF PROTECTIONISM: U.S. STEEL INDUSTRY

- The U.S. government imposed tariffs on imports of foreign steel to protect U.S. steel manufacturers from foreign competition, aiming to give the U.S. steel industry time to restructure and revive itself.
- However it resulted in:
 - Higher steel costs.
 - Increased production costs for firms that use steel, such as Ford, Whirlpool, and General Electric.
 - Reduced prospects for selling products in world markets, making U.S. steel firms less competitive.
- The steel tariffs were removed within two years.

EXAMPLE OF PROTECTIONISM: AUTO INDUSTRY

- In the 1970s, the U.S. government imposed “voluntary” export restraints (quotas) on imports of cars from Japan, to insulate the U.S. auto industry from foreign competition.
 - Result 1: Detroit automakers had less of an incentive to improve quality, design, and overall product appeal.
 - Result 2: Detroit’s ability to compete in the global auto industry weakened.

CONSEQUENCES OF PROTECTIONISM

- Reduced supply of goods to buyers.
- Price inflation.
- Reduced variety, fewer choices available to buyers.
- Reduced industrial competitiveness.
- Various adverse unintended consequences (e.g., While the home country dithers, other countries can race ahead).

GENERAL RATIONALE FOR GOVERNMENT INTERVENTION

- Tariffs can generate substantial **government revenue**. This is a key rationale for protectionism in undeveloped economies.
- Helps ensure the **safety, security, and welfare of citizens**. e.g., Most countries have basic regulations to protect the national food supply.
- Helps the government pursue broad economic, political, and social objectives for the nation.
- Can serve the interests of the nation's firms and industries.

DEFENSIVE RATIONALE FOR GOVERNMENT INTERVENTION

- Protection of the national economy - Weak or young economies sometimes need protection from foreign competitors. e.g., India imposed barriers to shield its huge agricultural sector, which employs millions.
- Protection of an infant industry - A young industry may need protection, to give it a chance to grow and succeed. e.g., Japan long protected its car industry.
- National security - The United States prohibits exports of plutonium and similar products to North Korea.
- National culture and identity - Canada restricts foreign investment in its movie and TV industries.

OFFENSIVE RATIONALE FOR GOVERNMENT INTERVENTION

- National strategic priorities - Protection helps ensure the development of industries that bolster the nation's economy. Countries create better jobs and higher tax revenues when they support high value-adding industries, such as I T, automotive, pharmaceuticals, or financial services.
- Increase employment - Protection helps preserve domestic jobs, at least in the short term. However, protected industries become less competitive over time, especially in global markets, leading to job loss in the long run.

Intervention Type	Definition	Practical Effect on Customers, Firms, or Government
Tariff	Tax imposed on imported products.	Increases cost to the importer, exporter, and usually the buyer of the product; discourages product imports; generates government revenue
Quota	Quantitative restriction on imports of a product during a specified period of time.	Gives early importers monopoly power and the ability to charge higher prices; harms late importers; usually results in higher prices to the buyer
Local content requirements	Requirement that firms include a minimum percentage of locally sourced inputs in the production of given products or services.	Discourages imports of raw materials, parts, and supplies, which harms manufacturers' sourcing options; may result in higher costs and lower product quality for buyers
Regulations and technical standards	Safety, health, or technical regulations; labeling requirements.	May hinder the entry of imported products and reduce the quantity of available products, resulting in higher costs to importers and buyers

TYPES AND EFFECTS OF GOVERNMENT INTERVENTION

Intervention Type	Definition	Practical Effects on customers, Firms, or Government
Administrative and bureaucratic procedures	Complex procedures or requirements imposed on importers or foreign investors that hinder trade and investment.	Slows the import of products or services; hinders or delays firms' investment activities
F D I and ownership restrictions	Rules that limit the ability of foreign firms to invest in certain industries or acquire local firms.	Limits how much foreigners can invest in a country, and/or the proportion of ownership that foreigners can hold in firms in the country
Subsidy	Financing or other resources that a government grants to a firm or group of firms, to ensure their survival or success.	Increases the competitive advantage of the grantee while diminishing the competitive advantages of those that do not receive the subsidy

GOVERNMENT INTERVENTION TYPES AND EFFECTS



WTO

ENFORCEMENT OF WTO DECISIONS

- Country failing to live up to the agreement may have a complaint filed against it
- WTO panel evaluates complaint
- If found in violation, the country may be asked to eliminate the trade barrier
- If country refuses, WTO will allow complaining country to impose comparable trade barriers on the offending country
- Furthermore, the offending country is not allowed to counter-retaliate.

WTO TRADE DISPUTE SETTLEMENT

For details, see

http://www.wto.org/english/thewto_e/what_is_e/tif_e/displ_e.htm

04/02/2022

- **Step # 1: Consultation (60 days)**
- **Step # 2: Creation of panel to investigate violations of WTO rules**
 - 45 days
 - Panel makes recommendations to settle the dispute: end practice or compensation
 - Time frame: within 1 year
- **Step #3: Appellate Body**
 - Within 1 year and 3 months
- If recommendations are not implemented, then member states can request DSB for further action (usually trade sanctions)

Interesting cases:

Asian-US Shrimp and Sea Turtle Dispute

US-EU Beef Hormone Dispute

IMF QUOTAS & SDRS

- The current quota formula is a weighted average of GDP (weight of 50 percent), openness (30 percent), economic variability (15 percent), and international reserves (5 percent). For this purpose, GDP is measured as a blend of GDP based on market exchange rates (weight of 60 percent) and on PPP exchange rates (40 percent). The formula also includes a “compression factor” that reduces the dispersion in calculated quota shares across members.
- Quotas are denominated in Special Drawing Rights (SDRs), the IMF’s unit of account. The largest member of the IMF is the United States, with a current quota of SDR 42.1 billion (about \$64 billion), and the smallest member is Tuvalu, with a current quota of SDR 1.8 million (about \$2.7 million).



DOHA ROUND

- Start date: November 2001
- Current status: ongoing
- Main challenges: conflicts of interests in agricultural sphere
- Named after The Fourth Ministerial Conference in Doha, Qatar.

Top negotiations topics:

- Agriculture, Non-agricultural market access (NAMA),
- Services Rules (anti-dumping; subsidies and countervailing measures, including fisheries subsidies; and regional trade agreements.),
- Intellectual property: geographical indications and biodiversity,
- Trade and environment,
- Trade facilitation,
- Special and differential treatment, Dispute settlement, E-commerce, etc.

Did Doha round fail?

How long to settle a dispute?

These approximate periods for each stage of a dispute settlement procedure are target figures — the agreement is flexible. In addition, the countries can settle their dispute themselves at any stage. Totals are also approximate.

60 days	Consultations, mediation, etc
45 days	Panel set up and panellists appointed
6 months	Final panel report to parties
3 weeks	Final panel report to WTO members
60 days	Dispute Settlement Body adopts report (if no appeal)
Total = 1 year	(without appeal)
60-90 days	Appeals report
30 days	Dispute Settlement Body adopts appeals report
Total = 1y 3m	(with appeal)

Source: http://www.wto.org/english/thewto_e/whatis_e/tif_e/disp1_e.htm

WTO SETTLING DISPUTES

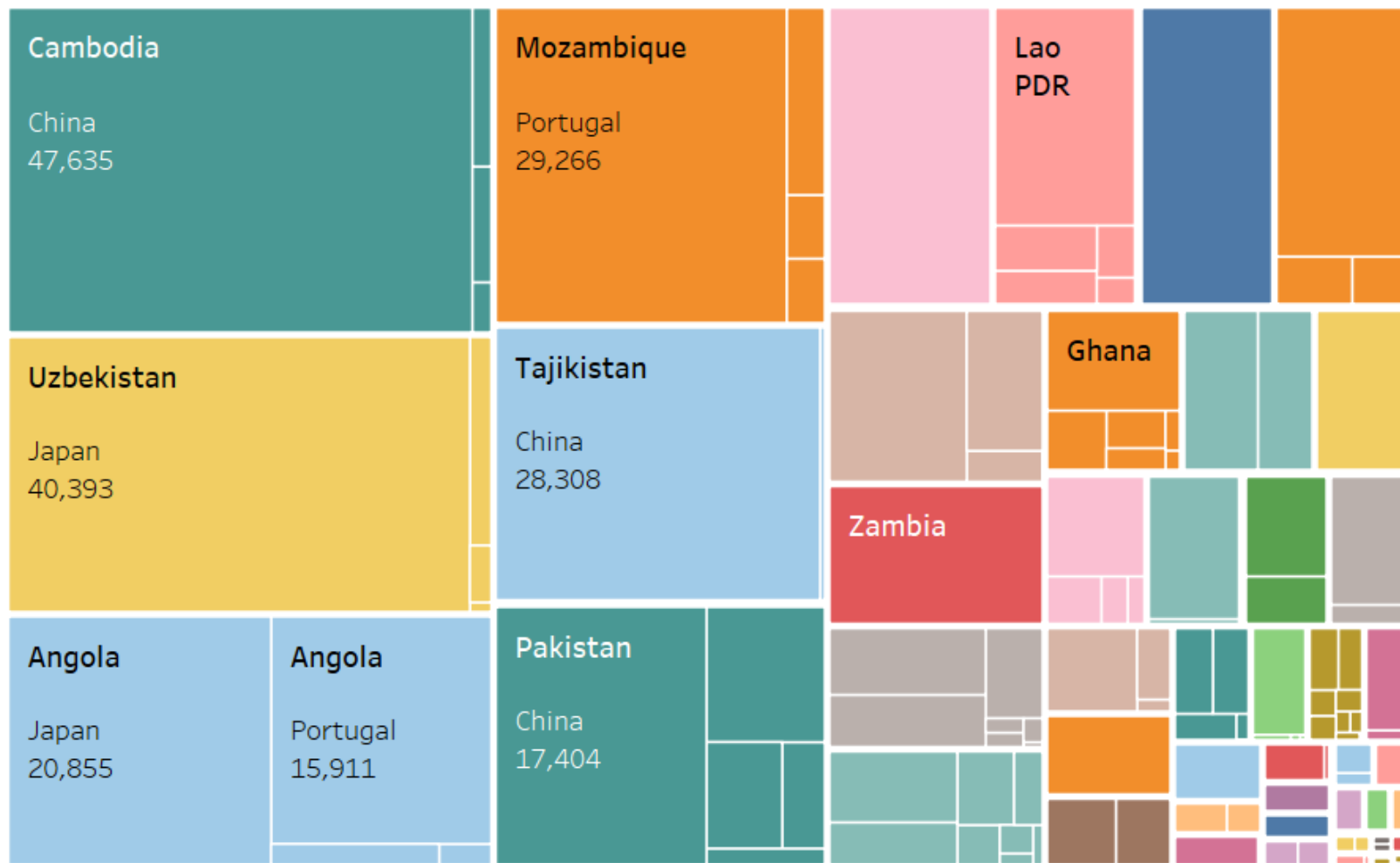


- **International Chambers of Commerce:**
 - Respect of contracts
 - Standards on the rights and obligations of contracting parties
 - E.g. International commercial terms (Inco terms)
 - International arbitration tribunals
 - Goal : maintain commercial links and ease international trade
- **International accounting standards: IASB**
- **Product and services standards: ISO (defined as an NGO)**

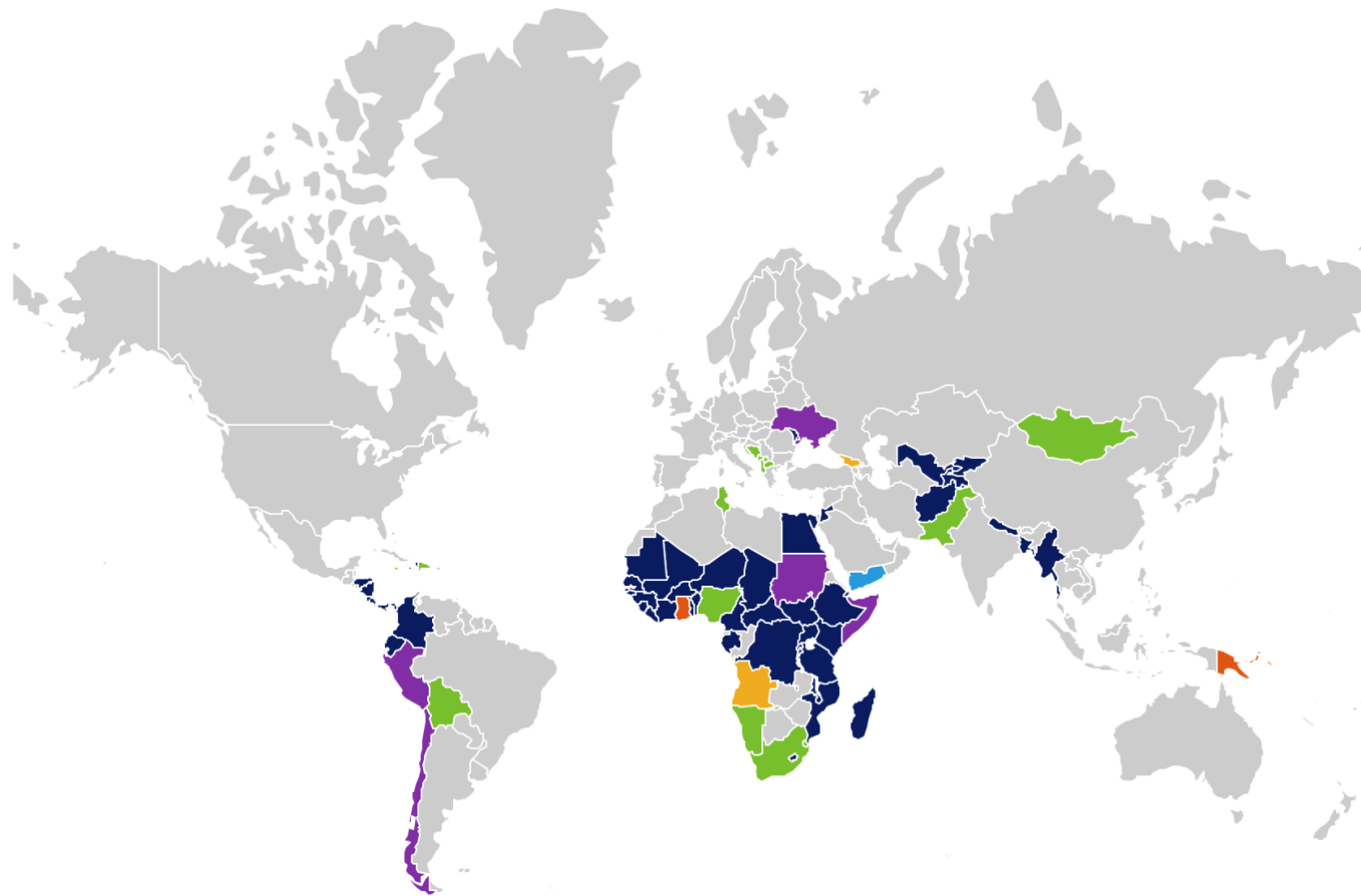
WB COVID-19 FINANCIAL ASSISTANCE AND DEBT SERVICE RELIEF

- Over 15 months, the World Bank Group will be providing up to \$160 billion in financing tailored to the health, economic and social shocks countries are facing
- Estimated \$8.7 billion savings for 44 low-income countries participating in the Debt Service Suspension Initiative

Monthly Total Debt Service to Official Bilateral Creditor Countries (US\$ Thousands)



2020年8月



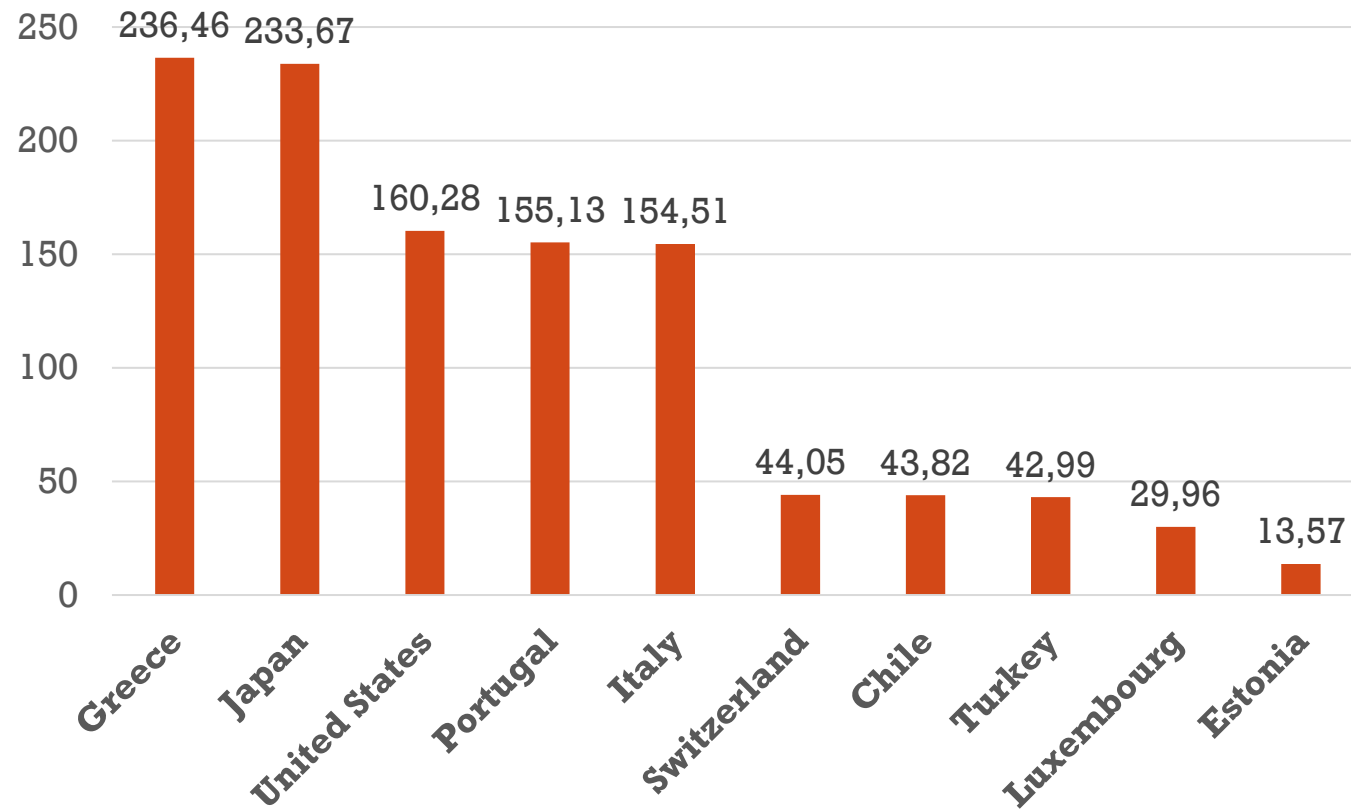
● Multiple
 ● Rapid Financing Instrument (RFI)
 ● Augmentation of existing arrangement
 ● Rapid Credit Facility (RCF)
 ● New Arrangements
 ● Extended Credit Facility (ECF)
 ● Catastrophe Containment and Relief Trust (CCRT)

IMF COVID-19 FINANCIAL ASSISTANCE AND DEBT SERVICE RELIEF

As of September 2021:

- Total Financial Assistance for 86 Countries: SDR 84,133.17 million / US\$ 116,514.26 million
- Total Debt Relief for 29 Countries: SDR 519.60 million / US\$ 726.75 million





GENERAL GOVERNMENT DEBT OF OECD COUNTRIES, % OF GDP, 2020

TOP 5 AND BOTTOM 5

Source: OECD <https://data.oecd.org/gga/general-government-debt.htm>

