INTERNATIONAL TRADE AS AN ENGINE FOR DEVELOPMENT

IMPORTANCE

The share of developing countries' exports has been increasing significantly over the last decade, from 42.8% of global merchandise exports in 2011 to 45.2% in 2020, mostly with developing economies in Asia, including China. African exports are still marginal (2.5% in 2020).

Trade facilitation — the simplification, modernisation and harmonisation of export and import processes — could save from 2% to 15% of the value of the goods traded and help to significantly improve trade flows.

Trade can have both positive and negative effects on labour rights and the environment, that are addressed globally at the WTO and bilaterally through trade agreements.

Aid for Trade helps partner countries to make the most of their trade agreements.

1 The EU offers preferential treatment to 126 developing countries, removing import duties for 2/3 of tariff lines through trade agreements with developing countries (e.g. Economic Partnership Agreements with ACP countries) or unilateral trade preferences like the EU Generalised Scheme of Preferences.

2 All EU recent trade agreements include Trade and Sustainable Development chapters on the respect of international labour and environment conventions.

3 The EU's Generalised Scheme of Preferences is widely recognised as the world's most generous regime of unilateral trade preferences for developing countries that accounted, excluding China, for 32% of total EU27 imports of goods over the decade 2011-2020.

4 The EU and its Member States have fully implemented the Bali package, simplifying rules of origin for goods imported from developing countries, in particular LDCs. In 2019, nearly half of global development cooperation towards Trade Facilitation was from the EU and its Member States.

5 The EU imports more from LDCs than the US, Canada, Japan and China put together, fuels excluded.

6 The EU and its Member States provided over 56% of global Aid for Trade (EUR 17.9 billion), with a share of 15% going to LDCs.

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