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Business-Government Consultative Mechanisms on Trade Policy

An international comparative study

Prepared for ITC by

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Overview

Introduction

A developing country's trade policymaking is crucial to building its capacity to participate in international trade and to promote development. The main benefits of an effective trade policymaking machinery are likely be more accurate identification of trade opportunities, improved capacity to negotiate market access, more meaningful implementation of domestic trade reforms, a more attractive environment for domestic and foreign investment, and lower costs for local traders and exporting businesses, leading to greater competitiveness in international markets.

Government coordination task

National decisions on trade policy involve a range of public institutions and agencies with a variety of economic, social and regulatory mandates that must work together to ensure that trade and investment exchanges contribute to development. Consultation and consensus building among ministries and agencies involved in trade policymaking and negotiations is essential to good economic governance, ensuring commitment to trade reform and full understanding of the reform's legislative, regulatory, and financial implications, as well as its effects on human resources.

Constructive dialogue on trade policy between government agencies and with the private sector and civil society is essential. Poor coordination among government agencies can adversely impact development if policies intended to expand trade and competitiveness are undermined by other economic policies, or if the pace or sequencing of adjustment related to trade and global competition reduces support for other development programs.

Private sector involvement

Trade policy and negotiations are about commerce, and business groups can provide information or insights on commercial issues that government officials do not have. And, when trade policy reforms and negotiation strategies are refined through a participatory process that engages legislatures and civil society, results are more likely to be considered legitimate and will, therefore, be more sustainable and effective.

In many developing countries, government interaction on trade policy with the private sector has been limited to occasional workshops and seminars. Some trade ministries consult only a narrow set of industrial and political interests and do not make enough information available to a broader range of interested stakeholders in a timely manner. Exchanges may be limited because many stakeholders are not fully aware of trade policy issues and do not possess capacity to analyse and respond to such issues in a timely manner. Small business and agricultural producers are often marginalized because they have few resources to participate in dialogue with government and little, if any, access to relevant information.

In some countries certain elements of the private sector have improved their dialogue with government. But in many cases, government officials are still formulating day-to-day legislation and regulations affecting trade with little knowledge of the industries concerned and without consulting the business community. This produces suboptimal results for business and curbs their interest in participating in trade policy dialogue. It also results in sub-optimal trade

policies and regulations, since experience shows that trade administrative rules or procedures that are made without reference to commercial impacts will probably fail to achieve their objectives.

The evolution of ‘best practices’

Large multilateral trade negotiations with a comprehensive agenda are a very recent phenomenon. They did not exist before the Tokyo Round of GATT in the 1970s and have become progressively more detailed since, enlarging their scope and reaching more ‘sensitive’ policy domains. Detailed ‘free trade’ agreements are a still newer and more ‘disruptive’ phenomenon, reaching their current format only with the creation of the NAFTA agreement and the extension of the EC treaties that formed the ‘single European market’ in the early 1990s.

Governments’ willingness to undertake negotiations that go beyond the level of external tariff barriers and to reach inside national borders to regulations on tradeable services, intellectual property, farm supports, industrial and safety standards and trade policy administration, transparency and ‘due process’ has developed in just the last 20 years. It has grown in conjunction with, and to some extent has been motivated by, greater private sector interests in these aspects of market regulation and greater private and public sector capacity to analyse the impacts of impediments in these policy domains.

But economies have different composition, constitutions provide for different degrees of access for private interest in public administration, and business has different interests in, and capacities for, evaluating trade-related policy measures. These, too, have evolved rapidly in the past 20 years, with the transition of many formerly centrally planned socialist economies to market economy organization, and other constitutional and fundamental economic changes taking place in Latin America and East Asia, especially, that have seen central planning and autonomous growth strategies – typified by non-consultative, tops-down, elites-led economic planning – replaced by strategies where the state plays a less dominant role, where foreign investment and trade opportunities are actively sought, and where business organizations and civil society organizations, including unions, play a stronger role in a public dialogue on economic policy.

From the viewpoint of each individual economy, too, external market pressures, described generically as ‘globalization’, have raised the stakes in external economic policy and have demanded a transformation in the way that governments make trade policy. External market flows, including goods, services and investment, as well as migration flows and, especially, information flows are now moderated by private interests everywhere in ways that makes it impossible for governments to both foster economic growth and maintain a strong, centralized, tops-down economic policy. It has become essential to engage private interests in the formation of trade and related policies and to rely on private market information to evaluate the impacts of policies on growth and distributive factors.

Considering the rapid evolution of constitutions, economic strategies, markets and business itself in response to the globalization of markets, it is not surprising that public-private consultations and coordination in trade policy is an evolving art for which there is no single standard of ‘best practice’. Considering the diversity of experience in different economies over that time it would be naïve to expect a single ‘best practice’ standard.

But this period of rapid change and the diversity of experience does not prevent us making some generalizations about effective practices in particular economies and pointing to some that may be relevant for Pakistan. It is important to remember, however, that because

experience is short and the samples we consider so varied, each of these observations, which may contribute to ‘best practice’, is a sort of hypothesis rather than a rule.

The trade policy ‘cycle’

From: OECD Development Assistance Committee, *Strengthening Trade Capacity for Development*. OECD, 2001

“... Every country, regardless of the course it chooses, must master the same **four-staged policy cycle**:

- Formulation of trade policy and strategy;
- Preparation and execution of negotiating strategies;
- Implementation of agreements; and
- Monitoring and evaluation of policies and agreements.

The formulation of trade policy must be broadly inclusive, involving significant contributions from the enterprise sector and civil society. It is also heavily analytical.

Governments must have a sophisticated understanding of the principal regional and multilateral agreements to which they are parties and of the international commercial developments that affect their economies. They must have the data collection and analysis capacities to understand the strengths and weaknesses of their economies as a whole, and the particular challenges facing individual sectors.

Enterprises must have an understanding of their own competitiveness problems and a sense of the opportunities available to them in international markets.

Civil society groups need a capacity to monitor the economic and social impact of trade-related policies and developments. The preparation of negotiating positions and strategy also needs to be broadly inclusive.”

1. Both ‘tops-down’ and ‘bottoms-up’ systems have strengths and weaknesses

A ‘tops-down’ system (Brazil, India, Philippines agriculture in our case study) is one where decision-making is held rather tightly at the top levels of the government and consultations are limited, essentially, to a small number of elite representatives of peak national organizations; Parliaments play a limited role. This system may reduce the opportunity for ‘rent-seeking’ by private interests by offering limited private sector access – although the reduced transparency of the process makes it difficult to audit the activities of participants – and it may be more efficient because it reduces the opportunity for disruptive debates about policy directions. It may result in a more coherent strategy although the lack of diversity of information and views may mean that the strategies are less flexible and responsive to changing commercial needs and market conditions.

A ‘bottoms-up’ system (USA, Canada, Mexico to some extent) provides a broad platform of public debates and formal consultative mechanisms. Given the openness to private participation, there seems to be a lot of room for private influence although the opportunity for ‘rent-seeking’ is reduced by the breadth of the representation on advisory groups (contrary interests may be equally represented) and by the transparency of the process. The diversity of representation is likely to ensure a high volume information flow (perhaps ‘too high’) but it may also reduce the efficiency of the consultation process and make it difficult to construct ‘by committee’ a coherent strategy, so a final top-level decision maker is needed in any case.

A ‘hybrid’ system (see diagram below) that allows for both broad consultative and information-dissemination groups that work in conjunction with the trade or economics ministry as well as for a high-level consultative and decision-support group at cabinet level may capture some of the strengths of both the ‘tops-down’ and ‘bottoms-up’ consultative structures.

2. Broad representation

The process of consultation is not a decision-making process; it is an information flow in both directions and a means of generating consensus on public policy. Broad representation is an effective means of achieving that consensus. Whether the consultation process takes place at the level of ‘elites’ or in a broad structure of consultative groups, representation should be as wide as possible, including all levels of government (India) and encouraging participation from some civil society groups (trades unions, academic analysts) that are likely to seek a voice either inside or outside the consultation process.

3. Transparency of participation

There should be a public register of individuals and organizations that participate in trade policy consultation. This helps with transparency and may reduce rent seeking, but it also helps to improve the representative character of the consultations by encouraging the public to use these representatives as a ‘conduit’ to the consultations.

In addition to the register, there should be a process of ‘registration’ for individuals or groups wishing to participate at some level in the consultations in future.

4. Timely information and agenda setting

There are practical requirements crucial to the success of a national trade policy consultative process (Canada). Meeting dates, agendas and information documents should be available to participants well in advance. Groups should produce short reports on every meeting and distribute them as soon as possible.

5. Policy consultation and parliaments

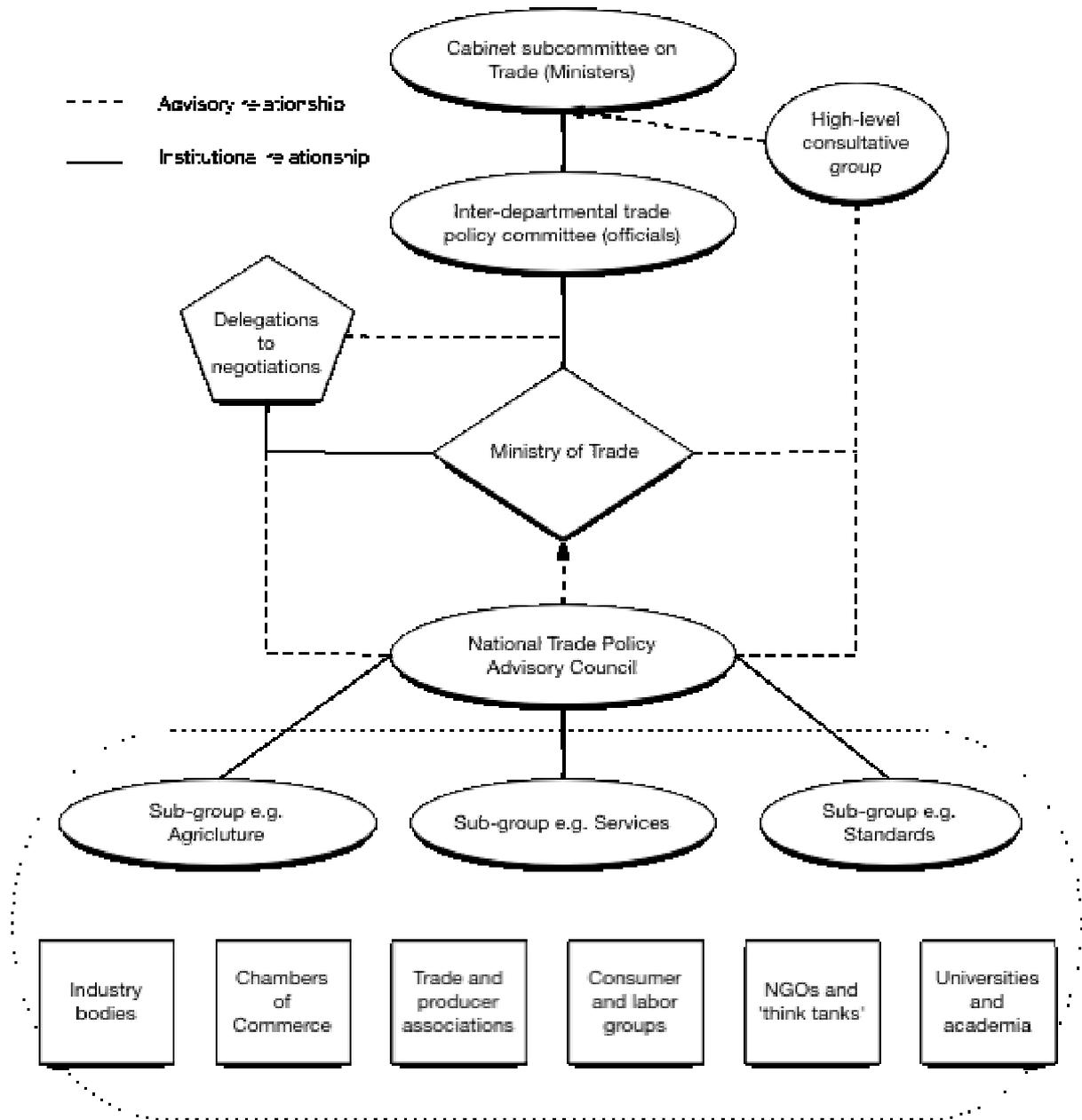
The role of parliaments in policy consultations varies according to existing consultation arrangements. Parliaments frequently have a trade-policy oversight role – especially where legislation is concerned – but are generally not an integral part of the process of consultation between the executive and private sector groups (business, civil society) on trade negotiations or trade strategies.

6. The role of ‘peak’ organizations and alternatives

The reliance on ‘peak’ organizations in different sectors to ensure depth of representation has proved very effective in some of the case studies in this paper (Mexico, Brazil, India, Philippines) although, inevitably, it exposes the consultative process to some of the industry politics that become entrenched in any national business or civil society organization.

Other cases (USA) show the use of a mixture of individuals from leading firms or with special expertise and ‘peak’ national organizations. Or, sometimes, consultations that appear to rely heavily on consultations with individuals and firms using ‘broadcast’ invitations to consultation and dialogue mechanisms such as internet-based communications (Canada).

Schematic representation of a consultation mechanism



Experience in selected developing and developed countries

The following sections of this paper include summaries of trade policy consultation mechanisms in developed and developing countries. Rather than reproduce the structures of trade policy responsibilities in different economies (these can generally be found in the WTO Secretariat reports compiled for the Trade Policy Review Mechanism), this paper attempts to focus on aspects of the consultations that are likely to be most relevant to Pakistan.

The eight cases presented here represent a wide range of approaches to a policy consultation process that has no single ‘best practice’ model. Public-private dialogue on trade policy grows – as we see from these cases – out of national circumstances, existing constitutional, social and industrial structures as well as economic history, including the history of trade negotiations.

1. **Brazil:** overview and report on the impact of the FTAA in structuring consultation mechanisms on regional and multilateral trade agreements.
2. **Canada:** An early leader in formal consultation on trade policy, the Canadian system of sectoral groups has been criticised by a leading business association for ‘lack of focus’. Canada now consults mainly through informal meeting and internet-mediated exchanges.
3. **China:** overview with particular reference to the innovative products of the Shanghai WTO Consultation Center.
4. **India:** a history of the recent expansion and formalization of the Indian consultation mechanisms that take account of the role of the Indian State governments as well as the private sector and civil society.
5. **Malaysia:** An example of a relatively open economy where trade policy has less prominence than cooperation on commercial opportunities.
6. **Mexico:** How NAFTA fostered the creation of a unique organization that managed to represent most commercial sectors in a long and complex series of negotiations.
7. **Philippines:** The history, strengths and weaknesses of the Philippines Task Force on the WTO agriculture negotiations.
8. **United States:** The most extensive formal structure in this collection. Indicative of a process that needs to take account of the world’s largest and most diverse national collection of commercial and civil society groups.

Case studies

Brazil – trade policy consultation mechanisms

Background

The historical focus of trade and industrial policy in Brazil up to the late 1980s – when a rather rigid, import-replacement policy of autonomous industrialization was overturned – was the *Carteira de Comércio Exterior do Banco do Brasil* (CACEX). CACEX administered both trade and industry policies in a non-consultative, authoritarian manner and limited contact with the private sector and little concession to the transparency of policy-making.

CACEX was abolished by the Cardoso government in 1995 as part of a series of radical reforms to the management of the Brazilian economy that resulted in unilateral reduction of tariff and non-tariff measures and the liberalization of fiscal and exchange controls. The administration of trade and industrial policies and customs was broken out among a number of Ministries including External Relations and Trade and Industry and a *Câmara de Comércio Exterior* (Board of Foreign Trade – CAMEX) was created to coordinate overall administration. What did not change much was the degree of private sector input and consultation.

The most striking achievement of the Cardoso government was the *Plano Real* (1994) that focused trade policy efforts on the creation of a full-fledged customs union among the economies participating in Mercosur. Under the guidance of the Ministry of Finance, a schedule was adopted for the implementation of a Common External Tariff (CET) for the Mercosur region that would require further liberalization of the Brazilian market. Cuts in border measures, however, made a smaller contribution to the liberalization of the Brazilian economy in the late 1990s than the waves of privatization that dramatically opened the strongly regulated and unproductive state-owned and state-trading sectors.

It was the United States proposal for a ‘NAFTA-style’ hemispheric free trade agreement, including not only provisions on merchandise trade and services but also investment and intellectual property, that led to the most recent restructuring of the processes of Brazilian trade policy making. Support for, and opposition to, the Free Trade Area of the Americas (FTAA) has helped to define the policies of the Lula da Silva government on a range of regional and multilateral trade issues and has resulted in a much deeper and broader private-sector/civil-society involvement in debates and decisions on Brazil’s involvement in the trading system.

President Lula chose to re-centralize much of the initiative for trade policy in the Ministry of External Relations, creating policies that both supporters and critics describe as ‘foreign-policy driven’. The level of Brazilian foreign policy activity on trade has been intense in the FTAA, in the Mercosur-EU negotiations, the WTO Doha Round and in the creation of the “India, Brazil, South Africa” (IBSA) initiative. But some Brazilian commentators have questioned whether the economic policies underlying this activity does not represent a return to the thinking of the 1980s; to the creation of agreements designed to protect the ‘policy space’ necessary for autonomous industry policy.

Formal consultative mechanisms

The launching of the FTAA negotiations in 1994 at the ‘Summit of the Americas’ in Miami can be taken in Brazil (as in other Latin and Central American economies) as the beginning of a new era in government-private sector consultation on trade. The reasons, in Brazil as elsewhere, for this change were partly historical and specific to Brazil but also due to the breadth of the proposed agreement, its commercial significance for each of the economies concerned and, in many of them, the debates that it provoked about foreign policy issues.

- The breadth of the issues (merchandise trade in all sectors, services, IP etc) demanded broader and more detailed public consultations than had been required to negotiate ‘traditional’ issues of the administration of border regulations
- The number of government ministries directly involved in the administration related to a “trade agreement” increased
- Many civil society groups with economic, social or political focus demanded to be part of the consultations
- New formal structures and processes were needed to accommodate an expanded government-private sector dialogue. The Brazilian Ministry of External Relations created the Secretaria Nacional da ALCA – SENALCA (National FTAA Secretariat) which brought together representatives from other ministries and agencies and “guests” from civil society groups who had no decision-making role in the Secretariat
- In addition to SENALCA, the Brazilian government launched a number of sector-based and ‘thematic’ public consultations that were an innovation in Brazilian trade policy.

Following the lead established in the case of the FTAA, broadly-based coordinating Secretariats have been created for the Mercosur-European Union negotiations – SENEUROPA, and for WTO-related matters – *the Grupo Interministerial de Trabalho sobre Comércio Internacional de Mercadorias e Serviços* (GICI). For Mercosur negotiations, the formal consultative process is undertaken by the *Fóro Consultivo Econômico e Social* (Economic and Social Consultative Forum).

Participation

In the FTAA (SENALCA) and Mercosur-EU (SENEUROPA) consultations there are four main groups of participants:

1. The government

Before the launch of the FTAA negotiations in the mid-1990s, many government agencies did not take part in the inter-Ministerial discussions in part because their apparently ‘domestic’ administrative focus did not warrant their inclusion. This has now changed, in part because the FTAA had such a broad agenda and in part because the Lula government put much more emphasis on the role of ‘social’ Ministries in Brazilian government than had been the case under e.g. the Cardoso regime.

2. Business

The 'traditional' representative of Brazilian business interest in a range of dialogues with government was the CNI, the National Industry Confederation. But the FTAA negotiations facilitated the creation of a new and more broadly based organization, the *Coalizão Empresarial Brasileira* (Brazilian Business Coalition, CEB), which for the first time brought together agricultural, industrial and services sectors. The CEB maintains regular contact with officials on matters relating to trade negotiations. According to Brazilian analysts¹, CEB produces position papers and documents on virtually all negotiating issues and informs its members *via its website* and/or meetings, although the CEB seems mainly to operate through the CNI and the CNI website. The [Action Plan](#) for World Trade Net in Brazil, published in June 2002 states

The Brazilian Business Coalition, acting through the Confederation of National Industries (CNI) supports an extensive country network of key players concerned by WTO and other trade policy issues. It is suggested to integrate that network more extensively with the World Tr@de Net through initiatives which include (i) incorporation of certain ITC World Tr@de Net materials (Newsletters, studies, training materials etc.) into the CNI website (both translation and original versions) with the objective of making them available to members of the internal Brazilian network; (ii) introduction of different linkages between the two sites concerned and (iii) facilitation of networking between members of the Brazilian network members and other members of the World Tr@de Net.

The representation of agricultural interests presents a particular challenge since this is an issue where Brazil has taken a number of high-profile initiatives in the multilateral and regional contexts and where there is strong private-sector representation through the the *Confederação da Agricultura e Pecuária do Brasil* (CNA). But Brazilian agriculture comprises at least two very different groups: the large-scale, modern extensive livestock and cropping sector and the smallholder, peasant communities that take a very different view of the impact of economic liberalization and for whom information on and access to trade negotiations is difficult to come by unless through the conduit of NGOs (e.g. REBRIP members) that may add their own 'filters'. The tension between these two broad agricultural interests remains challenging for Brazilian trade policy.

3. Trade unions

The *Central Única dos Trabalhadores* (CUT) role in FTAA (opposition) and Mercosur-EU (support) negotiations has been the first evidence in Brazil of trade union interest in regional and multilateral negotiations. Its objective in the FTAA – and to a degree in the Doha Round – has been the insertion of a 'social clause' into the agreements: that is, specific obligations on labor standards, including prohibitions against child labor and prison labor, against discrimination, and against violations of the right of workers to organize unions and bargain.

4. NGOs

As in the case of business and trades unions, most Brazilian NGOs took little account of trade negotiations before the launch of the FTAA. The Belo Horizonte FTAA Ministerial meeting in 1996 was brought together the NGO community on trade matters; mostly in opposition to trade liberalization and to the extension of negotiations to IP rights and socially important services.

1 Marconini, M. Trade Policy-Making Process in Brazil. A paper for the Inter-American Development Bank (IADB) Inter-American Dialogue. Mimeo, London School of Economics.

Following the Seattle WTO Ministerial, Brazilian NGOs formed the *Rede Brasileira pela Integração dos Povos* (Brazilian Network for the Integration of the Peoples - REBRIP) and the *Rede OMC* (WTO Network) – now merged with the REBRIP.

Agenda

The initiative for holding meetings of the GICI or the SENALCA or SENEUROPA (both now in ‘suspension’ as are the negotiations themselves) and the decisions on invitations to particular consultations lies with the Ministry of External Relations which establishes the focus and schedule of any meetings according to its own needs in addressing aspects of the negotiations.

The strategic directions of trade policy are also determined by the objectives of the Ministry, which as noted above has been criticised internally for making trade policy subservient to foreign policy objectives. Some stakeholders complain that the government is formulating positions without consultation that they are subsequently asked to support; some claim that the process is transparent only for those that are closely involved in the consultation process and that there are significant ‘threshold’ barriers for new participants.

There are, however, some recent cases of notably strong business-government collaboration. Private sector groups, including for example the *Confederação da Agricultura e Pecuária do Brasil* (CNA), were closely involved in informal discussions with the Ministry of Agriculture and the Ministry of External Relations on the initiative that became the formation of the G-20² and took the initiative to lobby partner organizations in other regional economies on behalf of the proposals being put forward by the Brazilian negotiators in that context.³

Structure

Because the private sector groups that may be involve in the Secretariats of GICI (or SENALCA or SENEUROPA) are formally ‘guests’ of various departments of the Ministry of External Relations, the formal meetings can be very large (up to 100 private sector representatives) and have been criticised for being too general in scope. The unwieldy nature of such large formal meetings has resulted in many of the decisions being taken at smaller, inter-Ministerial meetings structured around issues in the negotiations in which there may be no private sector representation or only selective representation from different private sector groups. The larger Secretariat meetings are assigned a *legitimising* role for decisions already taken rather than a decision-making role although they offer participants an opportunity to ask questions and to clarify the specifics of policy decisions.

Evaluation

Brazil’s consultation mechanisms grew out of a period of ‘top down’ liberalization of the economy driven by policy elites that continue to closely manage much of the processes of consultation with the private sector. Nevertheless, regional trade liberalization negotiations awoke the interest of the private sector, including civil society organizations, and have deepened the demand for effective consultation on multilateral trade affairs. There seems to be no single national focal point for consultations on trade matters, although the Ministry of External Relations plays the most significant role in current WTO negotiations. The national

2 Da Motta Viegas, P. Brazil and the setting of the G-20. *Managing the Challenges of WTO Participation*. Cambridge University Press (forthcoming).

3 See *Brazzil Magazine*, September 2003, available at <http://www.brazzil.com/content/view/981/27>.

industry bodies, organized on a sectoral basis (CNI, CNA), play an important role in the dissemination of information to the private sector and appear to play a strong role in current trade policy formation through both formal and informal mechanisms.

Canada – trade policy consultation mechanisms

Background

Before 1985 there was no permanent mechanism for consultation on trade policy in Canada. The decision to negotiate a Free Trade Agreement with the United States (CUSFTA – later merged with NAFTA), and the intense level of public pressure that surrounded the failed negotiation of a multilateral investment agreement (MAI) in the OECD from 1991, led to the creation of more permanent, more transparent consultative mechanisms.

Formal consultative mechanisms

International Trade Canada (ITCan), the Canadian trade ministry, manages a range of permanent and ad-hoc consultative mechanisms to ensure that the views, priorities and interests of Canadians at large, other levels of government, industry, non-government organizations and public interest groups are taken into account in the development of Canada's trade agenda.

1. The Standing Committee on Foreign Affairs and International Trade (SCFAIT)

A committee of the Parliament of Canada to which the Government refers matters for public inquiry. The Committee makes recommendations to the Parliament.

2. Federal-Provincial-Territorial Consultations on Trade

The Canadian Federal government maintains a close relationship with provinces and territories in the area of international trade policy by means of a variety of different mechanisms:

- Senior government officials meet on a quarterly basis, at the Federal/Provincial/Territorial Committee on Trade (C-Trade) meetings, to review overall and emerging trade policy issues, and to consult on the formulation of Canada's negotiating position and strategy.
- Ministers and Deputy Ministers responsible for trade meet roughly once a year to discuss trade policy directions, priorities and strategies.
- In addition, the Department of International Trade maintains intranet networks to
 - Provide access to several restricted websites;
 - Hold numerous conference calls with the provinces;
 - Facilitate the sharing of documents and up-to-date information.

3. Advisory groups and roundtables

Roundtables are held by the Department to enhance its policy capacity by engaging with various groups such as business, academics and non-government organizations to address selected issues regarding trends, opportunities and policy options. The Roundtables are ad-hoc and are not scheduled.

The **SME Advisory Board** is appointed by the Minister. The purpose of the Board is to facilitate the exchange of information and to consult SMEs on international business development issues. This Advisory Board is concerned with trade promotion even more than trade policy. It meets up to several times each year as convened by ITCan.

Expert Groups are established on an as-needed basis when technical advice is required by the Government to address particular commerce issues. Groups are established with a specific mandate and time frame to provide expert advice to officials.

Sectoral Advisory Groups on International Trade (SAGITs) were established in 1986 to provide advice to the Minister of International Trade on federal government trade policy. There are currently 12 SAGITs representing various industry sectors. Although the SAGITs are the principal formal conduit for business inputs into trade policy formation, their use has come under increasing criticism in Canada by stakeholders who consider that the Government is using the SAGITs only to validate policy and not as a means of exchange on policy direction where members disagree with the Government, e.g. on the negotiation of regional agreements.

Multi stakeholder Consultations are large one-day consultation meetings that include business, academic and a variety of civil society groups. They have been held on an occasional basis since the end of the Uruguay Round to hear from groups on broad negotiating agendas for e.g. the Free Trade Area of the Americas (FTAA). The Minister for Trade usually attends at least part of the meeting.

4. Ad-hoc web-based calls for submissions and distribution of information

For example, the departments of Foreign Affairs and ITCan publish an annual report on Canada's trade priorities (Canada's Market Access Priorities Report – CIMAP) that is the product of an extensive set of sectoral (through SAGIT) and web-based consultation on Canada's market access priorities. The ITCan website contains questionnaires, background documents and calls for submissions on specific concerns on both merchandise and services market access.

Evaluation

The large variety of means for consultation in Canada and the continuous calls for submissions through the website of ITCan have drawn some criticism from industry groups such as the Canadian Chamber of Commerce that considers the process has lost focus:

The consultation process has been most extensive for the WTO and FTAA negotiations. It has been considerably less inclusive for regional negotiations (e.g. Singapore, Central America) and on investment issues (e.g. Foreign Protection Investment Agreements). For a number of years, the government has maintained a system of Sectoral Advisory Groups on International Trade (SAGITs), but the usefulness of this mechanism is questionable. Moreover, there is no overarching group like an International Trade Advisory Committee (ITAC) that once existed. In the view of many business representatives, the SAGIT process, a key vehicle for business consultation, is in disarray. Certain sectors, such as the ICT SAGIT, have not held regular meetings for two years. Other SAGITs meet sporadically and the results are variable. When they do, the quality and effectiveness of the input and advice they can provide is limited. It is essential that either the SAGIT process be revitalized with renewed membership that fully represents the range of business interests and views or be scrapped and replaced by a new mechanism

developed in full consultation with business so that timely, effective and strategic advice can be provided, both ways. (Canadian Chamber of Commerce, 2004, available at <http://www.chamber.ca/cmslib/general/IA043.pdf>).

China – trade policy consultation mechanisms

Background

China has a very centralized trade policy formation process that has probably been an important factor in the rapid implementation of radical trade and related policy reforms including those undertaken after the accession of China to the WTO. But in some of the most economically advanced coastal provinces, provincial government ‘WTO Consultation Centers’ are playing an increasingly important role in fostering business/government dialogue and collaboration on trade and participation in trade agreements that is not seen in Beijing.

Nominally, the National People’s Congress (NPC) debates and adopts all laws and policies. International treaties and agreements have to be ratified by its Standing Committee. Executive authority resides with the main executive body, the State Council, which issues executive decrees. The Central Committee of the Communist Party, and particularly its Politburo, oversees and broadly directs both the NPC and the State Council.

The lead ministry on trade policy is the Ministry of Foreign Commerce (MOFCOM), which, despite its name, is responsible for both foreign and internal trade. MOFCOM reports directly to the State Council. Its core trade policy divisions are the WTO Department and the Department of International Organisations (which conducts FTA negotiations).

Other central government ministries and agencies also contribute to trade policy. These are the sectoral economic ministries and regulatory bodies including various industry based ‘Academies’ (Engineering, Science) and Administrations (Forestry, Food and Drugs, Tourism, Civil Aviation, Radio and Film, Intellectual Property), and other economy-wide agencies such as the State Planning Commission. MOFCOM coordinates inter-agency dealings on trade policy issues. Inevitably, this can be complicated, with multiple bodies sharing responsibility on non-border issues.

The strong centralization of trade policy-making in as large and diverse economy as China’s appears to be possible only because of the limited development of representative democratic government – in contrast to, say, similarly large and diverse economies in India and Brazil. The State Council sets the mandate for WTO and other trade negotiations. Provincial and other sub-national government agencies do not participate in trade policy-making and international trade negotiations although some provincial governments have established ‘foreign commerce’ agencies with trade promotion functions. This decision-making structure has changed little from that used during the WTO accession negotiations: the State Council and MOFTEC drove negotiations from the Chinese side; other government agencies played a distinctly secondary role.

Although there is no formal business input into WTO policy formation except through the responsible Ministries and agencies, there is strong evidence of business-government collaboration at the provincial level where two of the most trade-exposed provinces (Shanghai and Guangdong) have formed ‘WTO Consultation Centers’ that act to disseminate information on WTO to local business, to train business, officials and academic analysts, and to provide business services related to WTO membership – such as an ‘early warning system’ on potential foreign anti-dumping actions (see below). Both consultation centers also provide trade and investment promotion services, and hold annual trade ‘forums’ in which a range of distinguished foreign and local commentators as well business and official participants exchange information and opinions on topics related to the trading system.

Shanghai WTO Consultation Center

The Shanghai Center was set up in 2001 on the initiative of the Development Research Center of the Shanghai Government, the Shanghai Planning Commission, the Shanghai Economic Commission and the Shanghai Foreign Relations and Trade Commission. Its initial brief was to act as a ‘think tank’ on the impact of WTO membership on Shanghai. The Center operates as a self-funded, not-for-profit joint activity of the Provincial government and several provincial academic institutions.

The chief officers of the key divisions of the Center – all of whom work on a contract basis for the Center – came from Fudan University, the East China Institute of Politics and Law and the Shanghai Institute of Foreign Trade. The six divisions in the Center are: the Consulting Services Division; the Information Services Division; the Training Services Division; the Monitoring and Early-Warning of Trade Remedy Measures Division; the Research Services Division; and the Post Doctoral Program Division.

The Center also supports a high-level advisory committee that acts as a point of reference and ‘quality control’ for Center. The foreign members of the reference group include the former Director General of WTO (Dr Supachai) and the former Secretary-General of UNCTAD (Rubens Ricupero), former Deputy Directors General of the WTO, and some renowned WTO experts and scholars from China, the USA, Japan, etc.

The Chinese members of the reference group are, in some ways, even more indicative of the role of the Consultation Center, since they include several senior officials of the central agencies with responsibility for trade policy: a Member, Standing Committee, the National People’s Congress, a Deputy President of the Supreme People’s Court of the PRC, a Director General and Deputy Director General of Departments of the State Council of the PRC, two Directors General of the MOFCOM Departments, an UNCTAD divisional Director, etc.

The peak decision-making body of the Center is the Board of Trustees, which comprises representatives from Shanghai’s various commerce-related Provincial Government departments and a range of key provincial industry associations. These include the Shanghai Federation of Industrial Associations, the Shanghai Commercial Association, the Shanghai Association of Foreign Economic & Trade Enterprises, the Shanghai Bar Association, Shanghai Price Assessment Association, and the Shanghai Banking Association.

The Shanghai ‘early warning’ system on anti-dumping actions

The early-warning system was developed jointly by the Center, Shanghai Municipal Foreign Trade and Economic Commission and Shanghai Information Center. It takes account of the anti-dumping laws and practices of China’s major trading partners, especially the US, in order to help companies, industry associations and government departments quickly adjust export pricing to international markets with a view to minimizing the number of ‘trade remedy’ actions aimed at imports from China.

In its first stage, the system covers 189 varieties of export goods in 18 categories (mainly textile, home appliance, steel and furniture) accounting for some 60 per cent of China's annual exports to the United States. Registered companies receive information on the quantity, future prices and dumping margins of Chinese products exported to the United States. Companies can also obtain monitoring reports on US trade remedy measures, and receive training services to help them respond to anti-dumping investigations or charges. They can register as members and access the information by logging on to two websites (www.sccwto.net and www.shcei.gov.cn).

Evaluation

Apart from the constitutional national consultation mechanisms on all policy matters – the ‘parliamentary’ debates of the NPC – there is no formal mechanism for trade policy consultation with the private sector or civil society organizations at the level of the Chinese central government. There is evidence, however, of highly developed informal consultation mechanisms at the provincial level in some provinces, particularly those in the ‘trade-exposed’ Eastern seaboard regions.

This informal consultation and exchange, particularly in the provinces of Shanghai and Guangdong, involves provincial and central government officials as well as academic institutions and provincial business and industry associations. The consultations at this level seem to have a ‘bottoms up’ character with broad participation by local and provincial business, academic and civil society organizations. The consultations seem also to be open to exchanges with foreign analysts, trading partners and firms.

The provincial consultation mechanisms seem to have an opportunity to influence central government trade policy making by including senior Central government officials on their governing Boards.

A striking aspect of the Chinese provincial consultation mechanisms is their practical orientation: delivering trade-related services to members as well as providing information and an opportunity for dialogue with officials.

India – trade policy consultation mechanisms

Background

After independence in 1947 and until the beginning of the 1990s, India's trade policy was heavily influenced by the "Swadeshi" (self sufficiency) mentality and the "licence raj" system of restrictions on production and imports.

A first generation of reforms (1991-1996) – aimed at, among other things, liberalising trade – led to a reduction of import tariffs, elimination of quantitative restrictions, exchange rate reforms and deregulation of industry resulting in yearly growth rates of around 7% (compared with 3% before the reforms).⁴

Central Government

The main responsibilities at the federal level in India are: the Ministry of Commerce and Industry (MOCI); the Ministry of Agriculture (MOA); the Ministry of Finance and the Ministry of External Affairs (MEA).

The MOCI is mandated with the primary responsibility for all WTO related issues. The Government of India orders regarding the allocation of business state that it is the MOCI that would handle all issues related to "International trade and commercial policy, including tariff and non-tariff barriers". Within the MOCI, the Trade Policy Division (TPD) is responsible for the work relating to WTO. It is headed by a Special Secretary, who is assisted by two senior Joint Secretaries and a team of nearly 20 middle management level officers.

The MOA is the key Ministry for all issues relating to agriculture, including the work relating to the Food and Agriculture Organization of the United Nations (FAO) although, in practice, the responsibility for WTO negotiations is shared between the two Ministries.

State Governments

The State Governments of India are allocated responsibilities under the constitution for many aspects of economic administration, including for example, agriculture. During the Uruguay Round the State governments were left 'out of the loop' by the central government agencies. They objected, sometimes strongly, to the provisions of the Agreements when they were presented to them after the Marakesh Ministerial meeting and several filed suit in India's Supreme Court in an attempt to invalidate the proposed implementation of the Agreement on Agriculture on the grounds that the Government of India had no power to make agreements on a matter reserved to the States.

In an attempt to remedy this lack of coordination, the MOCI created an Inter-State Trade Council in June, 2005:

“... in order to ensure a continuous dialogue with State Governments and Union Territories. The Inter-State Trade Council would inter-alia advise the Government on measures for providing an international trade enabling environment in the States and to create a framework for making States partners in India's international trade and export effort to achieve the objective of boosting India's exports” (see Annex).

4 Narayan, S. Trade Policy Making in India. London School of Economics (mimeo). May 2005.

Under the Chairmanship of the Minister of Commerce and Industry, the State Council will be a purely advisory body but at a high level of government, with a mandate (among other things): “To identify issues relating to State Governments in regard to WTO capacity building, infrastructure development and creating an overall supportive policy and fiscal environment for international trade.”

The full membership and terms of reference are included in the Annex.

Industry

Until 2005 most of the extensive, but informal, consultation on Indian trade policy at the Federal level involved one of the two main industry associations: The Confederation of Indian Industry (CII) and the Federation of Indian Chambers of Commerce & Industry (FICCI).

The CII has been playing an increasingly active role in putting industry views and concerns to the Government. Reportedly, its membership extends to over 4800 companies from the private as well as public sectors. According to its Director General, the CII, "provides a platform for sectoral consensus building and networking"⁵ based on consultation among its own members and subsequent contact with government. The FICCI, according to its Project Leader (WTO), has been at the forefront of "analyzing the impact of events through a multi-disciplinary approach involving representatives of business, academia, policy makers and foreign experts, and evolving problem solving responses".⁶

In spite of having broadly similar organizational objectives, the two associations do not necessarily coordinate their approach or advocacy efforts on trade and in some ways view each other as competitors for broadly the same business constituency. Although both FCCI and CII claimed to represent all sectors of merchandise production there has always been some doubt about the degree to which they represented the interests of the farming (as opposed to agribusiness) industries⁷.

Neither of these organizations was consulted during the Uruguay Round negotiations, but by the end of the 1990s both the pressure of Parliamentary concern about trade agreements and the impact of the progressive liberalization of India's commercial regulations (especially internal commerce) brought about dramatic changes. These associations are now not only consulted regularly, but also provide critical inputs to Government on trade issues. According to FCCI, "the turning point of this relationship was the Seattle Ministerial Conference, where for the first time representatives from industry were formally a part of the Indian delegation"⁸.

In April 2005 the Ministry of Commerce issued a decision to ‘reconstitute’ the Board of Trade with a broad mandate and representation from a wide range of peak business and industry groups (including the FCCI and the CII). The terms of reference and group membership are attached in the appendix.

Academic institutions and “Think tanks”

5 Shishir Priyadarshi. The decision making processes in India in the context of the agriculture negotiations, in *Managing the Challenges of WTO Participation*. Cambridge University Press (forthcoming).

6 *ibid.*

7 *ibid.*

8 *ibid.*

Like the business groups, academic institutions and think tanks had no consultative role in the Uruguay Round but have since become more closely involved to the extent that they have the resources to devote to meaningful analysis. The most prominent include the National Council for Applied Economic Research (NCAER), the Indian Institute of Foreign Trade (IIFT), the Indian Council for Research on International Economic Relations (ICRIER) and the RIS.

Parliament

The Parliament of India occasionally plays a prominent role in the examination of aspects of trade policy, as in the 1998 Commerce Committee reports on the Uruguay Round agreements. The Commerce Committee is organized in the Raja Sabha (the 'States' house of the Parliament) as a Committee reporting to the Ministry of Commerce. A review of its activities (<http://rajyasabha.nic.in/book2/reports/commerce/comreplist.html>) suggests that the majority of its reports concern support and promotion activities organized on a sectoral basis rather than analysis of policy or legislative initiatives.

Evaluation

Experience during the Uruguay round suggests that the Commerce ministry guarded its turf zealously, with considerable help from the Cabinet secretary, the Prime Minister's Office and the Finance ministry. Inter-Ministerial consultations, and some interaction with State Governments and industry groups, took place but were the exception rather than the rule.

But political pressure, especially from the Parliament, for a more accountable and transparent process, combined with the complex requirements of coalition politics in India meant that a broader system of consultation had to be set up. This meant, essentially, four types of consultation: with state governments, with trade and industry groups, with other ministries, and with political parties, trade unions and NGOs.⁹

The evidence from negotiations leading up to the Doha ministerial meeting, for example on the crucial issues of agriculture, show a much more extensive, albeit still 'top down' and somewhat 'ad hoc', system of consultations¹⁰.

This progressive extensions and formalization of the trade consultation system has now resulted in the establishment of:

1. A Board of Trade with a mandate to provide wide-ranging and detailed industry advice that includes a broad selection from peak national industry organizations and commercial advisors with specific expertise.
2. An explicit mechanism for consultation among Ministries and with the State Governments that ensures 'whole of government' approaches to trade and commercial policies.

9 Sen, Julius. *Lessons Not Learned: India's Trade Policy Making from Uruguay to Doha*, London School of Economics. May 2003.

10 Priyadarshi, op.cit. See, in particular the table of consultations at Annex A of this paper.

Annex: Board of Trade & Inter-State Trade Council

Board of Trade

Composition of the Board of Trade (April, 2005)

Chairman of the Board: Dr. Kumar Mangalam Birla, Chairman, the Aditya Birla Group

I. Non official members:

1. Mr. Ishaat Hussain, Tata Sons
2. Mr. Baba Kalyani, Bharat Forge
3. Mr. Malvinder Singh, Ranbaxy
4. Mr. Irfan Allana, Chairman, Allana Sons
5. Mr. Jagdish Khattar, MD, Maruti Udyog
6. Mr. Ravi Raheja, President Shoppers Stop Ltd.
7. Mr. Prashant Ruia, ESSAR Group
8. Mr. A.C. Muthiah, SPIC
9. Mr. Harsh Neotia, Gujarat Ambuja
10. Mr. Rana Kapoor, Yes Bank
11. Mr. Swaminathan S. Anklesaria Aiyar, Economist
12. President, CII
13. President, FICCI
14. President, FIEO
15. President, ASSOCHAM
16. Chairman, NASSCOM
17. Chairman, Gems & Jewellery EPC
18. Chairman, Apparel Export Promotion Council
19. Chairman, Texprocil
20. Chairman, SRTEPC
21. Chairman, Export Promotion Council for Handicraft(EPCH)
22. President, The Seafood Exporters Association of India
23. Chairman, Council for Leather Exports
24. Chairman, Chemexcil
25. Chairman, Pharmexcil
26. Chairman, CAPEXIL
27. Chairman, Electronic & Software Council
28. Chairman, EPCs for EOUs
29. Chairman, Engineering Export promotion council

II. Official members:

Secretary, Department of Commerce
Secretary, Department of Revenue, North Block, New Delhi
Secretary (ER), Ministry of External Affairs
Secretary, Ministry of Textiles
Chairman, India Trade Promotion Organization
Chairman & Managing Director, Export Credit Guarantee Corporation
Managing Director, EXIM Bank
Deputy Governor, Reserve Bank of India
Secretary, Shipping, Government of India
DGFT - Member Secretary

Terms of reference of the Board of Trade

- To advise the Government on policy measures for preparation and implementation of both short and long term plans for increasing exports in the light of emerging national and international economic scenario;
- To review export performance of various sectors, identify constraints and suggest industry specific measures to optimize export earnings;
- To examine the existing institutional framework for imports and exports and suggest practical measures for further streamlining to achieve the desired objectives;
- To review the policy instruments and procedures for imports and exports and suggest steps to rationalize and channelise such schemes for optimum use;
- To examine issues which are considered relevant for promotion of India's foreign trade, and to strengthen the international competitiveness of Indian goods and services;
- To commission studies for furtherance of the above objectives;
- The Board will meet at least once every quarter and make recommendations to Government on issues pertaining to its terms of reference;
- The Board of Trade will have the power to set up sub-committees and to co-opt experts to these, to make recommendations on specific sectors and objectives.

Inter-State Trade Council

Constitution of Inter-State Trade Council

It has been decided to constitute Inter-State Trade Council with immediate effect in order to ensure a continuous dialogue with State Governments and Union Territories. The Inter-State Trade Council would *inter alia* advise the Government on measures for providing an international trade enabling environment in the States and to create a framework for making States partners in India's international trade and export effort to achieve the objective of boosting India's exports.

Composition of the Inter-State Trade Council

1. **Chairman of the Council** – Commerce & Industry Minister
2. **Chief Ministers of the States or State Cabinet Ministers nominated by Chief Ministers**
3. **Lt. Governors/ or Administrators of the Union Territories or their nominees.**
4. **Secretaries to Government of India:**
 - (i) Secretary, Department of Commerce
 - (ii) Secretary, Department of Revenue
 - (iii) Secretary, Ministry of External Affairs
 - (iv) Secretary, Department of Industrial Policy & Promotion
 - (v) Secretary, Department of Agriculture & Cooperation
 - (vi) Secretary, Department of Shipping
 - (vii) Secretary, Department of Road Transport and Highways

(viii) Secretary, Ministry of Power

5. Chairman, Railway Board

6. Director General of Foreign Trade-Member Secretary

7. Co-opted Members:

- (i) Chairman & Managing Director, Export Credit Guarantee Corporation.
- (ii) Managing Director, EXIM Bank.
- (iii) Deputy Governor, Reserve Bank of India,
- (iv) Chairman, Agricultural and Processed Food Products, Exports Development Authority (APEDA)
- (v) Chairman, Marine Products Exports Development Authority (MPEDA)
- (vi) President, CII
- (vii) President, FICCI
- (viii) President, FIEO
- (ix) President, ASSOCHAM
- (x) President of Export Promotion Council for EOUs/SEZs.

Terms of reference of the Inter-State Trade Council

- To identify impediments that affect exports adversely.
- To evolve uniform practices across different States in respect of trade facilitation.
- To identify issues relating to State Governments in regard to WTO capacity building, infrastructure development and creating an overall supportive Policy and fiscal environment for international trade.
- To create a framework for making States partners in India's export effort.
- To commission studies in furtherance of the above objectives.
- Any other related issue.

The Inter-State Trade Council will be a permanent Advisory Body, which will meet at least once every six months and make recommendations to Government on issues pertaining to its terms of reference. The Council will have the power to set up sub-committees and to co-opt experts to these, to make recommendations on specific sectors and issues relating to international trade facilitation.

Malaysia – trade policy consultative mechanisms

Background

Since the late 1980s, the Malaysian government has developed deep links with the private sector at every level of secondary industry through national funding and investment initiatives, tailor-made national support and promotion activities and directed interest, and (for a period after 2001) through ‘designer’ exchange controls. The ‘New Economic Policy’ and the ‘Vision 2020’ strategies of successive Malaysian governments have been built, largely, on this close degree of collaboration between government and business, including SMEs. Throughout this period, however, with some narrowly drawn exceptions such as the dramatic increases in protection for the national automobile industry in 2001-2, the Malaysian market for goods and investments has remained relatively open and development policies have been outward oriented.

One consequence of the close business-government relationship on industrial development is that the lines of decision-making and influence on trade policy are not always transparent. There is a close and continuous interaction between peak business bodies, such as the Federation of Malaysian Manufacturers, the Association of Banks in Malaysia or the Malaysian International Chamber of Commerce and Industries, and the various government planning, financing and executive agencies that play a role in economic policy, including trade. These include, notably, the National Economic Action Council (NEAC), the Ministry of International Trade and Industry, the Ministry of Finance, and the Malaysian trade promotion agency, MATRADE.

This collaboration includes exchanges on multilateral and, especially, regional trade policies as Malaysia pursues the economic integration program of ASEAN. In Malaysia, as the other nine ASEAN economies, multilateral trade policy is frequently made at a regional level where the focus is on coordination and collaboration in global forums.

In keeping, however, with its history of relatively low tariffs, the absence of traditional non-tariff barriers and strong commitment to trade-led growth, the Malaysian political economy has a fundamentally *pragmatic* focus; the players often claiming to have more interest in making money than in making policy.

Services trade policy¹¹

The tradition of close government-business collaboration, particularly in commercial and even competitive activities (at least on export markets), and the emphasis on trade and investment promotion rather than on trade policy as such, is illustrated by the recent efforts of the Malaysian government and services industries to create a better framework for the development of professional services, including through negotiation of opportunities under the GATS.

Malaysia’s services exports are only about 10% of the value of its goods exports, while global exports of services are roughly 20% of the value of global goods exports, suggesting significant growth potential for Malaysia in this area. It has been a more active participant in GATS negotiations than many other developing economies, but has taken a cautious approach

11 This account of recent developments in the professional services sector draws on Lim Chze Cheen (Malaysian Institute of Economic Research). Strategies for the liberalization of the Services sector. *Managing the Challenges of WTO Participation*, Cambridge University Press (forthcoming).

to opening up remaining barriers to services imports that it considers may jeopardise domestic services industry development. Specifically, it has been a proponent of the addition of a safeguard mechanism for GATS.

The Malaysian Government has set up two bodies, the NAPSEC (National Professional Services Export Council), which is responsible for the promotion of export of professional services, and PSDC (Professional Services Development Corporation), which is tasked with the responsibility of providing capacity building to the professional services sector. Both bodies are collaborative activities of the Malaysian government and the Malaysian professional services sector associations.

The key agenda of PSDC is to enhance the skills and knowledge of all Malaysian professionals and to promote their marketability in an increasingly borderless world. PSDC believes that Malaysian professionals will need to stand out in the global trading sector of professional services. For them to be recognised and respected as competent, experienced, skilful and dynamic professionals, it is imperative that PSDC develop their capability and capacity.

On the other hand, the NAPSEC, which will complement PSDC, mainly makes recommendations on incentives for the services export sector and identification of priority markets for the export services. MATRADE, in cooperation with the relevant professional bodies and government agencies, such as Ministry of Health, Ministry of Education, the Construction Industry Development Board and the Ministry of Entrepreneurial Development, has organised promotional activities overseas for the promotion of services sector.

PSDC (Professional Services Development Corporation)

The PSDC was initially proposed by the National Economic Action Council (NEAC) to assist professionals in the construction industry to meet the challenges of globalisation and competition on both the domestic and export markets. It was established as an incorporated body with full funding from the Ministry of Finance.

The PSDC represents the interests of professional bodies in Malaysia – such as engineering, architecture, legal, accounting, planning, surveying, medical and pharmaceutical – which account for more than 80,000 professionals. It helps firms to move from the provision of low-value to high value-added services, eventually creating a unique Malaysian brand of multi-disciplinary professionals to perform in the international arena.

Strategies assisted by PSDC include branding, marketing and promoting the Malaysian brand of professionals to other countries; establishing Malaysia as a centre for capacity and capability building of professionals who are competent global players; establishing Malaysia as an information hub for the enhancement of the intellectual capital of professionals.

NAPSEC (National Professional Services Export Council)

To assist MATRADE in drawing up programmes and approaches in promoting the services sector, the NAPSEC was launched by the Minister of International Trade and Industry on 20 August 2001. The NAPSEC serves as an advisory council to the MATRADE Board of Directors on matters relating to the export of professional services. It comprises representatives from the relevant professional bodies as well as the public sector. The professional bodies involved are architects, construction, surveyors, engineers, accountants, lawyers, and healthcare. With the participation of these bodies, NAPSEC provides a forum to obtain private

sector views and inputs in the formulation of strategies and programmes for the export of professional services.

The Terms of Reference of NAPSEC are to:

- Formulate and review national strategies and promotion programmes relating to the export of professional services, including construction services.
- Recommend and facilitate funding for the export of professional services.
- Formulate strategies to increase participation of Malaysian professionals/companies in overseas projects funded by international lending agencies.
- Gather and disseminate information related to market opportunities
- Review and recommend incentives for the export of professional services.
- Compile databases/directories on export ready professional service providers with support and feedback from the industry.
- Develop databases on market access issues and regulations affecting export of professional services, including facilitating mutual recognition agreements.
- Identify approaches to publicise the skills and capabilities of the professional services, including construction services, in international markets.
- Monitor global developments and its implications on Malaysian professional services exports.
- Monitor developments and provide inputs towards the formulation of Malaysia's position and commitment in WTO negotiations in professional services sector.

Evaluation

It is difficult to separate trade development and trade policy making in Malaysia, as the policy on the development of a professional services sector illustrates. In this open economy where most trade policies are made in conjunction with regional trading partners in ASEAN, commercial concerns seem to predominate in government-private sector collaboration over policy issues.

There are close, collaborative arrangements between government and industry at all levels (including SMEs) that, in the relatively open and liberal-trade environment of the Malaysian economy, focuses more on developing commercial opportunities than on developing trade policy strategies.

The NEAC is the most senior consultative council on economic matters but ranges well beyond trade policies, although it does not seem to have a formal mechanism for consultations with the private sector.

Effectively, there is much greater consultation and collaboration between the government and private sector at a sectoral level (e.g. NAPSEC) and even on specific national 'projects'. MATRADE has a very effective, sophisticated approach to information dissemination and feedback on performance of government in trade promotion activities, although it appears to put fewer efforts into exchanges on general policy questions.

Mexico – trade policy consultative mechanisms

Background

As in other economies in the Americas, the process of negotiation of a free trade agreement with the United States, following soon after a period (in the late 1980s in Mexico's case) of liberalization of internal and external regulations, was the occasion for the creation of a formal process of government-business consultation on trade.

In 1990, the Mexican private sector undertook its own assessment of the proposal for a free trade agreement with the United States through the Business Co-ordinator Council (*Consejo Coordinador Empresarial*), which brought together the major chambers and associations in the industrial, services and agricultural sectors. After deciding to cooperate in the project, the CCE created the Business Organization for the Coordination of Foreign Trade (*Coordinadora de Organismos Empresariales de Comercio Exterior – COECE*) to coordinate all activity between the government and private sector and to represent private sector interests. In addition to the agricultural, industrial and services sector membership of CCE, the COECE included academic and 'think tank' organizations such as the National Council of Foreign Trade. For a full list of members of COECE, see the Annex.

Advisory Council

The Mexican government, on the recommendation of a committee of the Senate, decided to form an Advisory Council on the Free Trade Agreement comprising representatives of the government, private sector, academia, labour and the agricultural sector. The Council also included CEOs of some of Mexico's most prominent businesses as well as representatives of industrial regions such as Monterrey and Guadalajara and legal experts from well-known law firms. The private sector representatives, which included CCE and COECE, were the most numerous. The Council played a smaller role in the actual negotiations than did COECE (see below) but acted as the principal conduit to civil society on the negotiations.

COECE and the 'room next door'

CCE's creation of a single entity encompassing all sectors proved fortunate, since the negotiations were conducted on a thematic rather than a sectoral basis; that is, for example, market access barriers rather than services, agricultural and industrial barriers separately. The cross-sectoral representation in COECE also provided a means of avoiding concerns – common among business organizations – that sectoral differences would see the interests of one sector 'sacrificed' or 'traded off' against the interests of another.

COECE appointed a Board of Directors in which each main chamber or association was represented. The Board of Directors met on a regular basis to deal with the day to day business of the NAFTA negotiations and to co-ordinate COECE's participation in the process. They also appointed a Co-ordinator General to maintain regular contact with the Government negotiators and to report directly to the CCE on the progress of the negotiations. The Coordinator General also acted as a mediator between different business groups within COECE helping to ensure the transparency of the work of the group and to resolve conflicts.

The members of COECE organized their work during the NAFTA negotiations in a structure that reflected the structure of the talks and the chapters of the eventual agreement. The working groups were: market access issues, rules of origin, custom procedures, textiles and clothing, the

automotive sector, technical standards, agriculture and sanitary and phytosanitary measures, cross-boarder services, telecommunications, financial services, investment, intellectual property, government procurement, safeguard measures, institutional aspects and dispute settlement. To manage this unwieldy, broad structure, COECE appointed six sectoral coordinators covering Agriculture, Agribusiness, Services, Industrial, Banking, Insurance and Stock Exchange affairs.

Each of the COECE member organizations (the peak Chambers or Associations) had the opportunity to appoint a member of one of the working groups of interest to it although, in general, the numbers in the working group were kept low: generally no more than 6 members. The member's role was to provide a channel of communication between the working group and the individual businesses that were members of the COECE member organization. Although membership in the working groups was limited, participation in COECE meetings was open-ended to ensure that the process would be transparent to the whole membership.

Each of the working groups was entrusted with the preparation of sectoral studies. Around 170 studies were prepared describing the circumstances of individual sectors and proposing negotiating objectives. COECE claimed that the studies comprised the most comprehensive picture of the Mexican economy ever compiled.

Participation of COECE in the negotiations followed a familiar GATT/WTO practice of the "room next door". COECE representatives and government negotiators for Mexico met before and after the negotiating rounds and during breaks in the talks to confer on options and strategies. The COECE team maintained communications with their constituents in Mexico during each negotiating session.

Role of SMEs

The role of SMEs in the consultation process was a matter of continuing controversy. SMEs make up a large proportion of the Mexican business sector but it has often been claimed that they were under-represented in COECE. In response, COECE argues that the participation of Councils, Chambers and Associations, rather than direct representation by businesses offered a route for the representation of SMEs that put them on an equal footing with big business. Nevertheless, the intensity of the negotiations and the demand that this placed on the members of each constituent association unavoidably fell hardest on SMEs who have the smallest resources in terms of either funds or managerial time to devote to long-term business planning and trade negotiations.

Opportunities for the non-government sector

Although the Advisory Council was intended to offer 'economy-wide' transparency to the process, many non-government organizations and some Labour organizations (notably the Peasants' Union) claimed that the Council was unrepresentative. They claimed that because it was government-appointed, the government selected only those representatives from whom it expected agreement or with whom it believed it could 'make a deal'. Mexican officials replied that the loudest complaints about exclusion came from NGOs whose claims to represent stakeholder views were debateable and who could not have been appointed for that reason alone¹².

12 Carlos Alba and Gustavo Vega. Trade Advisory Mechanisms in Mexico. *Trade Policy-making process*, Inter-American Development Bank Occasional Paper 13, Washington D.C. 2002

Evaluation

As in other Central and Latin American countries, the mechanisms of private-sector consultation and collaboration with Government on trade issues in Mexico grew out of the specific demands of the negotiations on a regional trade agreement. The complex but relatively compressed NAFTA negotiations enforced strict disciplines on Mexico that have resulted in an apparently tight hierarchy of industry groups (at the bottom level) and a single, unified interface with government across all industry and business groups (COECE) at the top level.

This unique pyramidal structure has allowed Mexico to develop efficient consultation mechanisms on specific subjects but has prompted some criticism from groups not represented by COECE (trades unions, some farm groups, SMEs and academic analysts) that their views are excluded or given less weight.

Annex: Composition of COECE

From a document prepared for ITC by Martha Lara de Sterlini, Consultant to the World Trade Net programme:

- Mexican Confederation of Industrial Chambers/Confederación de Cámaras Industriales de los Estados Unidos Mexicanos (CONCAMIN): A group of more than 60 chambers and 30 associations in the industrial and some services sectors, comprising more than 100,000 enterprises.
- Confederation of National Chambers of Commerce, Services and Tourism/Confederación de Cámaras Nacionales de Comercio (CONCANACO): Numerous chambers in the trade, services and tourism sectors.
- Mexican Confederation of Employers/Confederación Patronal de la República Mexicana (COPARMEX): Represents the employers' associations.
- National Council for Agriculture and Animal Husbandry/Consejo Nacional Agropecuario (CAN): Farming and agro industrial businesses.
- National Chamber of the Transformation Industry/Cámara Nacional de la Industria de la Transformación (CANACINTRA): The main industrial chamber, grouping thousands of enterprises, including many medium and small businesses.
- Mexican Council of Businessmen/Consejo Mexicano de Hombres de Negocios (CMHN): it groups the 50 most prominent businessmen.
- Mexico's Bankers Association/Asociación de Banqueros de México (ABM).
- Mexican Association of Insurance Institutions/Asociación Mexicana de Instituciones de Seguros (AMIS).
- Mexican Association of Stock Exchange Institutions/Asociación Mexicana de Casa de Bolsa (AMCB).
- Chamber of Commerce of Mexico City/Cámara de Comercio de la Ciudad de México (CANACO-México).
- Mexican Business Council for International Affairs/Consejo Empresarial Mexicano para Asuntos Internacionales (CEMAI).
- Mexican National Association of Importers and Exporters/Asociación Nacional de Importadores y Exportadores de la República Mexicana (ANIERM).
- National Council of Foreign Trade/Consejo Nacional de Comercio Exterior (CONACEX).
- Mexican-American Chamber of Commerce/Cámara de Comercio México-Estados Unidos (CACOMEU).
- International Trade Chamber: Mexican Chapter/Cámara Internacional de Comercio (CCI) - Capítulo Mexicano.

Subsequently, some other organizations have adhered to COECE while others have merged into new ones. For example, in 1999 CEMAI and CONACEX merged to form the Mexican Council for Foreign Trade (*Consejo Mexicano de Comercio Exterior/COMCE*), whose main function is to promote Mexican exports and foreign direct investment flows into the country. COMCE's Director currently serves as Technical Secretary to COECE.

Philippines – trade policy consultative mechanisms

Background

Despite many initiatives over the past decade to improve transparency in government and to address the problems of official corruption, Philippines continues to have a low rank on international comparisons as the Transparency Index¹³ (perceptions of institutional corruption) and the Opacity Index¹⁴ (capital market premiums related to investors' confidence in national institutions).

In the domain of trade policy-making, however, there has been a significant attempt on the part of the peak commercial institutions and government agencies to ensure closer collaboration in the preparation for Doha round negotiations.

The negotiations on Agriculture are a central focus for the Philippines. The sector accounts for 22 percent of its Philippines GDP, generating exports valued at over US\$1.5 billion, and providing a third of all employment (approximately 11 million people). The implementation of the Uruguay Round market liberalization commitments proved controversial in the Philippines where many of the smaller stakeholders – already engaged in disputes with the government over issues such as land reforms – and some of the largest agricultural industries considered that they had not been fully consulted on the agreements.

Task Force on WTO Agriculture (Re)Negotiations

In 1998, the then Secretary of the Department of Agriculture (DA) established the Task Force on WTO Agreement on Agriculture (Re)negotiations (TF-WAR), a multi-sectoral task force composed of 28 representatives from farmer groups, industry associations, business federations, non-government organizations, people's organizations, and other relevant government institutions and agencies. The title of the Task Force indicates the expectations of the Philippines agricultural sectors in their approach to the Doha round: their objectives were to re-negotiate the WTO Agreement on Agriculture to reduce its impact on Philippines agriculture.

Original members of the TF-WAR included representatives from the Philippine Chamber of Food Manufacturers National Onion Growers Cooperative, Philippine Association of Hog Raisers, Inc., Federation of Free Farmers, Coffee Foundation of the Philippines, National Federation of Hog Farmers, Inc., Philippine Association of Meat Processors, Inc. A number of local Philippines NGOs were also among the original membership. Membership of the Task Force was later expanded to include the grains, sugar, poultry, and fishery sectors. The last eventually formed their own Task Force as fishery negotiations are being conducted separately in the WTO.

The main responsibility of the TF-WAR was to consider, develop, evaluate, and recommend Philippine negotiating positions and strategies for the round of negotiations that was eventually launched at Doha. The larger group, although inclusive, proved difficult to call together on a regular basis and was not suited to rapid decision making, not only because of its size but also because not all the representatives were equally well-informed about the negotiations. Accordingly, in 2002 the Minister of Agriculture created a 'core group' of the Task Force.

13 Available at <http://www.transparency.org>.

14 Available from http://www.kurtzmangroup.com/opacity_index.htm.

The members of the Core Group were appointed in their personal capacities from among the members of the Task Force. The intention was to avoid ‘picking sectors’ from among the Task Force members and at the same time to ensure that the members of the Core Group were individuals that were well versed in the technicalities of the negotiations and able fully to participate in the work of the negotiations.

They included the Chairman of the Task Force, five representatives from the private sector, and staff from the DA Policy and Planning Office acting as technical secretariat. Specific tasks include detailed evaluation of proposals submitted by WTO members, in-depth analysis of the overall and specific impacts on Philippine agriculture, formulation and elaboration of specific proposals based on these analyses guided by the general policy direction decided in the TF-WAR.

The creation of the TF-WAR Core Group allows it to play a direct role in the negotiations interacting both with the larger Task Force and with the Secretary of Agriculture and the senior Geneva-based and Capitals-based negotiators on a daily basis, if needed. Their responsibilities include:

- **Consultations** – Each TF-WAR member organization consults with its own membership. Inputs and recommendations arising from these consultations are gathered by the secretariat and discussed in the Core Group meetings where views are consolidated. Interaction with stakeholders not represented in the TF-WAR may be through Department of Agriculture-initiated national and regional consultations with organization leaders, direct consultations with stakeholders, or public forums.
- **Workshops** – The Core Group holds one-day or 2-day workshops when the issues require more study and analysis. For issues requiring technical expertise otherwise not available within the group, the group invites resource persons from other government agencies or institutions, and practitioners from the private sector for inputs.
- **Approval process and recommendation** – The TF-WAR approves a final recommendation to the Secretary of Agriculture and may be further submitted to Presidential (i.e. Cabinet level) approval when the impact extends, e.g. to other aspects of the negotiations or affects other sectors of the economy.

Representative character

Donah Sharon Baracol observes¹⁵ that the broadly based membership of the TF-WAR helps both to ensure effective representation of different viewpoints and to resolve conflicts over the impacts of the WTO agreements:

“The TF-WAR has members representing upstream and downstream users of agricultural commodities, and can therefore be regarded as a balanced group. As each member, however, is encouraged to be parochial in advancing their interests and concerns, conflict between and among different sectors position is unavoidable. The Chair observes, “Conflicting interests are discussed openly. Differences in views are debated, and are judged on substantive and technical merit. Any resolution must be consistent with the existing negotiating mandate. If government decides to break the impasse, it can do so and would still need to generate consensus.” While these conflicting interests result in dynamics that are difficult to manage, the resolution of any

15 Baraco, Donah S. Task Force On WTO Agriculture (Re)Negotiations. *Managing the Challenge of WTO Participation*, Cambridge University Press (forthcoming).

issue gains more acceptance from all sectors, having been given equal opportunity to defend their individual interests. The TF-WAR, therefore, is a venue that ‘neutralizes’ the extreme positions that may be pushed for by opposing sectors”.

Members also consider that the Task Force approach enables smaller sectors with fewer resources to enjoy access to the Government negotiators at the same level as the representatives from the better-resourced sectors.

Educational function

The Department of Agriculture uses the Task Force as a primary point of contact with key agricultural sectors interested in the negotiations. But the information activities are not confined to facts about the negotiations: the Task Force has, in effect, an educational role helping to spread a better understanding of the trading system. Workshops organized by the Core Group as needed provide the time to disseminate more basic information as to publish the results of research or surveys.

Improving the quality of policymaking

The mandate of the Core Group + Task Force to insist on providing input, obtaining consensus, clearance and feedback has resulted in a rigorous discipline on policy makers and negotiators that, according to private sector commentators, has improved the quality of Philippines policy making.

Evaluation

The Philippines Task Force example provides some useful lessons on the dynamics of government-business consultations at a much closer distance than the other cases in this paper. It demonstrates that:

- The process of consultations on a complex trade agenda such as the WTO agriculture negotiations can be tedious since all parties have to be consulted; it is inherently slow and encourages contentiousness.
- Most members believe that participation can be further improved. Also, when developments in the negotiations appear to be encouraging or trust in government negotiators has been firmly established, participation tends to fall off.
- A smaller group addresses these problems but sacrifices representativeness and participation of some sectors.
- The limited technical expertise of the Core Group may not be sufficient to address the more detailed level of technical work necessary to support future work in the negotiations. Not all members have formal training in trade and the WTO Agreements.
- Insufficient resources to undertake more detailed work, including a shortage of technical personnel in the Department of Agriculture Policy and Planning Office, makes it more difficult for the Task Force to initiate proposals or to analyze proposals from other participants in the WTO negotiations.

United States – trade policy consultative mechanisms

The United States has one of the most elaborate and extensive systems of trade policy consultation, both by the Executive government that is responsible for the administration of trade agreements and by the Congress that is responsible for the adoption of trade agreements. But this was not always the case. Until the mid-1970s the focus of US trade policy was on the administration of import measures and tariffs; there was relatively little focus on non-tariff or ‘behind the border’ issues related to trade and there was only a low level of industry involvement. Until the Tokyo Round of negotiations in the mid-1970s, the US Congress had refused to negotiate on US non-tariff measures.

Consultation with business and civil society

The Congress established the private sector advisory committee system in legislation in 1974 to ensure that US trade policy and trade negotiation objectives adequately reflect US commercial and economic interests. The advisory committees provide information and advice on US negotiating objectives and bargaining positions before entering into trade agreements, on the operation of any trade agreement once entered into, and on other matters arising in connection with the development, implementation, or administration of US trade policy.

The advisory committee system comprises 33 advisory committees (see annex), with a total membership of up to 1,000 advisors. Recommendations for candidates for committee membership are collected from a number of sources, including Members of Congress, associations and organizations (including NGOs and civil society organizations), media, and other individuals who have demonstrated an interest or expertise in US trade policy. Membership selection is based on qualifications, geography, and the needs of the specific committee.

Members pay for their own travel and other related expenses. Although this helps to guarantee the transparency of advice and the independence of the Committees, it has the practical effect of favouring Washington-based representation.

The system is arranged in three tiers: the President’s Advisory Committee for Trade Policy and Negotiations (ACTPN); six policy advisory committees; and 26 technical, sectoral, and functional advisory committees.

The President appoints 45 ACTPN members for two-year terms. The 1974 Trade Act requires that membership broadly represent key economic sectors affected by trade. The committee considers trade policy issues in the context of the overall national interest.

The six policy advisory committees are appointed by the USTR alone or in conjunction with other Cabinet officers. Those managed solely by USTR are the Intergovernmental Policy Advisory Committee (IGPAC), and the Trade Advisory Committee on Africa (TACA). The policy advisory committees managed jointly with the Departments of Agriculture, Labor, and Defense and the Environmental Protection Agency are, respectively, the Agricultural Policy Advisory Committee (APAC), Labor Advisory Committee (LAC), Defense Policy Advisory Committee (DPACT), and Trade and Environment Policy Advisory Committee (TEPAC). Each committee provides advice based upon the perspective of its specific area.

The 26 sectoral, functional, and technical advisory committees are organized in two areas: industry and agriculture. Representatives of the IFAC and ISAC committees are appointed jointly by the USTR and the Secretaries of Commerce and Agriculture, respectively. Each

sectoral or technical committee represents a specific sector or commodity group (such as textiles or dairy products) and provides specific technical advice concerning the effect that trade policy decisions may have on its sector. The four functional advisory committees provide cross-sectoral advice on customs, standards, intellectual property issues, and electronic commerce.

Congressional oversight

In addition to the *advisory* input of the consultative committees, US trade policy is also formed by the input and oversight of Congress with all legislation affecting trade policy passing through one of the two main tax-related committees in the Congress. In the House of Representatives, the main committee with oversight of trade-related legislation is the Ways and Means Committee whose Trade Sub-Committee has a powerful decision-making role. In the Senate, the Finance Committee uses its oversight role to conduct wide-ranging enquiries into US trade policy and trade administration, usually seeking in the process to involve many stakeholder representatives and expert analysts. Both by formal and informal interaction with the Administration, the House and Senate Committees exercise a powerful influence over the details of US trade negotiations and agreements.

Private rights

The US Congress has created some unique private rights of action in the administration of US trade policy that allow individuals to petition action to investigate the existence of ‘burdensome or unfair’ activities by foreign governments affecting US trade. These petitions, if successful, now typically lead to dispute settlement action.

Think tanks

One of the outstanding characteristics of US trade policy is the level of analysis and public debate fostered by the ‘think tanks’ clustered around the Washington policy community. Many of them are transparent lobbies for one political viewpoint or another so the variety of views is smaller than the numbers suggest. Also, since trade policy in the United States, as elsewhere, is driven more by coalitions of interest than by ideas, the think tanks are not as influential as their prospectuses suggest. They, nevertheless, provide a unique information and assessment resource that is independent of government. See the Annex for a selected list.

Evaluation

With sufficient resources, an extensive and flexible ‘bottoms up’ consultation process such as the United States maintains becomes not only feasible but even necessary to meet the expectations of a well-informed business community with strong ‘parliamentary’ support and oversight.

Extensive representation has its costs, however. The extensive sectoral coverage of the US advisory committees implies a deep hierarchy, with attendant communications and information dissemination problems, unless ‘flattened’ by sharing the ‘top level’ among several agencies with trade responsibility (such as the Department of Commerce). But the problem of coordination across committees in a ‘flat’ structure tends to push responsibilities to the ‘top level’ committees such as the ACTPN and the IGPAC (administered by USTR). These are huge committees, however; ACTPN has 45 members, too many for in-depth discussions,

particularly if members do not have the same degree of expertise in trade policy or in foreign markets.

Although there is every sign that the members of the extensive advisory committee system take their responsibilities to advise on national interest seriously, the closer involvement of Congress in trade policy formation and oversight and the trend in Congress toward partisan debates on trade issues means that even the advisory committees run the risk of political appointments. The allegiances of the 'think tanks' tend, also, to cast debates in a polarized light. But it is possible that the relative transparency of the US system of advisory committees merely makes this element more visible, rather than more prevalent, in the case of the United States.

Annex: Government Committees and “Think Tanks”

Government Committees

USTR Administered Committees

- Advisory Committee for Trade Policy and Negotiations (ACTPN)
- Intergovernmental Policy Advisory Committee (IGPAC)
- Trade Advisory Committee for Africa (TACA)

USTR and Environmental Protection Agency Administered Committee

- Trade and Environment Policy Advisory Committee (TEPAC)

USTR and Department of Labor Administered Committee

- Labor Advisory Committee (LAC)

USTR and Department of Defense Administered Committee

- Defense Policy Advisory Committee for Trade (DPACT)

USTR and Department of Agriculture Administered Committees

- Agricultural Policy Advisory Committee for Trade (APAC)
- Agricultural Technical Advisory Committee for Trade (ATAC) - in Animal and Animal Products - in Fruits and Vegetables - in Tobacco, Cotton and Peanuts - in Sweeteners - in Grains, Feed and Oilseeds

USTR and Department of Commerce Administered Committees

- Industry Functional Advisory Committee (IFAC)
 - IFAC 1: Customs Matters
 - IFAC 2: Standards
 - IFAC 3: Intellectual Property Rights
 - IFAC 4: Electronic Commerce
- Industry Sector Advisory Committees (ISACs)
 - ISAC 1: Aerospace Equipment
 - ISAC 2: Capital Goods
 - ISAC 3: Chemicals and Allied Products
 - ISAC 4: Consumer Goods
 - ISAC 5: Electronics and Instrumentation
 - ISAC 6: Energy
 - ISAC 7: Ferrous Ores and Metals

- ISAC 8: Footwear, Leather and Leather Products
- ISAC 9: Building Products and Other Material
- ISAC 10: Lumber and Wood Products
- ISAC 11: Nonferrous Ores & Metals
- ISAC 12: Paper and Paper Products
- ISAC 13: Services
- ISAC 14: Small and Minority Business
- ISAC 15: Textiles and Apparel
- ISAC 16: Transportation, Construction and Agricultural Equipment
- ISAC 17: Wholesaling and Retailing

“Think tanks”

A selection of institutions with trade or foreign economic policy focus

American Enterprise Institute for Public Policy Research

<http://www.aei.org/>

The James A. Baker III Institute for Public Policy

Rice University

<http://riceinfo.rice.edu/projects/baker>

Brookings Institution

An independent, non-partisan research and educational institution focused on public policy issues in the areas of economics, foreign policy, and governance.

<http://www.brook.edu/>

Cato Institute

A non-profit public policy research foundation espousing the principles of limited government, individual liberty, free markets and peace in public policy debates.

<http://www.cato.org/>

Center for Strategic and International Studies (CSIS)

<http://www.csis.org/>

Center of International Studies (CIS), Woodrow Wilson School of Public and International Affairs

Princeton University

<http://www.wws.princeton.edu/~cis/>

Council on Foreign Relations

<http://www.cfr.org/>

Electronic Frontier Foundation

<http://www EFF.org>

Electronic Privacy Information Center

<http://www.epic.org>

Foreign Policy Institute (FPI)

The Johns Hopkins University, Paul H. Nitze School of Advanced International Studies (SAIS)

<http://www.sais-jhu.edu/centers/fpi/index.html>

Heritage Foundation

A research and educational institute formulating and promoting a broad spectrum of conservative public policies.

<http://www.heritage.org/>

Hoover Institution on War, Revolution and Peace

Stanford University

<http://www-hoover.stanford.edu/>

Hudson Institute

Research organization seeking to guide debate and change on enduring policy challenges.

<http://www.hudson.org>

Pew Research Center for the People and the Press

An independent opinion research group that provides surveys, studies and commentary on attitudes toward the press, politics and public policy issues.

<http://people-press.org/>

Rand

A non-profit research and analysis institution addressing critical social, economic, and national security issues.

<http://www.rand.org/>

World Resources Institute

An independent, non-profit organization working towards practical policy proposals that foster environmentally sound, socially equitable development.

<http://www.wri.org/>

Worldwatch Institute

Non-partisan, independent, interdisciplinary research organization focusing on an environmentally sustainable and socially just society.

<http://www.worldwatch.org/>