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UAE close to approval of Bali trade pact agreement

Legislation expected in December after Cabinet backs relaxing of trade barriers



Minister of economy Sultan Al Mansouri at the Global Trade Development Week at the Ritz Carlton DIFC yesterday. Victor Besa for The National

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The UAE is close to approving the Bali pact – an agreement to relax trade barriers concluded at the end of more than a decade of global negotiations – the minister of economy Sultan Al Mansouri said yesterday.

“The UAE is almost done with [approval of the Bali pact],” Mr Al Mansouri said at the opening of the Global Trade Development Week 2015 in Dubai yesterday.

“We have just recently approved it in the Cabinet, and we will approve it quickly.

“It works alongside our objective that this whole big machine of trade has to move forward, has to move on.”

The legislation needed to enforce the terms of the agreement would be passed before December, Mr Al Mansouri said.

“We need to remove barriers to trade that hamper economic growth, while at the same time facilitating the movement of trade,” the minister said.

Noting that, to date, only 65 of

the 166 signatories to the Bali pact had passed enabling legislation to enforce the agreement domestically, he added: “I am praying that we will be able to finish this round.”

More than a decade of negotiations between the 161 member states of the World Trade Organization (WTO), began in 2002 and talks continue to date.

This is known as the Doha Development Round, after the first meeting took place in Qatar. The negotiations were aimed at cutting tariff barriers on imported goods, subsidies for privileged state industries and harmonising “behind-the-border” regulations in a bid to open up markets and make it easier for countries to trade with each other.

But gaining the agreement of all 161 countries proved difficult, with major spats over agricultural subsidies leading to a breakdown of talks in 2008.

That led WTO chiefs to aim to reach a more modest agreement on removing red tape at borders – a deal that came to fruition in Nusa Dua, in Bali, in December 2013.

Outside the WTO, the United States has recently struck out on its own with two major new trade treaties. Recently approved was the Trans-Pacific Partnership, which relaxes barriers to trade between the US and Asia, and covers about 40 per cent of world trade. Yet to be approved is the Transatlantic Trade and Investment Partnership, a major deal to simplify trade between Europe and the US.

The WTO is set to meet for a new round of negotiations in Nairobi in early December.

The WTO president Roberto Azevedo, formerly Brazil’s ambassador to the WTO, said this year that he expects the Nairobi meeting to deliver a new package of trade regulations including “reforms to subsidies, a new push for transparency on members’ trade policies, and measures to help the poorest WTO nations”, according to the *Financial Times*.

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