



Aspek-aspek Perdagangan Internasional dan Perdagangan antar Koperasi

BALI: INDONESIA

14.7.07



Masalah yang harus diperhatikan

- Trend di perdagangan dunia
- Dampak Globalisasi dalam Koperasi
- Keharusan bagi Koperasi
- Kebijakan Masalah Perdagangan dan WTO
- Pendekatan Alternatif dalam membagi informasi perdagangan yang berkaitan

Perdagangan Internasional : Aspek-aspek Mendasar



- Daya saing – domestik dan global
- Permintaan – Pemerintah dan swasta private
- Informasi mengenai pasar
- Bagaimana Koperasi mendapat manfaat dari skenario kemunculan global?

Trend Baru di Perdagangan Dunia



- Perdagangan Internasional semakin dikenal sebagai mesin vital dalam perkembangan ekonomi di tahun 2004, nilai perdagangan barang dunia meningkat mendekati 21% dengan nilai mendekati USD 8.9 triliun
- Dengan memperhitungkan perubahan dolar, perdagangan barang dunia sesungguhnya berkembang sebanyak 9% di tahun 2004, hampir dua kali lipatnya dari 5% di tahun 2003. hal ini terus meningkat secara tajam dibandingkan dengan Produk Domestik Bruto (GDP)
- Barang-barang manufaktur, termasuk produk tambang, tercatat dengan pertumbuhan diatas rata-rata di perdagangan barang dunia selama dua dekade. Sebaliknya, perputaran di bidang perdagangan barang-barang pertanian tetap di kisaran 9% dalam tiga tahun berjalan, kurang lebih 2% dibawah rata-rata di tahun 1990.
- Salah satu tren yang dapat dicatat adalah bahwa barang olahan pertanian sejak beberapa dekade terakhir memiliki peranan yang lebih penting dalam perdagangan barang-barang pertanian.

Tren Baru di Perdagangan Dunia ...



- Gelombang perdagangan antara mitra RTA tercapai sebagian besar karena proliferasi terkini dari RTA. Sekitar 230 RTA telah beroperasi, lebih tinggi dibandingkan dengan anggota WTO.
- Tahun 2004, kontribusi negara berkembang di perdagangan barang dunia sebanyak 31%, mengalami peningkatan dari 20 sejak pertengahan tahun 1980-an
- Dapat kita amati bahwa terjadi peningkatan negara berkembang menjadi menjadi tujuan penting bagi export negara-negara maju
- Juga, negara berkembang menyumbang lebih banyak pertumbuhan dibanding negara maju. Diperkirakan bahwa sekitar sepertiga angka pertumbuhan riil pada periode terkini disumbang oleh negara berkembang, termasuk ekonomi transisi.
- Also, developing countries contributed more to the recent growth of world merchandise trade than developed

New trends in World Trade ...

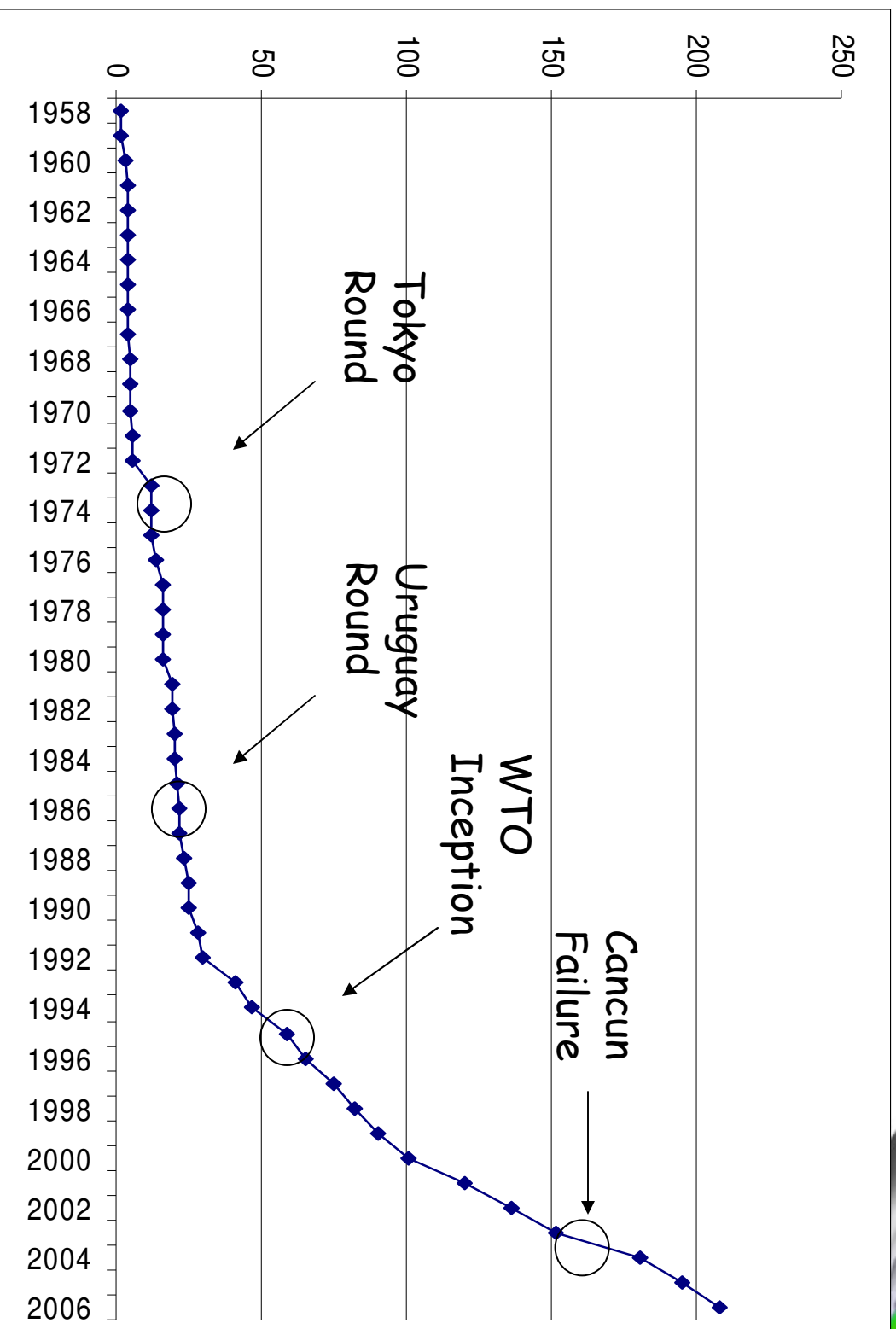


- Merchandise trade between developing countries, i.e. South-South trade, has significantly increased at an annual average rate of 11% during the past decade, accounting for nearly 13% of world merchandise trade in 2000 (UNCTAD, 2005).
- Around 40% of exports from developing countries were destined for other developing countries. Intra-regional trade, in particular through RTAs, played a central role in the rise of South-South trade. Also, inter-regional trade showed signs of growth, albeit on a smaller basis.
- Intra-Asia trade took a dominant position in this trend, accounting for around 80% of the total South-South trade in 2000, but strong growth in intra-regional trade in Africa and Latin America was also observed.
- Newer avenues: end of Multi-Fibre Arrangement Regime?

Trends in world Export



Regional Trade Agreements Growth



Changes in International Trade



- Rapid expansion of technology
- Multi-modal transport, Just-in-time transportation is quicker while costs are lower
- Communication enables control from afar
- Liberal government policies on trade and resources
- Development of institutions that support international trade
- WTO-induced reform – reduction in tariff level and procedural hassles

Cooperatives in the New Regime



- Need to Learn the Market – operate in their niche (e.g. - agricultural products, textile and clothing products, services)
- Learn the trend – Need for obtaining Information
- Grow continuously?

Trade Policy Issues and WTO



- Establishes minimum level of market access (e.g. – services, agricultural subsidy reduction) / protection (e.g. – IPR) / risk avoidance (e.g. – SPS-TBT) that WTO Member countries extend to other Members.
- Purpose: Trade growth, Promotion of technological innovation, Transfer and dissemination of technology, balance of rights and obligations, Minimization of risk (e.g. – health).
- National Treatment – no discrimination between domestic players and imported products (exceptions – RTAs).
- Most Favored Nation (MFN) Treatment.
- Dispute Settlement Provisions.

Agricultural Trade: SPS-TBT Issues



- The WTO does not set the standards - WTO SPS Agreement encourages members to use standards set by international organizations
 1. FAO-WHO Codex Alimentarius Commission — for food safety (risks arising from additives, animal health contaminants, toxins or disease organisms in food, drink, feedstuff, plant- or animal-carried diseases).
 2. International Office for Epizootics — for animal health (pests, diseases, disease-causing organisms).
 3. FAO's Secretariat of the International Plant Protection Convention — for plant health (pests, diseases, disease-causing organisms).

The Problems



- Country Prerogative on potential threat -
Right to write 'Right' standard.
- Harmonization in Risk Assessment - Scientific justification for higher standards -
Equivalence (product criteria).
- Transparency (dissemination of information)
- Problems in trade flows.
- Private standards.
- Other problems: Agricultural subsidy, Tariff.



Case Study: European food safety standards on African cereals, dried fruits and nuts export

- Aflatoxins are a group of structurally related toxic compounds which contaminate certain foods and result in the production of acute liver carcinogens.
- Aflatoxin B1 - All foods - Austria (1 ppb), Germany (2 ppb), Ireland, Italy, Netherlands, Spain (5 ppb), France (10 ppb), Portugal (20 ppb).
- Aflatoxin B1 - Groundnuts – France (1 ppb), Denmark (2 ppb), Belgium (5 ppb), Africa (14 ppb), UK (20 ppb), Portugal (25 ppb).

Role for ICA



- EU - direct approval of only EU certification bodies - External Bodies only recognized indirectly through approval of another country (compliance with ISO).
- US and Japan - allow formal approval of foreign certification bodies (own set standard).
- India and Australia (IFOAM standards).
- ICA Forum: Dissemination of information.
- Facilitation: Cooperative brand and ICA Logo.

Intellectual Property



- Any creation / invention of human mind – providing the creator an exclusive right (monopoly) over the use of his creations for a limited period to stop others from making, using or selling that product without his permission
- Ensure due stream of returns
- Areas: Copyright, Patents, Trademarks, Geographical indications, Industrial designs, Layout-designs of integrated circuits, Undisclosed information, including trade secrets)

Trademark



- Prohibition of ‘passing off’ (misuse of goodwill)
- Sign, Combination of Sign, letters, Colour or any other indicator that distinguishes a product / Service from its competitors
- Publish each Trademark either before it is registered or promptly after it is registered to provide a reasonable opportunity for petitions to cancel the registration
- Right over own Trademark – Paris Convention
- Initial registration and subsequent renewals should be for no less than 7 years. The registration of a Trademark is renewable indefinitely
- Possibility of ICA Trademark

Geographical Indications



- A product originating in the territory of a member, where a given quality, reputation or other characteristic of the good is essentially attributable to its geographical origin
- No Member would be allowed to copy others' GI
- ICA help to determine GIs for a country – ICA mark
- Similar intervention in traditional knowledge

Patent



- Granted on the basis of application – Duration 20 years from the filing date.
- If **product patent**: prevention of others from unauthorized making, using, selling or importing of them
- If **process patent**: prevention of others from unauthorized using of the process and selling or importing of the product directly obtained from the process
- Exception: national emergency, public non-commercial use in non-exclusive manner – limited only for the necessary period
- Seed industry: HYV seeds - farmers are expected to pay royalty, included in the purchase price, and not sell the seed that they produce. Farmers may store the production in their own bins for their own use as seed, but further sales for propagation purposes are not allowed without the written approval of the breeder.
- ICA open Forum: Knowledge sharing.

WTO Agreement on Trade in Services



- Coverage of all services under GATS (12 Sectors, 161 Sub-sectors).
- Request-Offer Approach – associated transaction cost.
- Most-favoured-nation (MFN) treatment applies to all services. MFN exemptions can be made only once and these are subject to periodic reviews. In principle, should not exceed ten years.
- National treatment (NT) applies in the areas where commitments are made (Positive List).

Types of Services Trade



- **Mode 1: Cross border supply** of services, i.e., services delivered by provider based in one country to consumer in another (e.g. - BPOs, educational testing services).
- **Mode 2: Consumption abroad**, i.e., services consumed abroad by national of another country (e.g. – tourism).
- **Mode 3: Commercial Presence**, i.e., services provided by an operator based abroad to consumers of that country (e.g. - US banks based in India providing banking services to Indonesian consumers).
- **Mode 4: Movement of Natural Persons (MNP)** or Movement of skilled personnel, i.e., services provided by nationals of one country by traveling to and working in another country (e.g. - Indonesian

The Barriers in Services Trade



- **Quantitative Restrictions** (e.g. - Number of granted visa; air transport service; ocean-cargo-sharing service; legal, insurance, education).
- **Price-based Instruments** (e.g.- tariff on films, television programme and computer software; Government subsidy in construction, communication, road and rail transport).
- **Licensing or Certification Requirements** (e.g. - environmental standard in case of transport and tourism)
- **Government Procurement Policies** (e.g. - preference to domestic companies, outright prohibition).
- **Discriminatory access to Distribution and Communication Systems** (e.g. - telecom, air transport, advertising, insurance).

RTA Problems: Agricultural Tariff Preference in US



Description	MFN			Preferential Arrangements		
	No. of lines	Average	Range	Average Tariff (%)		
		(%)	(%)	Chile	Singapore	GSP
WTO Agriculture	1,611	9.7	0 - 350	7.1	7.2	6.2
Animals and products thereof	140	4.2	0 - 100	1.5	1.8	1.1
Dairy products	166	26.1	0 - 283.9	22.2	20.1	21.1
Coffee and tea, cocoa, sugar etc.	314	11.6	0 - 159.3	8.3	8.6	8.1
Cut flowers, plants	60	1.5	0 - 6.8	0.2	0.3	0.1
Fruit and vegetables	437	6.3	0 - 131.8	3.7	4.5	1.3
Grains	21	1.5	0 - 11.2	0	0.5	0
Oil seeds, fats and oils and their products	92	6	0 - 163.8	4.1	4.3	3.3
Beverages and spirits	100	6.1	0 - 106.6	4.8	4.4	3.2
Tobacco	47	56.4	0 - 350	50	49.9	52.1
Other agricultural products n.e.s.	234	1.9	0 - 62.3	0.6	0.8	0.8
WTO Non-agriculture (including petroleum)	8,693	4	0 - 58	0.3	1.3	2
WTO Non-agriculture (excluding petroleum)	8,665	4	0 - 58	0.3	1.3	2

WITS Database

Role of ICA: Information Sharing

Sharing Trade related Information - Some Concerns



- Obstacles are usually structural in nature.
- At times operational aspects (kind of information required) also affect the information flow.
- There are data available on the web through online format as well as published data.
- As a cooperative the challenge is to ensure that the information dissemination within members are smooth and uniform.
- The structure of providing information is very significant.

Alternative approaches to share Trade Related Information



- Library source
- Online source
- Information agency source
- Experts in the industry source

Some Issues



- The library source requires a physical office structure and may not be relevant as the only available option, as information dissemination becomes a concern.
- The online source is more practical and a large share of information is exchanged on the portal.
- However, there is a concern while sharing sensitive information like customs duty.
- Off-late private agencies are also helping source data and act as a feeder.
- Alternatively, there are some organizations, who analyze and filter data and forward to the principal according their requirements.
- However, while sharing sensitive information the format desirable may be the last one.

Sensitive issues of Customs Duty



- Different countries have different rules and regulations
- The challenge is to collate all information into a single platform and make information relevant and one touch for the cooperative members
- A trade portal may therefore be an approachable option to assess
- Taking an instance of India or Indonesia, the portal can link to the site: www.cbec.gov.in or http://www.beacukai.go.id/en/keban_en/index3.php

Customs duty in India/Indonesia



- The sites have numerous links and hyperlinks, which might be a concern and deterrent for outside parties to track and analyse
- A portal can actually help in first analysing and filtering necessary information and then uploading on the portal for members to evaluate and use according to their convenience.
- For instance a simplified version of the site: www.cbec.gov.in, can be viewed as-

Trade Networking within Cooperatives: Key Issues



- Congregation of buyer and seller
- May not be always linked to the first point as it can be a hub of information and resource sharing and creating a stronger lobby for negotiations
- Especially significant when doing business outside of Asia Pacific
- It should also help in greater and extensive market coverage which may not be physically and economically feasible for cooperatives otherwise
- Opportunity to explore newer areas of trade like tourism, which is largely untapped through the cooperative format

IIFT's Viewpoint



- Since the focus is on alliance hence the hierarchy is not the key issue
- The information flow and follow-up within member countries will be relevant
- The support will be from within the alliance and also from outside through ICA-Headquarters
- Typically, such regional alliance require support to network for the products and services that require marketing more aggressively
- By and large sellers requirement of this forum is more pronounced as compared to a buyer

The proposed structure: Some key deliverables to be reviewed



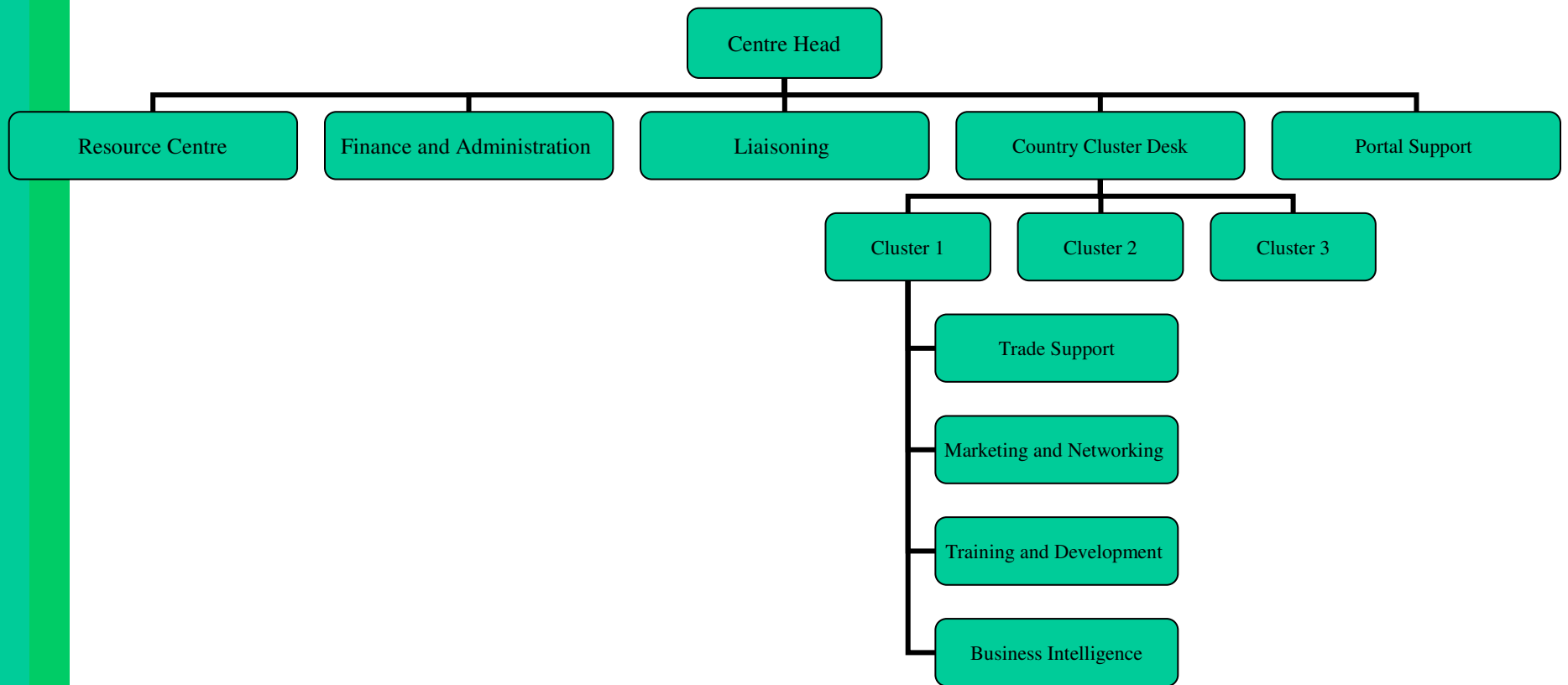
- The physical structure of the regional cooperative will be the basis for the organization's operational aspect
- However, the physical support for such cooperative alliance may necessarily not be enough owing to the member's constraint to access it at times
- Therefore, the support will have to be from the perspective of both “brick and mortar” and “click and mortar”
- The “brick and mortar” will provide the Physical support and the “click and mortar” will provide the Portal support which is essence of the structure
- The Portal will be the single window access point for the members and must be the lifeline on which issues like access to information and resources will be vital, especially in cases where physical access may not always not be feasible option economically

Organization structure



- Functional Organization
- Product/Market Organization
- Matrix Organization
- Formal and Informal Organizational Structure

THE ICA-Asia Pacific STRUCTURE: “Brick and Mortar”

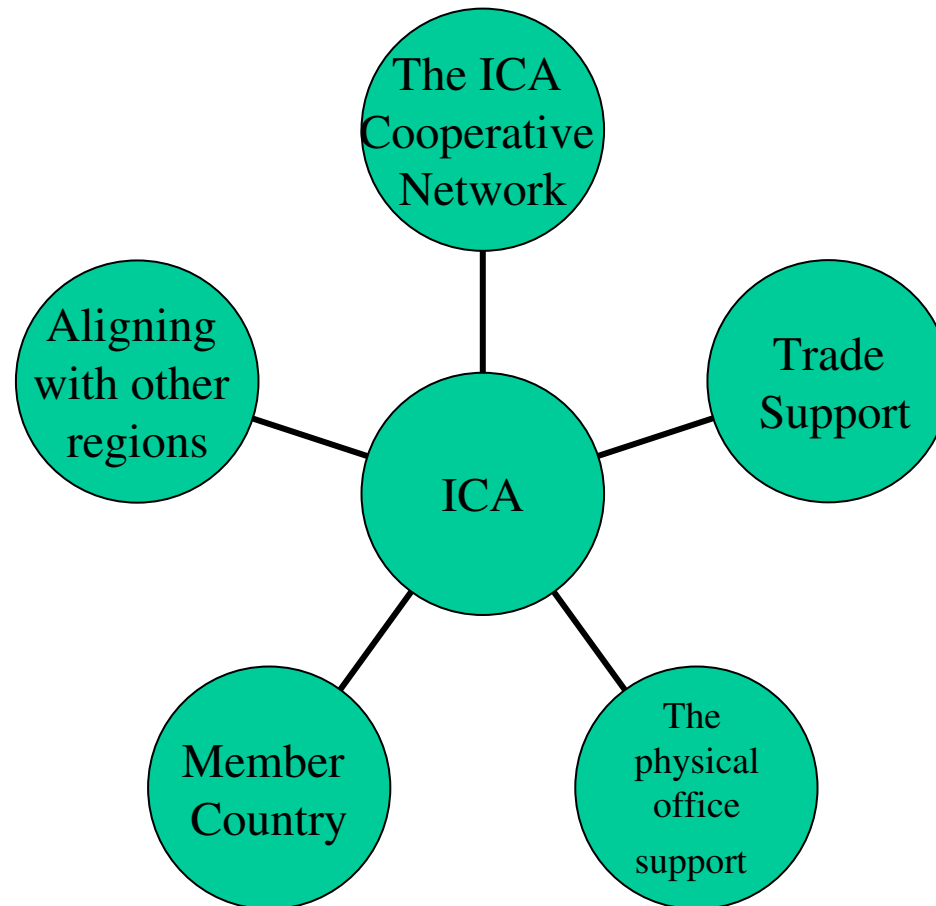


Rationalization of the structure



- The objective is to act as a facilitator
- The mediation within members and member country is ensured
- Supports the portal directly
- Leaves room for flexibility of information and flow of authority

The “Click and Mortar” structure



The key points about the portal



- Interactive and regular updating will be the key
- Information sharing and Information dissemination will be the basis of the portal and country cluster coordination
- The country cluster will be the basis for information dissemination since the homogeneity in the clusters will be relevant here
- The portal has three relevant aspects to it:
 - The Regional alliance and its benefits
 - The buyer and seller perspective
 - Information and resource sharing

General Functions of the Network



- Constant Research to estimate the impediments to trade (tariff and non-tariff barriers, new regulations) and updating the web-resources accordingly.
- A dedicated resource team at New Delhi to answer the queries and link the members in facilitating ground level information (e.g. – link cooperatives of Country X interested in exporting commodity Y to Country Z with Cooperative U operating in Z).
- Maintain good relationship with the major industry organizations in member countries. Whenever there is any problem with respect to trade, regulatory mechanism etc., these forums would play a key role in the necessary lobbying process.



Queries for a potential seller

- The list of potential buyer countries
- Macro Environment in a particular buyer country
- The demand (import) trend in the buyer country
- The other sellers in the buyer country
- Profile of the buyers cooperatives in the buyer country
- Tariff barriers on exports (ad-valorem, non ad-valorem)
- Non-tariff barriers on exports (technical standards etc.)
- Documentations requirements



Queries for a potential buyer

- The list of potential seller countries
- Profiles of the cooperatives in the potential seller countries
- Information on price of the potential sellers
- Tariff barriers on imports
- Non-tariff barriers on imports
- Documentations requirements



Evaluating the portal



Enhancing Trade Volume: Possible Options



- Linking cooperative in Asia with cooperatives located in other regions
- Incentives for increased intra-cooperative trade
- Creation of 'Co-Op' brand for establishing identity

Enhancing Trade Volume: Micro Response



- The Network must play a key role in creation of an open forum on a sector-by-sector basis, consisting of the cooperatives functioning in that particular area.
- An honorary convener should be elected from the members annually.
- This forum should deal with the regulatory barriers and other problems arising at a micro level, by discussing with the Government of the country which introduced the barriers.

Enhancing Trade Volume: Macro Response



- Whenever a new barrier to trade emerges on commodity X in Country Z, all the other members with export interest in that commodity must work in close association with the New Delhi Regional Office for preparing negotiating inputs for their countries of residence (e.g. – Country A, B, C ..).
- The Governments of Country A, B or C may first try to solve the issue bilaterally or jointly.
- If that attempt fails, and the extent of trade diversion increases further, these countries may move to multilateral forums like WTO for solving the problem, with the Nodal Agency closely working with them.

Need to ensure



- Obtaining the 6-digit level HS description of the products from the members, so that identifying exact nature of the barriers on them becomes possible.
- A commitment from members to respond timely to communications from other members or from the Nodal Agency.
- The cooperative profile must include their Annual Reports so that the potential partners in other countries obtain a preliminary idea about it.
- Be in constant touch with the members through their National bodies, so that they keep posting regulatory barriers / incentives / new schemes in their web-pages constantly. The nodal support team can link these items to the Flash Board in the Members' opening page.



Thank You