

## **NWU's WTO chair and team showcase Decision Support Model at the WTO's 5th Global Review of Aid for Trade in Geneva, Switzerland**

Trade is unquestionably one of the key drivers of economic growth and development in the world, yet high trade costs and other barriers to efficient and sustainable trade practices are hampering many countries' efforts to take advantage of global and regional market opportunities. Clearly, trade facilitation initiatives need to be stepped up and become more entrenched at the policy and operational level, with the WTO's Trade Facilitation Agreement constituting a key instrument in this regard. This was the central theme of the **World Trade Organization's 5<sup>th</sup> Global Review of Aid for Trade**, which took place from 30 June to 2 July 2015 at the WTO's headquarters in Geneva, Switzerland.

**Prof Wilma Viviers, director of the TRADE research entity and WTO Chair at the North-West University**, who was invited to deliver a paper at the WTO event, remarked: "Attending the WTO's Global Review gave me and my team fascinating insights into the current dynamics in international and regional trade circles, and paved the way for some very promising collaborative ventures between our research entity and a number of international trade development organisations."

At a special session convened for the WTO Chair holders and attended by senior government representatives, international trade experts and academics from several different countries, Prof Viviers presented a paper that explained the practical application of the **Decision Support Model (DSM)** - TRADE's flagship initiative which is gaining both local and international recognition. In her presentation, Prof Viviers proposed that the DSM acts as an aid to trade facilitation as it simplifies market selection decisions and pinpoints both short and longer term business opportunities in respect of high-potential products and services. "The real value in the DSM," said Prof Viviers, "lies in the fact that it can help governments and industry sectors to prioritise their trade promotion and expansion efforts, and it can also be adapted to different countries' circumstances. Our model has particularly strong potential for exposing export opportunities in Sub-Saharan Africa where intra-regional trade is so limited."

While trade barriers and trade costs are typically associated with poor infrastructure and logistics, as well as inefficient or corrupt border administration, there is growing awareness that the dearth of adequate market information also constricts trade and is therefore a deserving candidate for appropriate trade facilitation measures. This was reinforced by several of the speakers during the conference. In view of this, Prof Viviers' showcasing of the DSM was both fitting and timely. Commenting on the paper, Ambassador Stephen Ndunga Karau, permanent representative of Kenya at the United Nations office in Geneva, Switzerland, said that he found the concept of the DSM and its methodology fascinating and that "most countries in Sub-Saharan Africa haven't gone this far in terms of looking at prospects for market development." However, with more and more traders and investors looking to Africa for business opportunities, and with the recent unveiling of the African Tripartite Free Trade Area (TFTA), there is much scope for the economic potential of the region to be unlocked.

“By taking trade cost into consideration, the DSM reveals both easy-to-access markets with fairly low barriers to entry, as well as less accessible markets which require intervention at a more strategic level so that longer term opportunities can be realised in a sustainable manner” said **Dr Ernie Steenkamp, DSM expert in the TRADE research entity**, who attended the event as co-author of the paper presented.

A strong focus was given in several of the sessions to the role that services play in fuelling the global economy. Yet there was general consensus that most countries’ services trade is not subject to a coherent policy framework and the value (and cost) of services is not well understood. “The role of services in a country’s import/export mix and services’ strategic contribution to global and regional value chains are areas that are ripe for research, and the TRADE entity at NWU has begun to focus more heavily on these areas,” said **Dr Sonja Grater, services trade expert in the TRADE research entity** and co-author, who was also in Geneva for the WTO event. “In South Africa and elsewhere, where services make a substantial contribution to GDP, the academic community can contribute towards a greater understanding of the pivotal role that services play in international trade.”

Prof Viviers hailed the WTO gathering as an “excellent forum for networking and for benchmarking our work against some of the most progressive and exciting trade-related research initiatives in the world”. She went on to say that “while the WTO’s Global Review provided a platform for the exchange of wide-ranging views and experiences, it also reinforced how united many countries’ trade ministers, policy makers and practising importers and exporters are in their desire for a more streamlined and productive international trade environment.”

For more information about the work of North-West University’s TRADE research entity and the WTO Chairs Programme, visit the web page: [www.nwu.ac.za/trade](http://www.nwu.ac.za/trade) or contact Prof Wilma Viviers on: [wilma.viviers@nwu.ac.za](mailto:wilma.viviers@nwu.ac.za).