

# THE TRADE POLICY ANALYST

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NOTES FOR A PRESENTATION TO THE

QUEEN'S TRADE POLICY INSTITUTE 2020

CYBERSPACE, NOVEMBER 23, 2020

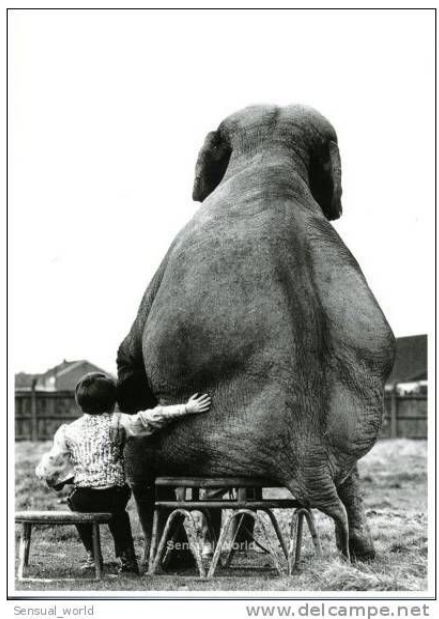
# TRADE POLICY IS A TEAM SPORT

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- Minister of Small Business, Export Promotion and International Trade leads, at the federal level ...
- But that role largely coordination:
  - Within the trade portfolio
  - Within GAC:                      Foreign Affairs                      (Trade policy is foreign policy)  
   International Development                      (Trade policy is development policy)
  - Within the federal government                      (Trade policy is domestic economic and social policy)
  - With the provinces and territories                      (Trade policy is federal-provincial relations)

# DEVELOPING A NEGOTIATING STRATEGY

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- Canada's Trade Policy:
  - Trade's good, eh?
- Canada's Trade Strategy:
  - Protect our position in the US market
  - Diversify our markets





# DEVELOPING A NEGOTIATING STRATEGY

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- KNOW YOUR INTERESTS ... and “The devil is in the details”.
  - Consult:
    - the experts
    - the stakeholders
  - Collect the facts, then do the microeconomics
    - Sector by sector; what do we sell, where do we fit in the supply chain; who are our competitors, what are their terms of trade; what barriers do our traders face in the market ...
    - What are the numbers
    - What are other governments doing
    - What are the trends – where is trade going ...

# DEVELOPING A NEGOTIATING STRATEGY

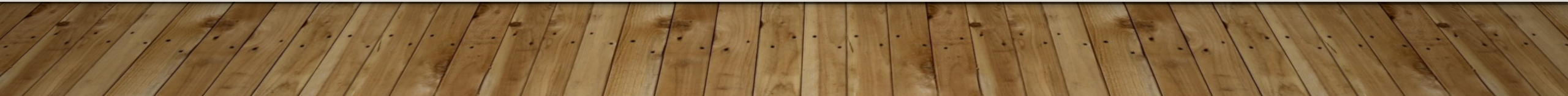
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- Know their interests too
- Make a plan ... then get ready to change it
- When it's over, it's not over ... implementation
  - At home
  - In the other country
- Communications is part of the strategy from start to finish

# NEGOTIATING

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- Getting an agreement means moving towards each other ... so don't start there
- Do the easy things first - cycle the issues, so discussions can move past obstacles
- Don't give things away for free: it's about reciprocity
- Don't negotiate with yourself: sometimes it's their turn to say something
- Be patient: think strategically – few steps ahead and with the “end game” in mind
- Listen – and ask questions to deepen your understanding and to find the third way
- You need a thick skin ... and a poker face
- It's not about winning, it's about win-win .....



# NEGOTIATING WITH DEVELOPING COUNTRIES

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- "Who are we talking about?" - one size doesn't fit all
- The trade policy view of development
- The Dutch model: *A World to Gain*
  - Aid Relationship
  - Transitional Relationship
  - Trade Relationship
  - List of target countries and policy instruments for each type of relationship



# NEGOTIATING WITH DEVELOPING COUNTRIES

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- Lamy's advice:
  - Emerging countries must accept that, as they develop, they will align their level of international commitments to those of advanced economies.
  - Advanced economies must recognize that, given their own historical responsibilities for the remaining unfairness in trade rules (and the practical constraints developing countries face), emerging countries deserve long transition periods to converge towards common commitments.
  - For the poorer countries, the issue is less what level of commitments they accept and more how to help them build the capacity to be active members of the international community ... how to get the benefit out of trade.
- At the negotiating table, you have to make a choice:
  - Accept a step-by-step liberalization
  - Or wait until they are ready.