

# Report Tackles Contentious Trade Issues and Upcoming Negotiations

January 9, 2014 – Progress on trade liberalization is likely a 2014 New Year’s resolution for many top policy makers. The question is whether a set of major pending trade negotiations will come to rapid fruition or will suffer the fate of most pledges to eat better and exercise more frequently. In anticipation of the upcoming trade policy debates, The Chicago Council on Global Affairs has released a [report](#) (PDF) assessing the state of leading trade negotiations and the likely outcomes.

The report, authored by Chicago Council senior fellow [Philip Levy](#), summarizes expert insights from a recent day-long [event](#) hosted by The Chicago Council and its global partners. It details the broad scope of the major agreements, from the Trans-Pacific Partnership (TPP) to the Trans-Atlantic Trade and Investment Partnership (TTIP) and multilateral talks under the World Trade Organization (WTO).

Participants described the importance of trade as a key component of a national competitiveness agenda and warned of both the difficulty and the importance of meeting key deadlines in the months to come.

“Both the TPP and the TTIP emerged, in part, out of frustration with the dormant multilateral talks under the auspices of the WTO,” notes Levy. Former U.S. Trade Representative Susan Schwab argued that the successful push toward an early December WTO ministerial meeting in Bali was as important as anything done on the multilateral scene in the last 20 years.

“We need a healthy WTO,” she said. “It is fine to enjoy the operation of the WTO’s dispute settlement mechanism, but it is enforcing rules agreed upon in 1993.”

The package under discussion for Bali was drastically reduced from the initial vision for a Doha Development Agenda. Even so, the challenge of reaching an agreement among the 159 member countries was daunting. On December 7, after delicate negotiations that twice neared failure, the new director general, Roberto Azevêdo of Brazil, managed to coax a modest deal out of the WTO membership, thereby reviving hopes for a multilateral approach to trade liberalization.

While the WTO escaped from Bali with a deal and a consensus, TPP ministers the next week were not so lucky. They missed their year-end goal and planned to reconvene later this month.

“We will soon know whether or not the White House can secure Trade Promotion Authority, and whether the negotiating instructions that emerge will be sufficiently ‘clean’ to allow for international agreement,” writes Levy in the report. “Then we will see whether the ever-growing TPP can settle on an accord before the pressure to admit new countries—such as South Korea—complicates the task even further.”

The conclusion from the discussion was that it is unlikely these challenges can be met in the short time spans that have been put forward publicly. Deadlines will be missed. This sober assessment was often tempered by a more optimistic sense that the issues are critically important and could be addressed with a bit more patience and with substantial effort and political commitment.

Levy, who served as senior economist for trade for President Bush’s Council of Economic Advisers from 2003 to 2006, organized The Chicago Council event, “[Frontiers of Economic Integration](#),” which took place in late October 2013 in wake of a US government shutdown that prevented two US delegations from attending critical negotiating sessions with Asia-Pacific and European partners. Economists and policy makers from around the world gathered in Chicago to discuss the prospects for global trade progress and the substantive and political challenges leaders will face.

Partners included Northwestern University’s Center for International Economic Development and Kellogg School of Management, and The Federal Reserve Bank of Chicago. Support for the conference was provided by The Cooper Family Foundation, Charles Moore and the Banc Funds Company, and Chicago Council Board treasurer Leah Joy Zell, founder and portfolio manager of Lizard Investors LLC.

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