

**ASEAN-US
Technical Assistance & Training Facility**



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SUMMARY AND PARTICIPANT EVALUATION

ASEAN Trade Negotiations Course
Vientiane, Laos (July 26-28, 2006)



NATHAN
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Fifty three participants from Lao, Viet Nam, and Cambodia took part in the ASEAN Trade Negotiations Course. The sessions were lead by Nathan Associates' Vice President Lance Graef assisted by Principal Associates Richard Self and James Wallar. Lecture material covered the basics of the World Trade Organization (WTO) and trade measures, with a concentration on rules of origin, services, investment and WTO accession. The centerpiece of this course was a trade negotiations simulation. The simulation extended over the three days of the course, with the final plenary meeting of the negotiating groups serving as the last training session, incorporating much of the material covered in the earlier lectures. Although the groups did not reach agreement, the dynamics of the negotiations demonstrated that participants had developed a firm grasp of fundamental issues that can create sound negotiation positions and result in better trade agreements.

Dr. Nam Viyaketh, Minister of Industry and Commerce, and the Honorable Patricia Haslach, U.S. Ambassador to Lao P.D.R. provided opening remarks for the training course. In discussions before the conference, the Minister asked many questions about WTO accession, including next steps, timing, and strategies for accelerating work in Vientiane and Geneva. Mr. Self, who handled more than a dozen accessions while working for the U.S. Trade Representative in Geneva, indicated that over 33 countries are seeking membership in the WTO. With limited resources in all WTO member countries devoted to accessions, efforts by applicants are not taken seriously unless there is a substantial offer on goods and services and progress to adopt the necessary measures that conform to WTO agreements. As there has not been much progress in the five years since Lao submitted its Foreign Trade Memorandum to the WTO, Lao should consider taking steps to generate momentum and interest in its WTO accession, including a visit to Geneva. The Ambassador was frank, indicating to the Minister that Lao P.D.R. had much work to do to implement the bilateral US trade agreement and speed Lao accession to the WTO. Lao's neighboring countries were leaving it behind by opening their economies and joining the WTO, and applying international trade rules.

During the lecture on WTO accession, the Lao participants asked many questions. The principal thrust of the questions was how to organize the government to proceed with the accession process, what areas to cover first in the negotiations, and how to work with domestic interests. Mr. Self noted that as Lao had filed its trade policy memorandum, the next step was up to Lao to engage in bilateral negotiations with key WTO members. Given the active accession calendar, Lao would have to distinguish itself with a forthcoming offer to gain the attention of WTO members and accelerate its accession process. Such an approach required serious work at home within the government and with the private sector.

The presentation of the General Agreement on Services (GATS) went into detail taking account that the ASEAN regime for cross-border provision of services, the ASEAN Framework Agreement on Services, is based on the GATS. Discussion focused on a similar issue of what sectors would be the most appropriate on which to make commitments in the accession negotiations as well as the Doha Development Round. Mr. Self suggested considering those sectors in which improved efficiency could benefit a wide range of economic participants, such as finance, telecommunications and other infrastructure services.

Rules of origin was a key session in the course. Participants were at first challenged by the difficulty of the material and, in the trade negotiations course, questioned why they had to cope with such arcane material. Mr. Graef pointed out that the rise of preferential trade agreements, including importantly in Asia, increases the importance and, possibly, the complexity of rules of origin. Unless simple, transparent rules of origin are put into place, Mr. Graef cautioned that trade flows made be impeded as complex rules increased costs and uncertainty of trading. This applies to ASEAN as it is negotiating trade agreements with its dialogue partners at the same time that individual ASEAN Member Countries pursue bilateral trade agreements. The ASEAN noodle bowl of trade agreements is growing (see attached slide from presentation).

On investment, Mr. Wallar pointed out the dramatic rise in investment flows as investors use different ASEAN locations to produce intermediate products, using the region as a production chain. ASEAN has different legal instruments, drafted at different times, for protecting investments and promoting liberalization of investment. Problems could emerge as inconsistencies among these instruments and with the ASEAN Framework Agreement on Services would become more apparent as ASEAN Member Countries use these instruments as a basis for negotiations with dialogue partners.

Trade negotiations simulations began the first day as participants broke out into four negotiating groups representing four countries with different production and trading profiles and politician settings. Issues for

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negotiations were rules of origin on textiles and apparel, wheat, wheat products and commitments to allow the movement of construction workers and doctors cross borders (services). Participants initially were uncertain how to precede, but the lectures on rules of origin and services helped place these issues into perspective. What started out as hesitant negotiations evolved into constant negotiations during coffee breaks and prior to lectures.

The final plenary session demonstrated that participants had an appreciation for their “country” circumstances, developed alliances with other negotiating partners, questioned vague pledges or offers, and did not make requests of others that they were not willing to accept themselves. The Chairman of the plenary, Mr. Graef, praised the negotiators and encouraged them to be certain of deals they thought they had struck bilaterally obviating the need to engage in open debate on details in the plenary.

In the summing up of the course, Mr. Wallar pointed out that the materials for the trade simulation were deliberately designed to be difficult as these were reflective of real situations. Rules of origin are becoming increasingly important with the rise of preferential trade agreements and textiles and agriculture were among the most sensitive sectors in ASEAN. Cross border movement of persons was the most nettlesome of all “modes of services delivery” but a reality in ASEAN with migrant works and the rise of health tourism as a major industry.

These issues and sectors are important for building an ASEAN Economic Community as each of these issues arose in the roadmaps for the integration of ASEAN priority sectors. Negotiating these issues requires an understanding of national industry positions as well as an appreciation of an ASEAN position when negotiating with dialogue partners, such as China, Korea and Japan. Fundamentally, as suggested throughout the course, this depended upon active engagement with the private sector, transparent development of negotiating positions and agreements for effective implementation. ASEAN’s commitment to an Economic Community by 2020, if not by 2015, was a bold undertaking but one that could benefit all ASEAN member countries. The trade training course was a contribution to build capacity to negotiate sound agreements to achieve this objective.

By comparison with other workshops, participants were differential to the speakers but did pose thoughtful questions and followed up discussions informally during the breaks. In the evaluation of the course by participants, sessions received an average rating of either 4 or 5 out of a total possible rating of 6, with more experienced representatives from Vietnam and Cambodia rating all sessions an average of 5. Participants overwhelmingly pointed to the trade simulations as the part of the course they most liked. Most thought the course was a good mixture of lecture and interactive discussion. The main criticism was insufficient time to cover the material, and areas for follow up work would be more advanced courses getting into details and case studies of trade policy issues.

Suggestions and ideas for follow up activities include:

- WTO accession activities and advisory support targeted at the Lao PDR;
- Advanced course for experienced trade officials, with a concentration in rules of origin;
- Additional game/simulation activities and case studies for negotiators.

Following is the agenda for workshop, the table of Contents of the course binder materials, and a summary of the evaluations submitted by participants.

Agenda

ASEAN-US Technical Assistance & Training Facility

ASEAN Trade Negotiations Course

July 26-28, 2006

Lao Plaza Hotel, Vientiane, Laos

DAY 1

	8:00 – 8:30	Arrival/Registration/Coffee
	8:30 – 8:45	Welcome and Introduction TBD
Session 1	8:45 – 9:15	Overview of the WTO <i>Richard Self</i> — WTO and RTAs (Article XXIV, Enabling Clause, DDA)
Session 2	9:15 – 10:15	Regional and Bilateral Trade Agreements <i>Lance Graef</i> — Comprehensive versus Sectoral Approach to RTAs/BTAs — Regional Liberalization Issues
	10:15 – 10:30	Coffee Break
Session 3	10:30 – 12:00	Regional and Bilateral Trade Agreements (continued) <i>James Wallar (or Lance Graef)</i> — Deeper ASEAN Integration — Discussion
	12:00–1:00	Lunch
Session 4	1:00 – 2:00	Fundamentals of Negotiations <i>Lance Graef</i> — Information gathering discussion (what does a negotiator need to know beforehand) — Discussion stage — Strategy/tactics
	2:00 – 2:15	Coffee Break
Simulation	2:15 – 4:00	Trade Negotiation Simulation: Introduction — Organization of country groups — Identification of teams & spokesman — Preparation for tomorrow's plenary meeting
	4:00–4:30	Wrap-up/Evaluation

Agenda

ASEAN Trade Negotiations Course

DAY 2

	8:00 –8:30	Arrival/Registration/Coffee
Simulation	8:30–9:30	Trade Negotiation Simulation: Plenary Meeting — Present offers
Session 5	9:30–10:30	Overview of Rules of Origin in World Trade <i>Lance Graef</i> — Non-preferential (WTO) — Preferential (RTA/BTA) — Challenges
	10:30–10:45	Coffee Break
Simulation	10:45 –11:30	Trade Negotiations Simulations: Informal Discussions
	11:30 –12:30	Lunch and Informal Trade Discussions
Session 6	12:30–1:30	Trade in Services <i>Richard Self</i> — Why services matter — Brief overview of the GATS — Current status of negotiations <ul style="list-style-type: none">○ Doha Development Round○ Regional ASEAN negotiations○ Bilateral ASEAN negotiations
	1:30 – 1:45	Coffee Break
Session 7	1:45 –2:45	Trade in Services Issues <i>Richard Self</i> — Basics of scheduling <ul style="list-style-type: none">○ Limitations to national treatment & market access○ Terminology — Modes of delivery
Exercise	2:45-3:45	Scheduling Services Commitments Exercise <i>Richard Self (or others)</i>
	3:45 – 4:00	Wrap-up/Evaluation

Agenda

ASEAN Trade Negotiations Course

DAY 3

	8:00 – 8:30	Arrival/Registration/Coffee
Simulation	8:30 – 9:30	Trade Negotiation Simulation: Informal Discussions
Session 8	9:30 – 10:30	WTO Accession <i>Richard Self</i> <ul style="list-style-type: none">— Overview of the process— Challenges and recommendations— Case study and way forward for ASEAN countries in accession process
	10:30– 10:45	Coffee Break and Informal Trade Discussions
Session 9	10:45 – 11:45	Investment <i>James Wallar</i> <ul style="list-style-type: none">— ASEAN Integration Issues
	11:45 – 12:45	Lunch and Informal Trade Discussions
Session 10	12:45 – 1:45	Models for Trade Negotiations-related Coordination and Dialogue <i>James Wallar</i>
	1:45 – 2:00	Coffee Break and Informal Trade Discussions
Simulation	2:00 – 3:15	Trade Negotiations Simulation: Final Plenary Session <i>Lance Graef and James Wallar</i>
	3:15 – 3:45	Course Summary and Debrief <i>Lance Graef</i>
	3:45 – 4:00	Wrap-up/Evaluation

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ASEAN Trade Negotiations Course

July 26-28, 2006

Lao Plaza Hotel, Vientiane, Laos,

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| 7 | Overview of Rules of Origin in World Trade |
| 8 | Trade in Services |
| 9 | WTO Accession |
| 10 | Investment |
| 11 | Models for Trade Negotiations-related Coordination and Dialogue |

Selected Resources on International Trade

Suggested Readings

Trade-related Resources on the Web Guide, Nathan Associates, 2005

Improving Trade Policy Coordination and Dialogue in Developing Countries, Nathan Associates, 2003

Frequently Cited Regional Trading Agreements and the Parties to Them, World Bank, Global Economic Prospect (GEP) 2005

Regional Trade and Preferential Trading Agreements: A Global Perspective, Chapter 2, World Bank, GEP 2005

The Future of the WTO: Addressing Institutional Challenges in the New Millennium (also known as the Sutherland Report)

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Evaluation

ASEAN-US Technical Assistance & Training Facility

ASEAN Trade Negotiations Course

July 26-28, 2006

Vientiane, Laos, Lao Plaza Hotel

Your answers to this questionnaire will help us to improve our training programs. Thank you for taking the time to fill it out.

Personal data

Years of experience in trade

Country of Representation

Presentations

On a scale of 1 to 6, please rate how informative each session was for you. A rating of 6 indicates that you found the session highly informative; a rating of 1 that you did not find it informative.

Session	Presentation	Average
1	Overview of the WTO	5
2 & 3	Regional and Bilateral Trade Agreements	5
4	Fundamentals of Negotiations	5
5	Overview of Rules of Origin in World Trade	4
6&7	Trade in Services	5
Exercise	Scheduling Exercise	5
8	WTO Accession	5
9	Investment	5
10	Models for Trade Negotiations-related Coordination and Dialogue	5
Simulation	Simulation Exercise	5

Subject Matter

Would you like to see more, the same, or less time devoted to the following negotiation topics:

Session	Presentation	More	Same	Less
1	Overview of the WTO	20	4	2
2 & 3	Regional and Bilateral Trade Agreements	20	5	1
4	Fundamentals of Negotiations	21	4	1
5	Overview of Rules of Origin in World Trade	21	5	0
6&7	Trade in Services	17	7	2
Exercise	Scheduling Exercise	17	6	3
8	WTO Accession	17	8	1
9	Investment	15	8	3
10	Models for Trade Negotiations-related Coordination and Dialogue	20	5	1
Simulation	Simulation Exercise	15	9	2

General

1. What part of this course did you like the most?

- Simulation/negotiation exercise (14 participants)
- Overview of Rules of Origin in World Trade (4 participants)
- Fundamentals of Negotiations and models for trade negotiations (3 participants)
- Regional and Bilateral Trade Agreements (2 participants)
- Models for trade-related coordination and dialogue (2 participants)
- Regional and Bilateral Trade Agreements & Fundamental of Negotiation (2 participants)
- Trade in Services
- GATS
- Scheduling exercise
- Trade and Service; Investment
- Investment, Trade in Services, Negotiations Trade
- The way of negotiations
- 2,3,5,6,7,9
- 3&4
- Investment, Trade in Services, Negotiations Trade
- All of these sessions are useful and most important
- I find that every part of the course is very important for me

2. What part of this course did you like the least?

- Overview of Rules of Origin in World Trade (2 participants)
- Overview of WTO (2 participants)
- Investment (2 participants)
- Fundamental of Negotiations (2 participants)
- Simulation Exercise (2 participants)

- ROO (need more detail and more clear)
- WTO Accession
- Theory/technical issues.
- Negotiation skills (tactic)
- So much content in the short time.
- The course is too short which there are many materials are covered. It is quite difficult for me to understand very well on each lesson was covered. I found that this course is more for a person that is ready to go off for negotiating with other countries or for a person that is already taken many Trade negotiation courses before.
- Time constraint for lunch and relaxation
- All the parts of the course are very useful

3. What other topics would you like to see included?

- Negotiations strategy/techniques (**3 participants**)
- Trade negotiations strategy; more models for trade negotiation-related coordination and dialogue
- Negotiation skills and tactics of bilateral trade agreements
- International dispute settlement (**2 participants**)
- Rules of Origin in World Trade (**2 participants**)
- More detail of the Rules of Origins which is experience of result of other FTAs
- Trade in Services, WTO Accession, Investment
- Trade in services negotiations
- Challenges and opportunities in WTO context and have to take full advantages of opportunities
- The numbers of WTO treaties (legislation)
- Legal check list
- TRIPs
- NAFTA Principle; more example in practices of WTO
- TBT, SPS and trade agreements
- Trade in agriculture, more negotiation skill and simulation
- NAMA
- Regional and bilateral trade agreements + fundamental negotiation
- Regional and bilateral trade agreement
- National, regional and international trade policies
- The same topic but not too much worldwide
- I think about self services in Singapore.
- Technique for negotiating in BITs
- Investment
- Global trade on marketing and for Government
- More examples about negotiations; some real activities that happen before
- ASEAN private sector
- The deepest detail of each topic.

4. Did this course use a good mix of lecture and interactive discussion?

- Yes (**30 participants**)
- Yes, this course used a good mix of lecture and interactive discussion
- Yes, just need more time for the lecture
- Yes, but a little bit complexity
- This course used a good of mix of lecture
- It should be less stress if the amount of information, reduce and concentrate on main issue and leave more time for discussion

- Medium
- No
- More interaction needed

5. What sorts of follow-up activities for this course would you find useful?

- Negotiation skills (**2 participants**)
- Practice negotiating skills (**2 participants**)
- Simulation/scheduling exercise (**3 participants**)
- Simulation exercise on many issue in global trade, multilateral and bilateral
- More simulation game and negotiation skills/techniques
- Discussion much more about negotiation skills and need more time to do exercise/discuss and examples. This course should be lasted longer.
- Negotiations
- Make me know well about negotiation
- Trade negotiations procedures
- Make more exercise in group
- Discussion and negotiation section
- Sharing experience of participants from various country lecturers (speakers)
- Situations in fact or solutions for conflicts.
- Case study
- More example
- The exercises
- This program should be continued, especially for WTO's member of LDCs who have just became junior member of this institution
- Yes, understood more about WTO affairs, in particular in negotiation RTAs & BTAs
- WTO Accession, RBTA, FTA, BTT, Investment, ROO and AIA
- WTO and ROO and trade in services
- WTO, ROO and others
- ROO in world trade
- Please continue this kind of seminar with the same groups of people, so we can make the course more advanced seminar, and more effective
- Yes of course (especially for my experiences FTAs).
- Trade and services
- Take the scheduling and simulation exercise to resume in our work procedure
- There should be more time for negotiators/learners to prepare negotiating plans/strategies/tactics and conduct negotiations.
- Note: as mentioned "more" should also expand the time to be balanced between time and content
- Questions and answers

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Thank you for filling out this questionnaire. Additional comments on any aspect of this course are welcome.

Free Trade Agreements in Asia

