



USAID
FROM THE AMERICAN PEOPLE

New Catalysts for Developing Market Growth in the Indo-Pacific

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USAID's Role in U.S. Trade Policy

❖ Trade policy and negotiations advice

Trade Expansion Action of 1962, Sec. 222: Advice from Departments—
Before any trade agreement is entered into under this title, the President shall seek information and advice with respect to such agreement from the Departments of Agriculture, Commerce, Defense, Interior, Labor, State, and Treasury, and from such other sources as he may deem appropriate.

❖ Trade capacity building

Bipartisan Congressional Trade Priorities and Accountability Act of 2015, Sec 2 (c): Capacity Building and other Priorities: —In order to address and maintain United States competitiveness in the global economy, the President shall—

(1) direct the heads of relevant Federal agencies—

(A) to work to strengthen the capacity of United States trading partners to carry out obligations under trade agreements by consulting with any country seeking a trade agreement with the United States concerning that country's laws relating to customs and trade facilitation, sanitary and phytosanitary measures, technical barriers to trade, intellectual property rights, labor, and the environment; and

INDO-PACIFIC ECONOMIC FRAMEWORK FOR PROSPERITY

A grid of 10 video feeds showing participating leaders from various countries. Each feed includes the leader's name and country. The feeds are arranged in two rows of five. The top row includes: Secretary Yeend (Australia), Minister Dato Dr Amin (Brunei), Minister Luthi (Indonesia), President Yoon (Republic of Korea), and Minister Azmin (Malaysia). The bottom row includes: Prime Minister Arden (New Zealand), Secretary Lopez (Philippines), Prime Minister Lee (Singapore), Prime Minister Chan-o-cha (Thailand), and Prime Minister Chinh (Vietnam). Each feed also features the national flag of the respective country.

A large video feed showing a central leader, likely the Indonesian President, speaking. The feed is framed by a blue background with pink cherry blossom graphics. The leader is seated at a desk with a microphone and is wearing a dark suit. The feed also includes the national flag of Indonesia.

A vertical banner on the right side of the stage with the event title and location. The banner features the text "INDO-PACIFIC ECONOMIC FRAMEWORK FOR PROSPERITY" and "TOKYO" in white and pink. The banner also includes a small logo of the Indo-Pacific Economic Framework for Prosperity.



IPEF Developing Country Markets (5/14 parties)

- ❖ **India: \$159.1 billion total trade (2022)**
 - India is US' 9th largest trading partner: \$56.8b in exports to India
 - US is India's 1st largest trading partner: \$102.3b in exports to USA
- ❖ **Thailand: \$52.3 billion total trade (2020)**
 - US \$13.7b in exports to Thailand
 - Thailand \$38.6b in exports to USA
- ❖ **Indonesia: \$30 billion total trade (2020)**
 - U.S. \$9.3b in exports to Indonesia
 - Indonesia \$20.7b exports to USA
- ❖ **Philippines: \$25.3 billion (2020)**
 - US \$10b in exports to the Philippines
 - Philippines \$15.3b in exports to USA
- ❖ **Fiji: \$274 million in total trade (2020)**
 - US \$30mm in exports to Fiji
 - Fiji \$244mm in exports to USA

(Source: <https://ustr.gov/countries-regions>)



Federal Register Request for Comments on the Proposed Fair and Resilient **Trade Pillar** of an Indo-Pacific Economic Framework (March 10, 2022)

II. Public Comment

The Trade Policy Staff Committee (TPSC) invites interested parties to submit comments to assist USTR as it develops negotiating objectives and positions for the IPEF trade pillar. In particular, the TPSC invites interested parties to comment on issues that USTR should address in the negotiations, including the following:

1. General negotiating objectives for the proposed agreement.
2. Labor-related matters.
3. Environment and climate-related matters.
4. Digital economy-related matters.
5. Agriculture-related matters.
6. Transparency and good regulatory practice issues.
7. Competition-related matters.
8. Customs and trade facilitation issues.
9. Issues of relevance to small and medium-sized businesses that should be addressed in the negotiations.
10. Other measures or practices, including those of third-country entities, which undermine fair market opportunities for U.S. workers, farmers, ranchers, and businesses.

(Reference: <https://www.federalregister.gov/documents/2022/03/10/2022-05044/request-for-comments-on-the-proposed-fair-and-resilient-trade-pillar-of-an-indo-pacific-economic>)



TLCAN

La Banda de Negociaciones para la
Modernización del Tratado de Libre
Comercio de América del Norte
17 al 21 de noviembre 2017
Ciudad de México

Bienvenidos



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USMCA Good Regulatory Practices Chapter

Core GRP Elements:

- ❖ Transparent development (public notice & comment)
- ❖ Central coordination, consultation, and review
- ❖ Publication of regulatory impact assessments (including impacts on small enterprises) for public comment
- ❖ Accountability

CHAPTER 28

GOOD REGULATORY PRACTICES

Subject Matter and General Provisions

1. The Parties recognize that implementation of government-wide practices to promote regulatory quality through greater transparency, objective analysis, accountability, and predictability can facilitate international trade, investment, and economic growth, while contributing to each Party's ability to achieve its public policy objectives (including health, safety, and environmental goals) at the level of protection it considers appropriate. The application of good regulatory practices can support the development of compatible regulatory approaches among the Parties, and **reduce or eliminate unnecessarily burdensome, duplicative, or divergent regulatory requirements**. Good regulatory practices also are fundamental to effective regulatory cooperation.

USMCA GRP Chapter: Small Enterprises

Internal Consultation, Coordination, and Review:

4.1(e):[E]ach Party shall adopt or maintain those processes or mechanisms to pursue, among others, the following objectives:
“(e) promoting consideration of regulatory impacts, including burdens on *small enterprises* of information collection and implementation.”

Regulatory Impacts:

11(3): “Each Party should consider whether a proposed regulation may have significant adverse economic effects on a substantial number of *small enterprises*. If so, the Party should consider potential steps to minimize those adverse economic impacts, while allowing the Party to fulfill its objectives.”

Reference: https://ustr.gov/sites/default/files/files/agreements/FTA/USMCA/Text/28_Good_Regulatory_Practices.pdf

FDI Correlates Strongly with Transparency

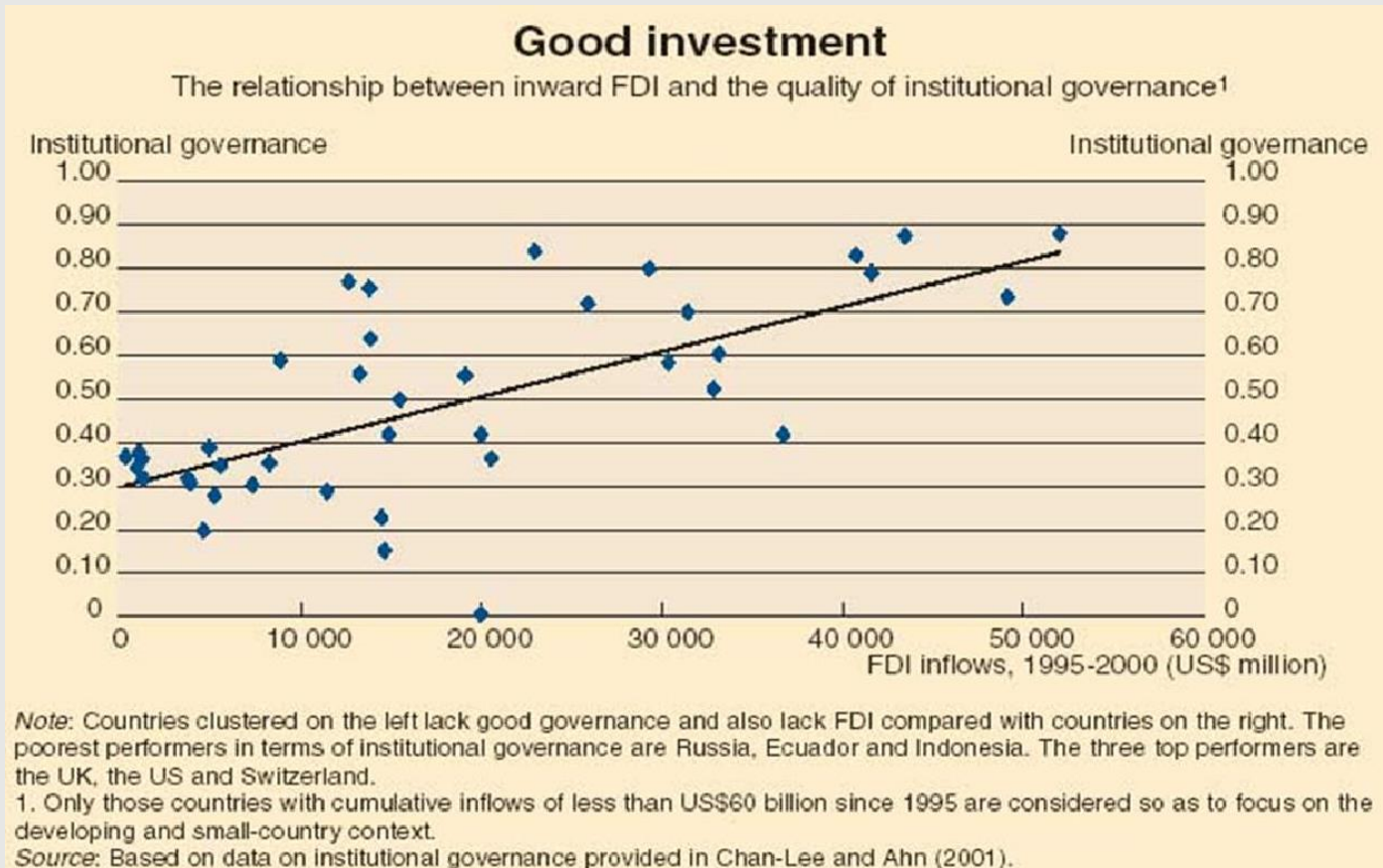
“Our simulations have also shown that not only the relationship between transparency and FDI inflows is *positive*, but this relationship is in fact quite *strong*.”

“The *relatively* more transparent are the country's policies and institutions, the more attractive is the country to foreign investors.”

“An improvement in a country's ranking by *only a few points* will significantly improve the country's attractiveness to foreign investors and should lead to a correspondingly large marginal inflows of FDI.”

(Source: Zdenek Drabek and Warren Payne (2001), “The Impact of Transparency on Foreign Direct Investment,” WTO Staff Working Paper ERAD-99-02.)

FDI Correlates with Good Governance (1/2)



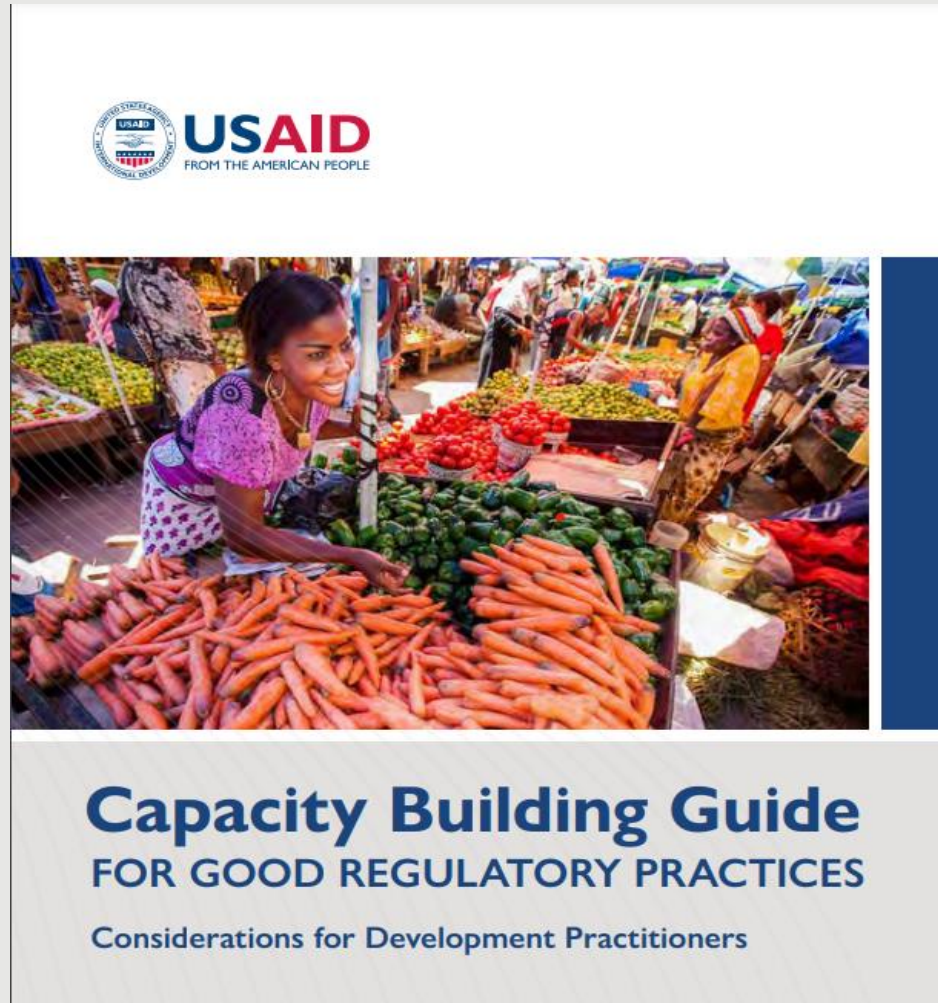


The 12th India - USA Trade Policy Forum

New Delhi, 23rd November, 2021



New USAID GRP Guide



(Source: https://www.marketlinks.org/sites/default/files/media/file/202209/082322_Capacity%20Building_GRP.pdf)



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