

СТРУКТУРНЫЕ ИЗМЕНЕНИЯ МИРОВОЙ ЭКОНОМИКИ /STRUCTURAL CHANGES IN THE WORLD ECONOMY

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THE ROLE OF INTERNATIONAL ORGANIZATIONS AND AGREEMENTS IN INTERNATIONAL TRADE

Abstract:

This article examines the role of international organizations and agreements in shaping global trade, emphasizing the importance of transport infrastructure and logistics. It highlights the impact of the WTO, IMF, and UNCTAD on trade facilitation, economic integration, and the benefits of agreements like the CPTPP for member countries.

Keywords:

Foreign trade, infrastructure, trade cooperation, international organizations, WTO, IMF, World Bank, trade agreements, CPTPP, trade facilitation, tariffs, economic integration, trade barriers, globalization, regional trade agreements.

This article will explore how international organizations, such as the World Trade Organization (WTO), International Monetary Fund (IMF), and World Bank, shape trade dynamics through various agreements that aim to reduce barriers and enhance cooperation among nations.

By examining empirical evidence and case studies, this article highlights the significant impacts of trade facilitation agreements on reducing trade costs, ultimately leading to increased trade volumes and economic integration. Through a comprehensive analysis, we aim to underscore the vital importance of international trade agreements and organizations in promoting global trade and fostering economic prosperity in an interconnected world.

The World Trade Organization (WTO), established in 1995, significantly influences international trade by providing a framework of aimed at reducing trade barriers and ensuring fairness among member countries. WTO membership correlates with increased trade volumes, with studies indicating an average rise of 20% and potential boosts of up to 100% through trade agreements [1]. The organization fosters a stable trading environment, encouraging investment by ensuring adherence to trade policies [2]. Its dispute resolution mechanism has effectively reduced the duration and severity of trade conflicts, achieving an over 85% resolution success rate [3]. The Trade Facilitation Agreement (TFA), effective since 2017, aims to reduce trade costs and bureaucracy, with estimates suggesting up to 14.5% cost reduction for low-income countries and the potential to add \$1 trillion to global trade [4]. Nonetheless, criticisms include uneven benefits among countries, challenges for developing nations in compliance, and concerns about regional trade agreements undermining the multilateral system [5].

The first graph in the research of Santeramo F. G., Guerrieri V., Lamonaca E. (2018) [6] shows the number of Preferential Trade Agreements (PTAs) and Regional Trade Agreements (RTAs) notified per year, alongside their cumulative totals. The yellow and red lines indicate a steady rise in the cumulative number of RTAs and PTAs over the

years. This trend reflects the growing importance of trade agreements in facilitating international trade. Notably, RTAs, which often include comprehensive trade liberalization measures, have shown a sharp increase, underscoring their role in boosting trade among member countries (World Trade Organization, 2021).

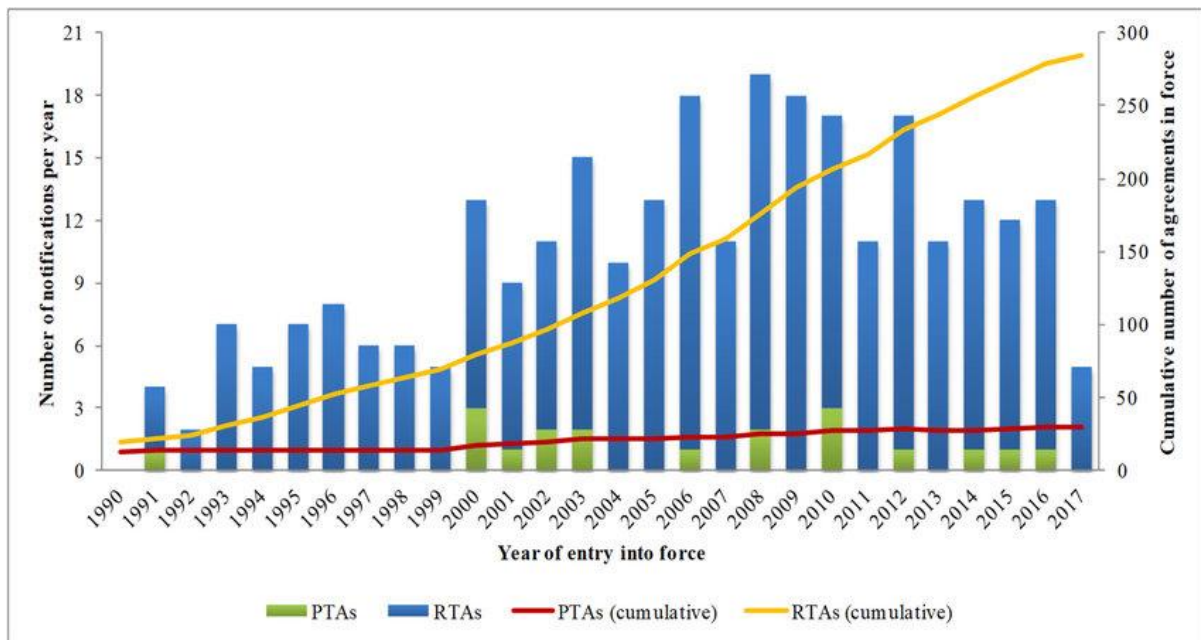


Figure 1 – Global trade agreements by year of entry into force, 1990–2017. [6]

The data from the graph aligns with findings by Subramanian and Wei (2007) [2], who assert that WTO membership and adherence to its rules significantly boost trade volumes. Their research suggests that countries that participate in WTO agreements benefit from enhanced market access and reduced trade barriers, leading to increased trade flows.

Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) includes countries of Pacific Ocean region aims to enhance trade and investment among its members by reducing tariffs and non-tariff barriers. Figure 1 shows notable import growth in these countries, particularly in the years following the implementation of the CPTPP in 2018. The economic benefits of the CPTPP outlined that trade agreements may facilitate market access by lowering tariffs cuts and providing other market access concessions [6]. Research by Petri and Plummer (2016) supports this observation, indicating that the CPTPP could potentially increase member countries' GDP by 1.5% and their exports by 3.5% [7]. The import growth in CPTPP countries, as depicted in the author's the graph, underscores the agreement's effectiveness in promoting trade by creating more open and competitive markets. This is further corroborated by Freund et al. (2020), who highlight that trade agreements like the CPTPP enhance economic integration and lead to substantial gains in trade volumes.[8]

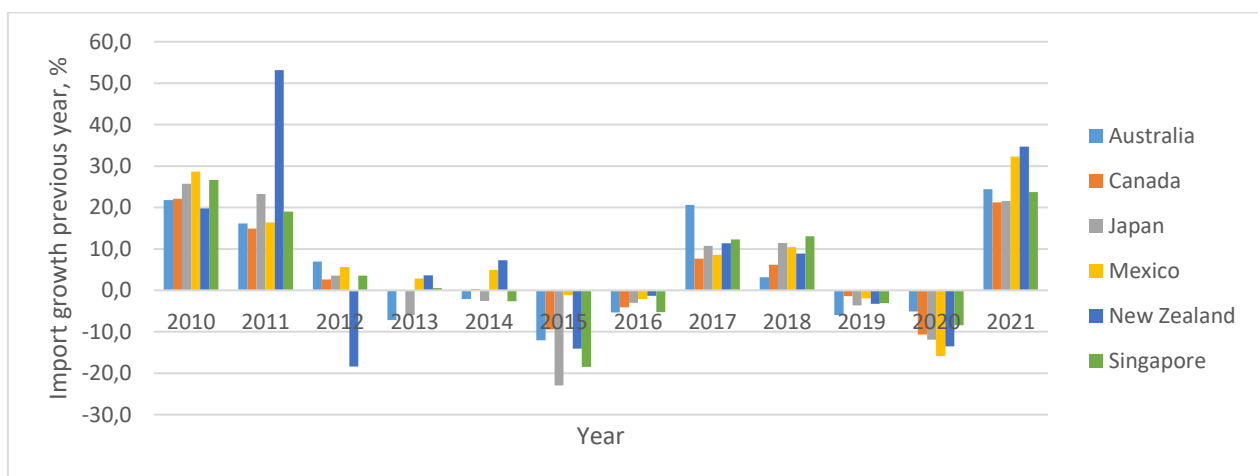


Figure 2 – Changes in the volume of import of CPTPP countries

The third graph focuses on the export growth in CPTPP countries, demonstrating how international trade agreements can significantly boost exports. The data reveals that, similar to imports, exports have shown substantial

growth in CPTPP member countries, particularly in the years following the agreement's implementation. This trend highlights the positive impact of the CPTPP on trade, facilitating market access and reducing trade barriers for exports.

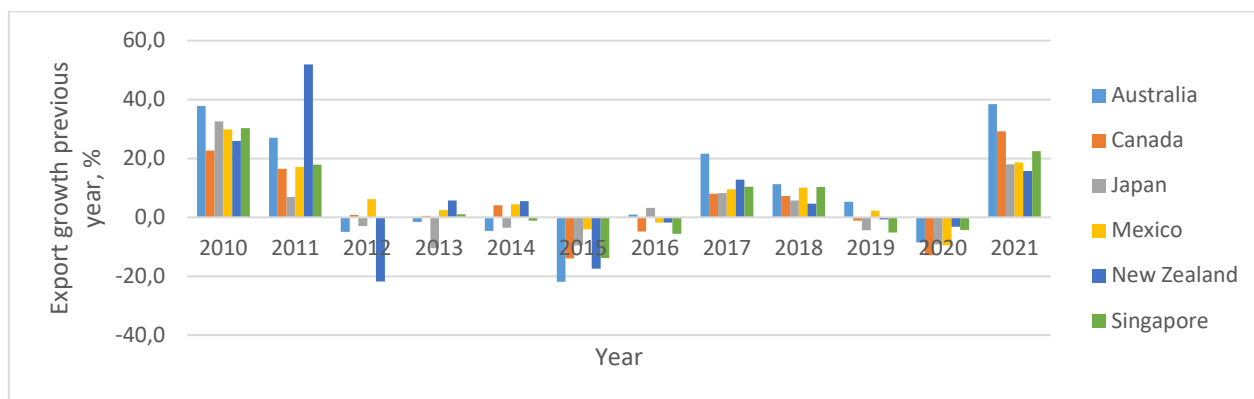


Figure 3 – Changes in the volume of export of CPTPP countries

A study by Ciuriak and Xiao (2020) estimates that the CPTPP could increase member countries' exports by approximately \$150 billion annually [9]. This projection aligns with the trends observed in the graph, where countries like Australia, Canada, and Japan have experienced notable export growth post-CPTPP. Furthermore, the research emphasizes that the agreement's comprehensive coverage of trade issues, including services, investment, and intellectual property, has been instrumental in driving export growth.

The graphs demonstrated a clear upward trend in the number of RTAs, reflecting their growing importance in global trade. The CPTPP, for example, has significantly increased both imports and exports among member countries, as evidenced by the import and export growth graphs. Research by Petri and Plummer (2016) [7] and Ciuriak and Xiao (2020) [9] supports these findings, indicating substantial GDP and export gains from such agreements.

Moreover, trade facilitation agreements like the WTO's Trade Facilitation Agreement (TFA) have been instrumental in reducing trade costs and improving trade efficiency. Hillberry and Zhang's (2015) [10] research highlight the substantial reductions in trade costs and increases in trade volumes resulting from such agreements.

The connection between exports, imports, and GDP growth varies in CPTPP member countries. Export-dependent countries experience economic growth driven by high export volumes, while more developed economies see GDP growth leading to increased imports and exports, enhancing production and product quality.

In summary, this article proves that international trade agreements, supported by organizations like the WTO, have played a pivotal role in enhancing global trade. The reduction of trade barriers, improvement in trade and creation of more competitive markets have led to significant economic gains for participating countries. The article proves the importance of these agreements in fostering economic growth and integration in the global economy. As global trade continues to evolve, the role of these agreements and institutions will remain crucial in shaping a more interconnected and prosperous world.

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