

INTAL CONNECTION

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Rethinking the Multilateral Trading System



On Wednesday, December 13, 2017, the government of Argentina and the Inter-American Development Bank's Institute for the Integration of Latin America and the Caribbean (INTAL/IDB) held the *Think Conference MC11: Thinking about 21st-Century Global Governance of International Trade*. The event was part of the official activities organized around the 11th WTO Ministerial Conference, which was held in Buenos Aires between December 10 and 13. This review summarizes the main points of the presentations given at the two plenary sessions and a selection of the ideas that were discussed at the seven roundtables or expressed in the 24 research documents (see event agenda).

The *Think Conference* was officially opened by Argentina's minister of production, Francisco Cabrera, and INTAL director Gustavo Beliz. Those present included authorities from the World Bank, the International Trade Centre, the European Commission, the European Parliament, the ICBC Foundation, and researchers into issues related to international trade from major academic institutions such as Georgetown University, the Graduate Institute in International and Development Studies in Geneva, New York University, Harvard University, the London School of Economics, the Getúlio Vargas Foundation, the European University Institute, the University of San Andrés, and the University of Buenos Aires. Specialists from private organizations such as the International Network for Small and Medium Enterprises, the Association of German

Chambers of Industry and Commerce and the Southern Producers Group also took part.

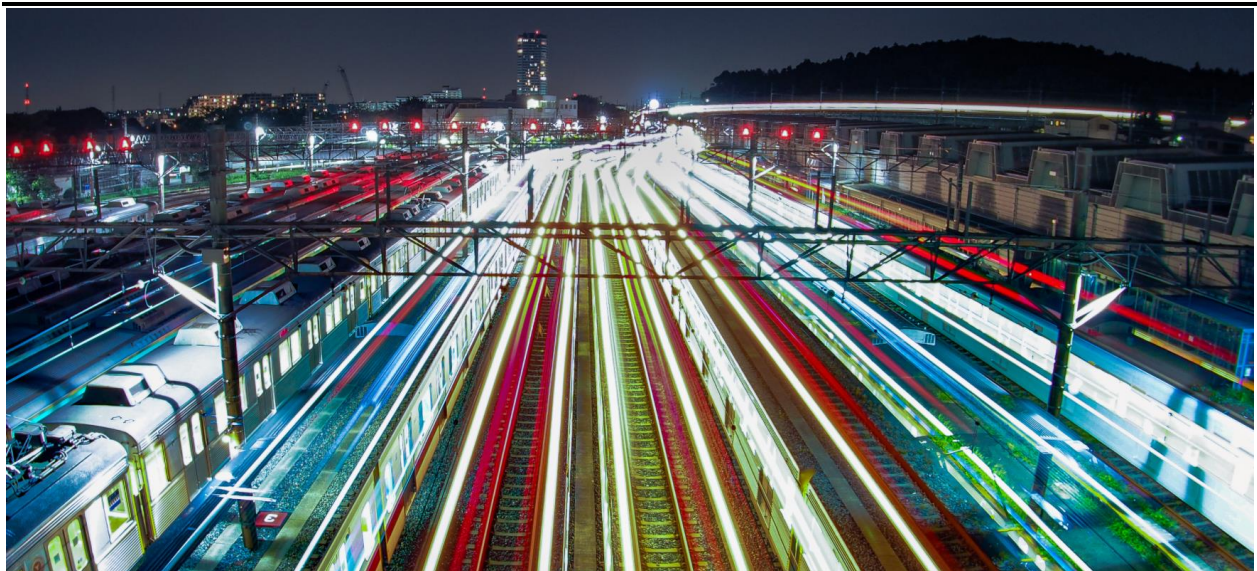
During his words of welcome, Mr. Cabrera said that the event would contribute to “developing our communities” and went on to highlight three main ideas in this regard. INTAL/IDB director Gustavo Beliz then described the gathering as a source of inspiration for thinking up “a better roadmap in the coming months.” Mr. Beliz highlighted the need to create a more inclusive multilateral trading system, one that considers the technological changes that we are witnessing and the risks and opportunities that these bring.

The authors of the original research studies selected for inclusion by the jury presented their own work and discussed **the governance of the multilateral trading system, the future of the negotiation agenda, e-commerce, trade facilitation, and global value chains** in the context of the digital revolution.

All the presentations and interviews from the event are available at: <http://intal-lab.iadb.org/thinktrack/>



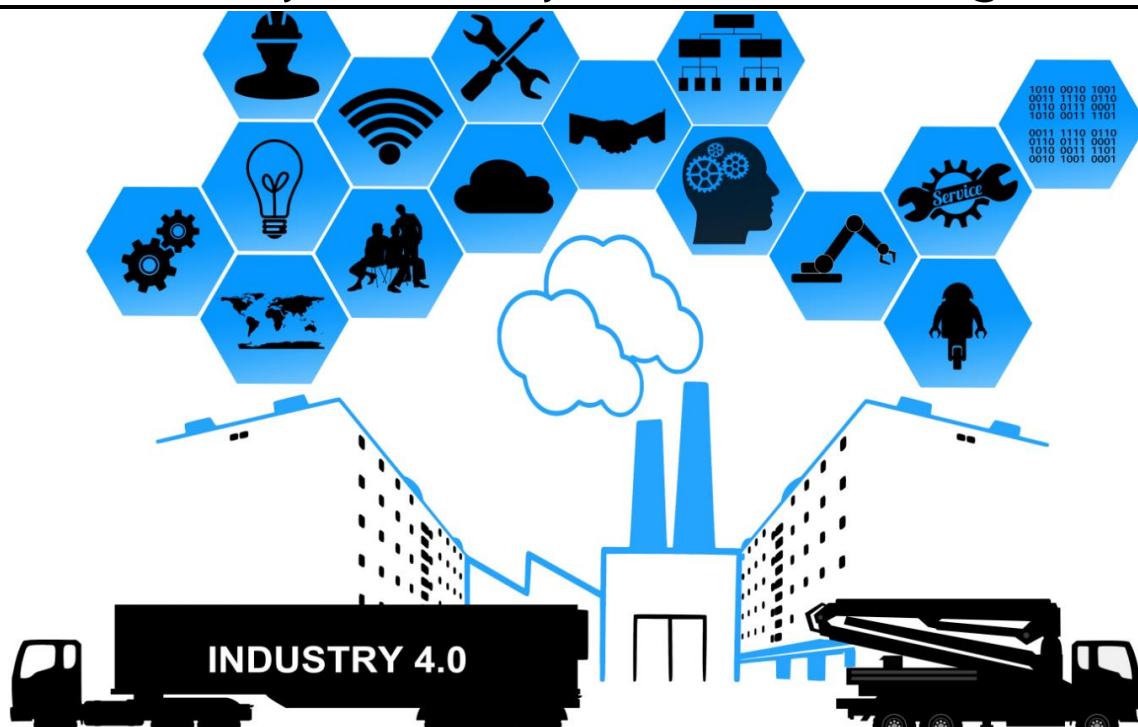
Meeting of COSIPLAN Ministers: A Commitment to Connecting South America



On December 7, 2017, the 7th [Ordinary Meeting of COSIPLAN Ministers \(link in Spanish\)](#) took place at the Palacio San Martín, the ceremonial headquarters for the Republic of Argentina's Ministry of Foreign Affairs. The event was opened by Rogelio Frigerio, [Argentina's minister of the interior, public works, and housing \(link in Spanish\)](#); Jorge Faurie, [Argentina's minister of foreign relations and worship](#); and Guillermo Dietrich, [Argentina's minister of transportation \(link in Spanish\)](#).

The meeting was also attended by high-ranking officials from other countries in South America, the [IDB](#), [CAE](#), and [FONPLATA \(link in Spanish\)](#), which are part of the COSIPLAN Technical Coordination Committee (CCT). [INTAL](#) co-organized and took part in this major event in its role as the Technical Secretariat for the CCT.

Revolution 4.0, Businesses, and New Technologies



On November 27 and 28, 2017, the year of its 130th anniversary, the Argentine Industrial Union (UIA) held its traditional annual conference, which focused on the opportunities and challenges that the fourth industrial revolution has brought. The event was attended by over 1,500 people and included presentations from major figures from the public and private sectors. They addressed issues that included paradigm shifts in the age of digitalization, the strategies that Argentina could adopt to move toward a smart form of international integration, the role of education and the skills that workers need to develop to take part in industry 4.0, social dialogue as a vehicle for consensus, the main vectors for competitiveness 4.0, the role of the state in this new era, and promotion policies to develop this new industry.

At the event, INTAL/IDB director Gustavo Beliz shared the main findings from studies that INTAL has carried out. The first report, “Robotlution,” concludes that there is a need to rethink the socio-technological contract in Latin America. Mr. Beliz underlined the nondeterministic nature of privatization and called on those present to “fast-track the outcomes for the socio-productive matrix.” He also stressed that “we shouldn’t be looking at this from a techno-utopian perspective or from a techno-skeptical one,” arguing that “robotization is going to destroy some jobs, create other new ones, and displace existing ones.” The second study that Mr. Beliz referred to, “Millennial Beats,” analyzes how millennials in Argentina use digital technology and the social divides that digitalization has brought.

Just Because It's Digital Doesn't Mean It Isn't Productive



As debates rage around the scope of digital transformation within private companies and the challenges this may bring, the Industry 4.0 Forum was held in Buenos Aires. The event was organized by the German-Argentinian Chamber of Industry and Commerce and the organizations and companies that took part included INTAL/IDB, the [Sadosky Foundation \(link in Spanish\)](#), the [Center for Technological, Business and Social Innovation \(CITES\)](#), [SAP](#), [Siemens](#), and [Knauf](#). “We are living in a ‘postcontainer’ economy in which norms and standards from the 19th, 20th, and 21st centuries coexist alongside one another and digital services are being incorporated into containers, ports, highways, and airplanes,” said INTAL/IDB director Gustavo Beliz during his presentation.

Global Chains, Connected Companies



The ever-growing number of online devices, technologies, and communication and data systems known as the Internet of Things (IoT) has arrived in the logistics sector, where it is integrating processes, simplifying value chains, and adding intelligence. The consulting firm IDC predicts that by 2020 there will be 10 billion online devices in the world. However, the impact of this technology on international trade flows and global value chains remains to be seen.

The IoT is a network of objects, machines, and people that are connected to enable data to be exchanged by applications and services, which in turn allows production, circulation, and consumption processes to be integrated through the flows of digital data they generate. This information is growing exponentially and can be taken advantage of in different sectors of the economy using advanced statistical techniques.

There is enormous potential for capitalizing on these innovations in the fields of logistics and transportation. Real-time communication between shipping fleets, mobile devices, goods themselves, and warehouses is a key stage in the productive set-up for industry 4.0.

Techno-Integration in Latin America



The partnership between INTAL and Latinobarómetro was created three years ago as part of the IDB's Regional Public Goods (RPGs) program. The RPGs program provides support for projects seeking to solve the challenges facing countries in Latin America through regional cooperation. The aim of the partnership is to study the behavior of public opinion from a comparative perspective and explore variables that are connected to countries' global integration patterns. It also examines objective statistical variables that relate to issues such as trade and political and social integration in order to generate an up-to-date knowledge platform that provides relevant insights. The RPG that the project generates is in keeping with the IDB's annual monitoring system for integration processes in Latin America, which was drafted collectively by the governments of the countries involved, which can use the results to inform public policy decisions.

Accumulation of Origin and Regional Value Chains



Brazil and Colombia, acting as pro-tempore presidents of the MERCOSUR and the Pacific Alliance, organized a meeting of experts on regional value chains and accumulation of origin on November 24, 2017, in Bogotá.

According to the IDB's latest Latin American and Caribbean Macroeconomic Report, the existence of a large number of relatively small agreements in the region has created groups of countries that grant each other preferential trade conditions but effectively operate as watertight compartments. This segmentation makes it hard to establish **regional value chains** and is largely a consequence of the different **rules of origin** set out in these agreements. These provisions are what define the criteria regarding whether a product can benefit from the preferences in question (in other words, products whose “origin” is understood to be the country where they are produced) and prevent the use of inputs from other countries (“nonorigin”) in the manufacture of goods which enjoy the advantages in the agreements.

According to the report, coordinating **rules of origin** better would help cut costs, mainly in the areas of compliance and monitoring, and would also promote the formation of regional value chains.

Trade, Intellectual Property, and Public Health



Between November 21 and 23, 2017, INTAL and the WTO Secretariat held the “Regional Workshop on Trade and Public Health with an Emphasis on Special Compulsory Licenses for Medication Exports,” which took place in Brasília. Also involved in the event were the government of Brazil, the World Health Organization/Pan American Health Organization (WHO/PAHO), the World Intellectual Property Organization (WIPO), and the United Nations Conference on Trade and Development (UNCTAD).

In line with the approach set out in the trilateral WHO/WIPO/WTO study “Promoting Access to Medical Technologies and Innovation: Intersections Between Public Health, Intellectual Property and Trade,” the aim of the workshop was to build capacities for analyzing political options in the area where these aspects overlap, with a particular focus on matters pertaining to public health policies and their relationship with multilateral agreements.

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