

# MIKTA

## Diplomacy: New dynamism or more of the same?



DiploFoundation

29 August 2014

# About CSEND



- **The Centre for Socio-Eco-Nomic Development (CSEND) is a Geneva based non-governmental research and development organisation founded in 1993.**
- **Accredited by ECOSOC since June 2014**
- **CSEND Programmes:**
  - **Trade Policy Governance Programme**  
([www.csend.org/trade-policy-governance](http://www.csend.org/trade-policy-governance))
  - **Diplomacy Dialogue**  
([www.diplomacydialogue.org](http://www.diplomacydialogue.org))



Diplomacy Dialogue



# MIKTA Issues

- Sharing common interests on issues such as:
  - G-20 governance
  - UN reforms
  - Climate change
  - Nuclear disarmament
  - Democratization

Sources: Council on Foreign Relations blog, <http://blogs.cfr.org/asia/2013/10/01/korean-middle-power-diplomacy-the-establishment-of-mikta/>

# Common grounds (1)



- All MITKA countries are G20 members (same for BRICS).
- Open economies with strong domestic markets, moderate inflation and populations with rising purchasing power.
- Resilient economies with potential for high growth rates, while consolidating democratic processes.

Sources: DiploFoundation website, <http://www.diplomacy.edu/calendar/mikta-diplomacy-new-dynamism-or-more-same> and Secretaría de Relaciones Exteriores de México, <http://www.sre.gob.mx/en/index.php/archived-press-releases/2458-mikta-foreign-ministers-retreat>

# Common grounds (2)



- All members are “bridge countries” in their respective regions.
- Common interest in:
  - strengthening **multilateralism** by supporting worldwide efforts for **stability** and **prosperity**
  - facilitating **pragmatic** and **creative solutions** to regional and international challenges
  - implementing the needed reforms in global **governance structures**

Source: Diplofoundation

# GDP (trillion USD) & world ranking, 2013



## World's top 3:

- |                   |      |
|-------------------|------|
| 1. United States: | 16,8 |
| 2. China:         | 9,2  |
| 3. Japan:         | 4,9  |

**TOTAL WORLD = 74,8**

## MIKTA countries:

- |               |          |
|---------------|----------|
| 1. Australia: | 1,6 (12) |
| 2. Korea:     | 1,3 (14) |
| 3. Mexico:    | 1,3 (15) |
| 4. Indonesia: | 0,8 (16) |
| 5. Turkey:    | 0,8 (17) |

**TOTAL MIKTA = 5,8**

Source: World Bank (2014), <http://databank.worldbank.org/data/download/GDP.pdf>

# MIKTA Trade (Exports & Imports) & world ranking



<b>MIKTA</b>	<b>Total Exports (2013, est.)</b>	<b>World Ranking</b>	<b>Total Imports (2013, est.)</b>	<b>World Ranking</b>
<b>Mexico</b>	<b>370.9 billion USD</b>	<b>17</b>	<b>370.7 billion USD</b>	<b>16</b>
<b>Indonesia</b>	<b>178.9 billion USD</b>	<b>29</b>	<b>178.6 billion USD</b>	<b>28</b>
<b>Korea</b>	<b>557.3 billion USD</b>	<b>9</b>	<b>516.6 billion USD</b>	<b>9</b>
<b>Turkey</b>	<b>167.6 billion USD</b>	<b>30</b>	<b>242.9 billion USD</b>	<b>22</b>
<b>Australia</b>	<b>251.7 billion USD</b>	<b>22</b>	<b>245.8 billion USD</b>	<b>21</b>

Sources: WTO (2013), [http://www.wto.org/english/res\\_e/statis\\_e/world\\_commodity\\_profiles12\\_e.pdf](http://www.wto.org/english/res_e/statis_e/world_commodity_profiles12_e.pdf) & CIA Factbook

# GDP composition by sector (2013)



MIKTA	Agriculture	Industry	Services
Mexico	3.6%	36.6%	59.8%
Indonesia	14.3%	46.6%	39.1%
Korea	2.6%	39.2%	58.2%
Turkey	8.9%	27.3%	63.8%
Australia	3.6%	21.1%	75%

=> Industry & Services are the main economic sectors for MIKTA countries

Sources: CIA Factbook,



# MIKTA's main trading partners (2012)



	Mexico	Indonesia	Korea	Turkey	Australia
Exports	<b>US 78%</b>	<b>Japan 15.9%</b> , China 11.4%, Singapore 9%, <b>South Korea 7.9%</b> , US 7.8%, India 6.6%, Malaysia 5.9%	<b>China 24.5%</b> , US 10.7%, Japan 7.1%, Hong Kong 6%, Singapore 4.2%	<b>Germany 8.6%</b> , Iraq 7.1%, Iran 6.5%, UK 5.7%, UAE 5.4%, Russia 4.4%, Italy 4.2%, France 4.1%	<b>China 29.5%</b> , Japan 19.3%, <b>South Korea 8%</b> , India 4.9%
Imports	<b>US 49.9%</b> , China 15.4%, Japan 4.8%	<b>China 15.3%</b> , Singapore 13.6%, Japan 11.9%, Malaysia 6.4%, <b>South Korea 6.2%</b> , US 6.1%, Thailand 6%	<b>China 15.6%</b> , Japan 12.4%, US 8.3%, Saudi Arabia 7.6%, Qatar 4.9%, <b>Australia 4.4%</b> (2011 est.)	<b>Russia 11.3%</b> , Germany 9%, China 9%, US 6%, Italy 5.6%, Iran 5.1%	<b>China 18.4%</b> , <b>US 11.7%</b> , Japan 7.9%, Singapore 6%, Germany 4.6%, Thailand 4.2%, <b>South Korea 4.1%</b>

Source: CIA Factbook

# Regional Trade Agreements

(WTO notified RTAs in force)



<b>1. Turkey</b>	<b>20</b>
<b>2. Mexico</b>	<b>13</b>
<b>3. Korea</b>	<b>13</b>
<b>4. Australia</b>	<b>9</b>
<b>5. Indonesia</b>	<b>8</b>

Source: WTO RTAs database

# RTAs/FTAs Key Partners



MIKTA	USA	EU	EFTA	NAFTA	ASEAN	Japan	China	Chile
Mexico	NAFTA	✓	✓	✓		✓		✓
Indonesia					✓	✓	ASEAN	
Korea	✓	✓	✓		✓		APTA	✓
Turkey		✓	✓					✓
Australia	✓				✓			✓

# MITKA countries @ WTO



- All MIKTA countries are WTO members since 1995.
- Relevant trade and development issues (convergent & divergent interests) and negotiations (convergent & complementary positions) to be elaborated and developed in near future.

# Global Competitiveness Index:

**BRICS (RED)**  
**MITKA (green)**

1. Australia (21)
2. Korea (25)
3. Indonesia (38)
4. Turkey (44)
5. Mexico (55)

Source: World Economic Forum (2014),  
Global Competitiveness Index

Country/Economy	Rank (out of 148)	Score (1-7)	Rank among 2012-2013 economies*	GCI 2012-2013
Switzerland	1	5.67	1	1
Singapore	2	5.61	2	2
Finland	3	5.54	3	3
Germany	4	5.51	4	6
Australia	21	5.09	21	20
Luxembourg	22	5.09	22	22
France	23	5.05	23	21
Malaysia	24	5.03	24	25
Korea, Rep.	25	5.01	25	19
Brunei Darussalam	26	4.95	26	28
Israel	27	4.94	27	26
Ireland	28	4.92	28	27
China	29	4.84	29	29
Thailand	37	4.54	37	28
Indonesia	38	4.53	38	50
Azerbaijan	39	4.51	39	46
Panama	40	4.50	40	40
Malta	41	4.50	41	47
Poland	42	4.46	42	41
Bahrain	43	4.45	43	25
Turkey	44	4.45	44	43
Latvia	52	4.40	52	55
South Africa	53	4.37	53	52
Costa Rica	54	4.35	54	57
Mexico	55	4.34	55	53
Brazil	56	4.33	56	48
Bulgaria	57	4.31	57	62
Cyprus	58	4.30	58	58
Philippines	59	4.29	59	65
India	60	4.28	60	59
Peru	61	4.25	61	61
Slovenia	62	4.25	62	56
Hungary	63	4.25	63	60
Russian Federation	64	4.25	64	67
Sri Lanka	65	4.22	65	68



# Trade and SDGs (1)



- **Goal 2. End hunger, achieve food security and improved nutrition, and promote sustainable agriculture**
  - 2.b. correct and prevent **trade** restrictions and distortions in world **agricultural markets including by the parallel elimination of all forms of agricultural export subsidies and all export measures with equivalent effect**, in accordance with the mandate of the Doha Development Round

Source: UN Open Working Group on Sustainable Development (2014), Outcome Document, <http://sustainabledevelopment.un.org/focussdgs.html>

# Trade and SDGs (2)



- **Goal 8. Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all**
  - 8.a increase Aid for Trade support for developing countries, particularly LDCs, including through the Enhanced Integrated Framework for LDCs

# Trade and SDGs (3)



- **Goal 17. Strengthen the means of implementation and revitalize the global partnership for sustainable development**
  - **Trade**
    - 17.10 promote a universal, rules-based, open, non-discriminatory and equitable multilateral trading system under the WTO including through the conclusion of negotiations within its Doha Development Agenda





# Trade and SDGs (4)

- **Goal 17. Strengthen the means of implementation and revitalize the global partnership for sustainable development**

## – Trade

- 17.11 increase significantly the exports of developing countries, in particular with a view to doubling the LDC share of global exports by 2020
- 17.12 realize timely implementation of duty-free, quota-free market access on a lasting basis for all least developed countries consistent with WTO decisions, including through ensuring that preferential rules of origin applicable to imports from LDCs are transparent and simple, and contribute to facilitating market access

# MIKTA positions at WTO regarding trade liberalization



MIKTA	WIPO / TRIPS	GATS Services	Environmental Standards	Agriculture	NAMA	Reduction of Subsidies	Member of TISA Plurilateral	Member of Environmental Goods Plurilateral
Mexico	+/?	+/?	0/?	++/?	++/?	++/?	✓	
Indonesia	--/?	-/?	--/?	--/?	+/?	--/?		
Korea	0/?	-/?	+/?	--/?	+/?	--/?	✓	✓
Turkey	-/?	-/?	+/?	-/?	0/?	-/?	✓	
Australia	++/?	++/?	++/?	++/?	++/?	++/?	✓	✓

++ strongly favorable, + favorable, 0 neutral, - unhappy, -- very unhappy

# Some of the issues being discussed at the WTO



- **Implementation of the Trade Facilitation Agreement**
- **Plurilateral on Environmental Goods**
- **Plurilateral Trade in Services Agreement (TISA)**
- **Agriculture**
- **Non Agricultural Market Access (NAMA)**
- **Non Tariff Measures (NTMs)**

# Broader Economic Governance Debate



- Multilateralism versus Regionalism?
- Plurilaterals? (TISA, Environmental Goods – see CSEND Study on Plurilaterals)
  - MFN? Non MFN?
- Trade implication of environmental measures?

**=> MIKTA coordination with BRICS? G-20?**