



ECOSOC / A

The opening of international markets and their worldwide presence in multilateral relationships between Member States.

INTRODUCTION

The need of many countries has changed, the world market is becoming highly competitive, but now companies must not only fight to position themselves within their national market, they must also be prepared to deal with strong commercial blocs.

The phenomenon of Globalization forced different countries to consolidate themselves in groups in order to be able to protect their economy and products, through different trade treaties, seek to protect themselves from being absorbed into the world market, given these new needs and looking for the well-being of each nation. Organizations that protect the interests of these blocs of countries were formed in order to legislate and avoid international conflicts, and also to increase economic and social growth between Member States. Some of these organizations are WTO, EU, TPP, APTA and FTA.

The countries that conform to these organizations are

European Union (EU)

Cyprus	Ireland	Romania
Czech Republic	Italy	Slovakia
Denmark	Latvia	Slovenia
Estonia	Lithuania	Spain
Finland	Luxemburgo	Sweden
France	Malta	United Kingdom
Germany	Netherlands	
Greece	Poland	
Hungary	Portugal	

North America Free Trade Accord (NAFTA)

United States
Mexico
Canada

Trans-Pacific Partnership

Australia	Malaysia
Brunei	New Zealand
Canada	Peru
Chile	Singapore
Japan	Vietnam

Asia-Pacific Trade Agreement (APTA)

Bangladesh
China
India
Laos
South Korea
Sri Lanka

Past events have brought hard times to these organizations. With the recent arrival of Donald Trump to the United States presidency, the follow-up of US permanence in NAFTA could come to an end. Trump has already declared, in a dam conference on April 27, to leave NAFTA if a renegotiation is not made and an agreement is reached in which United States, Mexico and Canada are veneered.

Dismantle NAFTA would cost much more than expected. Trading between these countries would cost even more because of the taxes increase. And all the jobs and industries that have been developed under the NAFTA contracts, could be highly affected, causing a great amount of unemployment. The economy would fall and many families as well.

Also Brexit represents a big problem in Europe. A referendum was held on Thursday 23 June, 2016, to decide whether the UK should leave or remain in the European Union. Leave won by 51.9% to 48.1%. The referendum turnout was 71.8%, with more than 30 million people voting.

Conservative leader Theresa May says leaving the EU with no deal whatsoever would be better than signing the UK up to a bad one. Without an agreement on trade, the UK would have to operate

under World Trade Organization rules, which could mean customs checks and tariffs.

It is unknown what would happen to Britain's position as global financial center, without access to the single market, and the land border between the UK and Ireland. There is also concern that Brits living abroad in the EU could lose residency rights and access to free emergency health care.

All of these organizations started with the goal of improve. To know if a country is improving it is important to check their economic growth. The economic growth is the increase in the real gross domestic product. This allows to see if a country could reduce the poverty, unemployment, increase living standards and if it has budget deficits. Each country needs to measure its own economic growth and find a way to achieve a goal, but a country's economic growth is also influenced by other.

In the present day there are problems and transitions that influence the global economic. This impacts every single country in the world. It is a fact that the economy is growing and that various countries are starting to stand out. The main problems that this can cause is the variation in the oil prices. The oil has had recent drop in prices and this affects the countries that are supported by this business. Other problem is the risk of protectionism. The countries are afraid of the changes in the economy so they are going back to protectionism ideals. The closure of countries is important, especially if developed countries start refusing trades and treaties with developing countries.

To measure the economic growth is important to know the Gross Domestic Product, this is the most important measurement of the economic health worldwide. It measures the output generated by a certain country within its borders. This means that counts the monetary value that goods and services produced in a country in a given period, usually a year. It is important to know that GDP counts only the product produced inside of a country.

There are two ways in which the GDP can be measured, nominal and real. The nominal is the sum of all market products sold times their price over one year. To know if the economy had an improvement the actual year is compared to the past. This usually shows an improvement but it is because it is affected by the inflation. Each year the products' prices change, so this shows a mayor or lower GDP. The adjust of this price changes produces the real GDP. This allow to see if the output has changed because of the production or the prices. The real is measured the same as nominal, but instead of being multiply by the prices in the same year there is a base year. Then the prices are the same and there is a clear number. Also, the final number is given in US dollars to facilitate the comparison between countries.

The GDP is very important. Since this index shows an all-inclusive picture of the economy, this make it the face of a country. It is also used as an indicator for governments that help the decision making of out coming projects and policy formulation.

It is important remark that the GDP does not shows the standard of living of a country. It does not reflect the impacts in the population, ecology and external costs. The GDP per capita shows the outputs per person, but it keeps the well-being of the population hidden.

GLOBAL GDP IN 2015

Ranking	Economy	Millions of US dollars
1	United States	18'036,648
2	China	11'064,665
3	Japan	4'383,076
4	Germany	3'363,447
5	United Kingdom	2'861,091
6	France	2'418,836
7	India	2'088,841
8	Italy	1'821,497
9	Brazil	1'803,653
10	Canada	1'552,808

One way to improve the economy of a country is by the exchange of good and services between various international borders known as International Trade. It is based in the supply and demand and is affected by global events. There are several things that International trade talks about. One of them is the gains from trade. Each country need to see why would it be exchanging their products, who is winning, and who is losing if there is any. It is measured that the growth of the world trade is 6% per year.

In 2015, the total amount of world trade was 15.7 trillion of dollars. The 10 most traded products that year where (quantities in billion dollars):

1. Crude petroleum- \$739
2. Cars- \$679
3. Refined Petroleum- \$559
4. Integrated circuits- \$ 470
5. Computers- \$ 361
6. Packaged medicaments- \$ 347
7. Vehicle Parts- \$346
8. Gold- \$307
9. Petroleum gas- \$286
10. Broadcasting Equipment- \$264

The 10 exporting countries are:

1. China – 2.37 trillion dollars
2. United States – 1.38 trillion dollars
3. Germany – 1-24 trillion dollars
4. Japan – 670 billion dollars
5. South Korea – 537 billion dollars
6. France – 506 billion dollars
7. Italy – 446 billion dollars
8. Netherlands – 428 billion dollars
9. United Kingdom – 425 billion dollars
10. Mexico – 391 billion dollars

To make this trade there needs to be an International Treaty. A treaty is an agreement that several nations sign to obtain a common goal. These treaties try to increase the trade between nations and the economic activity. They do that by removing barriers and improving opportunities for businesses to sell goods and services. This causes the reduction of tariffs, and taxes allowing a country to export easily and have more incomes.

Most of the countries try to be in a trade since this helps them choose their own policies of exchange that will serve best its own interests. Governments with a low and middle-income join this treaties to impulse their economy, they make agreements with bigger countries allowing them to be safer. Other reason is joining to avoid being out. Usually regional agreements mean that there will be a preferential market and the countries outside of it will have high costs of distribution to that specific market.

Most of the treaties exist to improve the country's economy, but sometimes they create problems. The most common problem is the dependence that a developing country gets to a developed country. There are many cases of that. One clear example is Mexico dependence created by the NAFTA agreement. Other important case is the EU dependence on the exports to the United Kingdom. This can cause problems between member states.

HISTORICAL BACKGROUND

Globalization emerged 50 years prior to World War I, with the Gold Standard, European Colonialism, Technological Revolution and the joint-stock companies, which caused great economical development from 1890 to 1914, thanks to the strong trade growth and intercontinental financial migratory flow.

The second wave of globalization emerged during the 1950's and 1960's, led by the United States because of its monetary stability and the strong influence of multilateral institutions. Since then, world economy became more dynamic through the opening of international competition, which at the same time led to new economic policies. The developments made during this wave came to a stop because of structural and energetic imbalances in the 1970's and 1980's.

In the last decades, world markets have been through great changes as a consequence of social and political transformations. Even though most of these differences are seen as positive by economic analysis as a result of global interaction, there still are negative opinions about it since there is almost no political support to create reforms to face globalization.

The current wave of globalization has now several factors that have to be taken into consideration such as: deregulation, new technologies, financial globalization, opening of non-OECD countries, environment, and globalization of corporate activity.

Neo-liberal economic policies require competitiveness, which is why countries require the cooperation with other nations to achieve economical development. Through free trade agreements, the participating countries are able to increase the economic benefits while creating stronger relationships with partners. Some of the main reasons why FTAs are important are:

1. Elimination of tariffs
2. Encourage investments and enhance cooperation
3. Contribution to a higher GDP
4. Increases competition and innovation
5. promotes regional economic integration
6. Sustainable economic growth for developing countries

CURRENT RELEVANCE

One of the main areas of trading is the EU. This organization started in 1945 to create a stronger economic area. After 2010, an economic crisis strikes Europe and the 'Bank Union' is founded to ensure stability. When extremist religious groups increased after 2014 in the Middle East many people flee their house seeking refuge in Europe. This caused several dilemmas in how to take care of them and how to manage the extremist group's actions.

In 1994 the North American Free Trade Agreement entered in force. The renegotiation of NAFTA by Donald Trump's government has given much to talk about. The motive, "a better deal for U.S. workers. If there is no renegotiation between United States, Canada and Mexico, that would reinstate the tariffs on trade between the United States, Canada and Mexico. Prior to NAFTA, Mexican tariffs on U.S. imports were 250 percent higher than U.S. tariffs on Mexican imports. Trump also threatened to impose a 35 percent tariff on Mexican imports. By law, he can only raise tariffs by 15 percent for 150 days without congressional approval.

During 2016 several countries created the TPP or trans-Pacific Partnership. This treaty to beneficiate relationships between America and the Asia-pacific region. The two countries with major impact in the Asia-Pacific region are China and India, that are two of the fastest economies. The 12 original countries were responsible for the 40% world trade. But in 2017, the president Donald Trump decided to withdraw the United States of this trade. Several countries had a negative impact, Shinzo Abe the prime minister of Japan said that TPP without US will not have a future. And other countries such as New Zealand agree that the partnership can be worth it.

With the emergence of a certain problematic between the Member States, they can cause great consequences worldwide. Such as reducing the commercial flow of certain States, causing a great number of unemployment and this would lead to a decrease in the economy of the States.

INTERNATIONAL ACTIONS

The World Trade Organization, as an international forum has established rules or agreements for international trade which apply to all member states in order to create ideal trading environment.

The Organization of American States has offered its support in order to strengthen human and institutional capacity, as well as creating competitive opportunities between member states.

The European Union has managed to reduce greatly its barriers between the twenty seven european countries that conform it by forming a customs union, the creation of a common market and coordination of tax, industrial and agricultural policies.

The European Free Trade Area, which is conformed mainly by scandinavian countries, eliminates tariffs on trade with the member states but each country may determine its own tariffs with non-members.

Bilateral and regional agreements, such as NAFTA(1994), promote trade between the parties of the agreement as the reduction of restrictions have a positive impact on the economies

UN ACTIONS

2030 Agenda for Sustainable Development

The 23 september 2015 in New York, the world leaders gathered to adopt this agenda. This agenda is the global framework for the next 13 years. Here the member states promised to “leave no one behind”. It is a vision in of the world that we want to see.

United Nations Conference on trade and development

This permanent intergovernmental body established in 1964. They support the developing countries to access new opportunities that are more fair and effective that can beneficiate their economy. They equip countries in need with material to be able to enter greater economic circles. The things that they provide are analysis, technical assistance, investments, finance and technology. Also they work at national, regional and global level.

The Universal Postal Union (UPU)

This union facilitates the international exchange of information between people and businesses. It is an up-to-date postal service. With the help of internet and new technologies they have open new opportunities in the areas of commerce and shopping. Postal services are a key to global development and important for the physical and digital financial operations.

IMPROVING SHIPPING

The International Maritime Organization (IMO) has help to make more secure and clean shipping. This transport serves around 90% of the global trade. The IMO measures all aspects of international shipping, making it better. The ship losses, pollution incidents and fatalities have decreased. This help and in 2013 the amount of goods transported was 9.6 billion tons.

POINTS TO DISCUSS

Social

- The consumer is benefited by the economic resources.
- Greater supply

Economic

- Access to major financial markets
- How does GDP benefit these same?
- Higher technological and scientific advances
- Better salaries and competitiveness quality
- Foreign direct investment

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