

GENEVA: Sealing a global free trade deal would add US\$11 trillion to the world economy and pull 160 million people out of poverty by 2030, economists said in a study published yesterday.

Economists commissioned by think-tank Copenhagen Consensus Centre said however in a series of studies published yesterday that such a global agreement would be an extraordinary investment.

"The costs are very small," Australian economist and lead author of the studies, Kym Anderson, told AFP.

"Our crude estimates show that by 2030, there will be 160 million fewer people in extreme poverty if (Doha) is implemented," Anderson said.

The WTO itself had estimated last year that a global trade deal could add several hundred billion dollars, or even over a trillion dollars, to the annual sum of global commerce.

But over a decade of negotiations have borne no fruit as developed countries refuse to



File photo shows a statue next to a building of the World Trade Organization (WTO) headquarters on in Geneva. Completing the dead-locked Doha trade liberalisation deal would add \$11 trillion to the global economy and pull 160 million people out of poverty by 2030. — AFP photo

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slash subsidies to farmers while developing nations refuse to bring down tariffs imposed on industrial goods.

"There will be losers," acknowledged Bjorn Lomborg of the Copenhagen Consensus Centre, referring for instance to some European farmers who might see

subsidies vanish.

But they would by far be outweighed by winners, especially in developing countries, he said.

"This could fundamentally change the world.

"We could make the world about 10 per cent richer in 2030 than it would otherwise be, and

make every person in the developing world US\$1,000 better off." Lomborg and Anderson said they hoped the analysis would provide 'a huge argument' for those pushing to restart the discussions on global free trade.

Economists Santiago Fernandez de Cordoba of the United Nations Conference on Trade and Development (UNCTAD) and David Vanzetti of Australia National University meanwhile said in a reaction to the economists' study that economic growth alone was not enough to ensure broader development. — AFP