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Speech / Statement

Trade as a Driver For Growth: Panel of the B20

B20 Trade Panel, St-Petersbourg Economic Forum, 9h00-11h00

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Background

- The trade task force of the B20 is chaired by Alexei Mordeshov (CEO of SEVERSTAL)
- The co-chairs are: Emma Marcegaglia of BUSINESSEUROPE, Terry McGraw of the USCIB (US) and YU Ping of CCPIT (China)
- Pascal Lamy (WTO) and Angel Gurría (OECD) will also participate in the panel.

Ladies and gentlemen,
Alexei (Mordeshov), Pascal Lamy, Angel Gurría,
My fellow presidents and chairs,

I want to thank Alexei Mordeshov for his strong leadership in the Trade Task Force throughout the year – also on behalf of my predecessor Jürgen Thumann.

I will briefly present two important issues: the expansion of bilateral and regional trade agreements and the tools we can use to reverse protectionism.

First on the fight against protectionism, our task force is very clear that we want the G20 to reject protectionism and to take steps to roll it back. It is regrettable that some countries¹ are increasing tariffs ignoring the lessons of multilateral trade liberalisation. In addition, there is a proliferation of non-tariff barriers and investment restrictions that is undermining global economic cooperation. We need to get multilateral trade negotiations moving again to reverse this trend.

We therefore urge the G20 economies to:

- Extend the mandate of the OECD and WTO to monitor protectionist measures and assess their negative economic impact.
- To push the WTO to adopt a mediation mechanism to deal with flourishing non-tariff barriers such as restrictive import or export licensing.
- To adopt a WTO Trade Facilitation agreement to deal with problems in customs.
- Improve WTO rules on subsidies notably by update rules on export credit insurance. Lessons from OECD rules could be helpful here.
- To fight against intellectual property rights violations.

¹ Brazil, Argentina.

Second, on the expansion of bilateral and regional trade agreements (PTAs – Preferential Trade Arrangements), we support efforts by governments to expand free trade and could be an avenue, in future, to return to multilateral trade negotiations in the WTO. Until we can return to an ambitious multilateral trade agenda, the WTO should be empowered to do more to ensure that bilateral and regional agreements contribute positively to global economic growth. Several challenges need to be addressed:

- PTAs should be compatible with WTO rules which means they need to create more trade openness than trade distortions for other WTO members.
- Rules of origin can create distortions and in some cases trade barriers along the supply chain. Progress on simplifying rules can be pursued at the WTO.
- Greater transparency on PTAs could be achieved by having WTO members report more regularly on the evolution of their bilateral trade policies in the context of WTO Trade Policy Reviews.
- Where PTAs pursue new avenues of trade liberalisation such as regulatory cooperation and convergence, parties should endeavour to promote non-discriminatory rules that could, in future, be adopted at multilateral level.

Let me conclude by thanking our chairman once again and the Russian Presidency of the G20 for prioritising trade in this year's event.