

G7 Trade Ministers' Meeting – Chair's Statement

Today, the G7 Trade Ministers held their first meeting under the inaugural G7 Trade Track. Trade Ministers underlined the vital role global trade has played in tackling the impacts of the Covid-19 pandemic, welcomed the contribution trade can make to a strong economic recovery, and emphasised the need to build back better. They reaffirmed the importance of the rules-based multilateral trading system and welcomed Dr Ngozi Okonjo-Iweala, the new WTO Director-General, to their meeting.

The G7 Trade Track has a bold purpose – to make the case globally for free and fair trade. G7 Trade Ministers are convinced that when the world's leading democratic trading nations unite behind a shared agenda to make the global trading system fairer, more sustainable, and responsive to the needs of our citizens, this is an agenda that partners across the world will be ready to share in and help shape.

Free and Fair Trade

G7 Trade Ministers support a global trading system that is free and fair and works for all countries and peoples. This year represents a clear inflection point for the world and the global economic architecture. G7 Trade Ministers recognised the importance of providing the leadership needed to respond to the challenges faced by the multilateral trading system. Trade Ministers expressed their determination to provide the sustained effort and momentum necessary to ensure progress is made in the reform of the WTO to help secure shared prosperity for all. Therefore, G7 Trade Ministers will use this year's G7 to advance the agenda of the 12th WTO Ministerial Conference and provide vital political momentum to the WTO reform debate. Trade Ministers will explore reforms that can enhance the WTO as a forum for negotiations, recognising the positive role that the plurilateral initiatives have played in engaging a broad spectrum of WTO members. G7 Trade Ministers also acknowledge that important work on transparency, special and differential treatment, and dispute settlement needs to be undertaken in the WTO.

The multilateral trading system can be a force for good. It has increased competition and economic growth, helped raise living standards, and lifted millions out of poverty. It must serve the needs of all its members and provide the basis for free and fair trade. G7 Trade Ministers recognised that global trade should work for democratic and open-market systems and that these should not be undermined by unfair trade.

Yet, not all of our citizens have felt the benefits of trade. Moreover, practices that distort markets and competition lead to decreased efficiency and reduced perceptions of fairness and trust in the system. Echoing the G7 Leaders' Statement at Charlevoix in 2018, G7 Trade Ministers recalled the importance of fostering a truly level playing field. Trade Ministers will discuss the impact market-distorting practices, such as harmful industrial

subsidies, including those causing excess capacity in some sectors, are having on our economies and chart a way to address these collectively.

Modernising Trade

G7 Trade Ministers believe that the multilateral trading system is in need of reform to reflect changes in the global economy and environment. As the world transitions to net zero, Trade Ministers acknowledged the risk of carbon leakage to the environment and the potential ways of mitigating this. Acknowledging the role of trade in tackling the accelerating climate and biodiversity crisis, Trade Ministers recognised that 2021 will be a crucial year to drive international efforts to address climate change and protect nature, including at the UNFCCC COP26. Trade Ministers will therefore deepen discussions on the nexus between trade and climate and the environment with a focus on identifying opportunities for collaboration and facilitating sustainable supply chains. Additionally, G7 members are committed to reaching a meaningful conclusion in the WTO negotiations of fisheries subsidies – which have a clear impact on sustainability.

Stressing that trade has to be at the service of citizens, G7 Trade Ministers underlined the importance of advancing women's economic empowerment through trade, particularly to support the Covid-19 recovery. They shared the view that greater representation of women in trade as leaders, business owners, and fairly compensated workers will ultimately deliver more and better jobs and more growth in our economies. G7 Members will promote deepened studies and more cross-cutting analyses on trade policy and gender equality by international organisations, such as SheTrades Outlook. Recognising the progress that is being made on trade and gender equality at the WTO, Trade Ministers intend to use their next discussions to explore new opportunities to improve the evidence base to support women in trade and discuss their priorities in this area for the next WTO Ministerial Conference.

G7 Trade Ministers also agreed to further consider the ways in which trade policy can develop to support trade in health products, and increased supply chain resilience, as we work to build back better from Covid-19. The scale and pace of the spread of the virus, and an uneven global recovery, are challenging all our economies. G7 Members also encourage cooperation among governments, manufacturers, and other industry players to identify policies which support ramped-up production and distribution of vaccines.

Digital Trade

G7 Trade Ministers recognised the importance of digital trade to growth, innovation, productivity, and prosperity. They recalled the immense opportunities that it offers to our people and our businesses, and they underlined the central role that it can play in the economic recovery from the pandemic. G7 Members are united in their support for open digital markets and their opposition to digital protectionism. As a group of market-based economies governed by the rule of law, they believe that digital markets should be competitive, transparent, and accessible to international trade and investment. They agree on the importance of data free flow with trust, safeguards for consumers and businesses, and digital trading systems that

allow goods and services to move seamlessly across borders. G7 Trade Ministers resolve to promote digital trade worldwide and to pursue global governance that is fair and inclusive. They agreed to further develop a set of high-level principles during this Presidency that will guide the G7 approach to digital trade.

Digital trade remains an important area for the creation of new rules at the WTO. The rules governing digital trade should be responsive to innovation and emerging technologies, so that businesses, consumers, and workers can harness their full potential. G7 Trade Ministers committed to redoubling their efforts to advance the Joint Statement Initiative on E-commerce at the World Trade Organization. They aim to achieve substantial progress by the 12th WTO Ministerial Conference.

G7 Trade Ministers look forward to strengthening their dialogue and further advancing a shared agenda at their next meeting in May.