

Press release: UK calls for progress in reforming global trade rules at G20

Dr Liam Fox, International Trade Secretary, is attending the G20 Ministerial meeting on Trade and Digital Economy in Tsukuba, Japan this weekend (Saturday 8 to Sunday 9 June).

Top of the UK Government's agenda will be addressing global trade tensions and seeking a resolution to issues around the WTO Appellate Body.

The WTO Appellate Body resolves global trade disputes in a fair and transparent way, however it now faces significant challenges including the pace of decision-making and the stalemate in the appointment of Appellate Body members.

Dr Fox will also be encouraging countries to ensure the global trading system is fit for the 21st century for example by making progress in creating new rules for digital trade.

International Trade Secretary Dr Liam Fox said:

The UK is one of the strongest defenders of the international rules-based system and we will continue to champion a strong, forward-looking approach to reform the World Trade Organization.

Top of my agenda at the G20 meeting this weekend will be addressing global trade tensions, seeking a resolution to issues around the WTO Appellate Body, and making real progress on digital trade rules that are fit for the 21st century.

With the global economy facing significant headwinds, now is the time for governments to come together to ensure a predictable and transparent environment for businesses to trade and invest in each other's economies. This is crucial the shared prosperity of billions of people around the world.

During their discussions, Trade ministers will be considering recommendations made by the B20 international business group, which is comprised of businesses representatives from G20 countries.

Following a summit in Tokyo in March, the B20 has called on the G20 to renew their commitment to the rules-based trading system and to update the global trade rules so they work better for today's economy and help all countries to develop.

The CBI represented the UK at the Tokyo Summit and led a delegation of British businesses, including BT and Diageo.

Ben Digby, CBI International Director, said:

British businesses, both big and small, rely on the WTO as an independent arbiter, providing transparency and certainty, as they trade highly sought-after goods and services in markets across the globe. But the WTO is heading into choppy waters, with the Appellate Body facing risk of collapse in a few months.

Firms may lose the closest thing they have to a level playing field, and there is a danger the WTO quietly turns into an organisation without the means of enforcing its rules, leaving firms high and dry in key global markets.

Business now has a golden opportunity to shape the WTO, and future proof it for the globalised twenty-first century. We strongly support the Government's efforts to deliver a multilateral solution that protects our shared rules and want a firm commitment that G20 leaders will support them too.

Bas Burger, CEO of BT's Global division, said:

As a provider of secure communications services to the top multinationals across 180 countries, rules-based international trade is crucial to BT and our partners. Our services enable business customers to move ever increasing volumes of data seamlessly and safely around the globe.

Trade rules need to keep pace. A system fit for the today's economy must fully embrace the digital trade and e-commerce which telecoms services underpin. All parties must work together to ensure the updated rules are fair, transparent and enforceable.

Wilson Del Socorro, Global Director of Government Affairs of Diageo, said:

Trade is the lifeblood of Diageo. Our brands are sold in 180 countries and so we require a global trading system that will help to grow our brands for the future.

We welcome the dialogue to improve the international trading order

and like other businesses are actively engaging in the broader policy discussions, such as the B20, to ensure that the rules governing trade remain fit for purpose.

Dr Max Mendez-Parra, Senior Research Fellow, Overseas Development Institute, said:

The international rules-based system has been key in facilitating the operation of the trade, investment and development links that have benefitted many developing countries in the last two decades. The G20 leaders must make a strong commitment to enhance and update the multilateral rules and institutions to continue their operation.

G20 leaders, including Prime Minister Theresa May, agreed in Buenos Aires last December to support the necessary reform of the WTO. The 2019 G20 Summit Meeting will see leaders meet in Osaka on 28-29 June.