

The Bill Frenzel Champion of Free Trade Award – Economic Club of Minnesota

Remarks by Angel Gurría

Secretary-General, OECD

Minnesota, United States, 19 April 2017

(As prepared for delivery)

Dear Carla, Jim Jones, Mack McLarty, Congressmen Erik Paulsen and Tom Emmer, Ladies and Gentlemen, Friends:

It is a great honour to receive the 2017 [Bill Frenzel Champion of Free Trade Award](#). I want to thank the Economic Club of Minnesota for this distinction.

With Bill Frenzel, I share a strong belief in free trade. We both contributed to the shaping of the current international trade system, representing our countries in different trade organisations; we both helped promote the North American Free Trade Agreement (NAFTA); we shared a passion for public service and, most importantly, for international co-operation. So I feel I am in the right place.

The fact that I am sharing this award with my friend, Bob Zoellick, is a source of great pride and satisfaction. An economist, lawyer, diplomat, trade negotiator, world banker, trouble-shooter, and one of the reasons why I was elected to this job. A true giant! We are surrounded by people who are proud to be friends of trade, which is also encouraging. Especially today, when we are witnessing a fundamental re-examination not just of trade policy, but of the open, rules-based international system that we so far took for granted.

Globalisation is leaving many behind

We have to begin by acknowledging that many people are unhappy. And rightly so. In the wake of the crisis, life has not been getting any better for a lot of them. They are worried that their children's lives will not be better than their own. They believe that the system is not working for them; they feel that it is unfair; and there is increasing evidence that many of them may actually be right.

We need to take these concerns seriously and make them our own.

The OECD has been trying to do just that.

We've been denouncing the low growth trap in which the world economy finds

itself, which can put at risk the promises we have made to today's workers, tomorrow's retirees and the next generation. Not a simple task when everyone is so eager to be professionally optimistic.

We have been showing that while some are doing very well, many are being left behind.

We have warned about a rising productivity gap between frontier firms and the rest; which also means a gap in wages and opportunity for their workers.

We have documented how the world is mired into a sort of Bermuda Triangle of [inequality](#) (of income, wealth, and opportunity). In OECD countries, the richest 10% of the population now earn, on average, around 10 times more than the poorest 10%. One generation ago, it was 7 times.

And we have demonstrated that quality of life isn't getting better for most. In fact, life is even getting shorter for some: in the US, life expectancy is actually falling. The American dream for many remains just that: a dream. It's getting harder to move up in the world financially, educationally, or otherwise – particularly if you are in the lower or even in the middle class.

Digitalisation, a sort of “globalisation on steroids”, is causing further anxiety: on average, across countries, 9% of jobs are at high risk of being automated, while for an additional 25% of the workforce, half of the tasks will change significantly because of automation. These are sources of growing concern, since many workers who have lost their jobs in manufacturing either remain unemployed, or are moving into jobs with lower pay and less security.

Trade should improve people's lives

So why does the OECD back open markets? Because we can prove that when borders close and countries isolate themselves, societies become less secure, less prosperous, less fair, and less free. Open economies grow faster than closed economies. The more a country trades, the more technology and ideas spread; workers get more done, and higher productivity leads to better wages. Ultimately, more trade means more jobs!

The OECD does not champion [trade](#) for trade's sake, but as a way of improving people's lives. Trade has helped cut poverty, creating new markets and opportunities both in OECD and developing countries. This is crucial. More prosperity and opportunity abroad also means more security at home. Trade is opportunity! Trade will enhance stability!

Protectionism harms those it's supposed to protect. Trade delivers affordable products and services that underpin everyday wellbeing. It gives people the ultimate freedom of choice. When you tax imports, costs go up for everyone, but it hurts most those who can least afford it.

We're told that exports are good and imports are bad; that you win by having fewer imports. But trade is more like a relay race; North America is an eloquent example. US technology may start a product, Mexican workers may carry it forward, Canadian workers may add value, and the US may finish it and sell it. No matter who is holding the baton when that product crosses the

finish line – all win together.

These [global value chains](#) mean that our economies are now more interconnected than ever before. Almost two thirds of global trade is in intermediate inputs that are imported and used to make other products, including for export. Raising tariffs is a shot in our own foot, because it will put small- and medium-sized businesses out of business, and encourage large businesses to send more jobs overseas; because even if you close off trade, technology will still define which jobs stay and which go, and how the jobs that remain get done.

The way ahead

So what do we do? It is time to move from playing defence on trade to playing offense on a host of other policies that make the system work for all. We must move the ball forward on lifelong learning and skills. Move the ball forward on infrastructure. Move the ball forward on new opportunities for hard-hit regions. Move the ball forward on going digital, both for large firms and for SMEs, to increase productivity.

We all know the basics of trade competitiveness: domestic policies that encourage opportunity, innovation and competition.

We need to make it easier for small- and medium-sized businesses. Cut the tariffs, make trading cheaper. Remove the barriers to services that raise costs for all sectors. Regulate efficiently and fairly to promote competition. Keep credit flowing. And remember, nothing works without the rule of law.

But trade policy can't fix everything on its own – and we should stop pretending that it can.

Trade disrupts, that's one way it works. But we need to ensure that temporary setbacks that can raise unemployment in a single household to 50 percent, or 100 percent, do not turn into lifelong disadvantages for parents, for children.

This means having adequate programmes to support people in finding new jobs. It means social protection systems that get people back on their feet and prevent lasting hardship.

It also means thinking ahead. Work is changing, and so must labour markets and social protection systems. At the OECD, we're looking again at the toolkits to help governments be better prepared. In just two weeks, the OECD will release its [Skills Outlook](#) on how to equip everyone to get and keep good jobs in a world of global supply chains.

But inclusion is also empowerment and voice. We need to make trade policy-making more open.

Not everyone can be in the negotiating room, and we won't always agree, but dialogue can help identify new solutions. People must be able to debate and understand the trade-offs.

Context matters, geography matters. We need to go local, engage with people where they live. We need to reconnect trade with everyday experience.

But we also need to make the international system work better, using the full range of available tools. Sometimes this means rules, sometimes voluntary standards, other times dialogue and transparency. But from trade, to taxes to labour to the environment, we need international economic co-operation to make the system free, fair and open. We're talking about free and fair trade – this means saying no to protectionism, subsidies, and currency fiddling. But let's make sure that we get the diagnostic right, lest we mistake the enemy and end up fighting the wrong battle while not addressing the true causes of the lack of productivity and competitiveness.

We need to fix the rules where we have gaps and unfinished business – as is the case in agriculture, in competition, in investment, and in services. We need to bolster the policies that make the system fairer, like those on [taxes](#) and [responsible business conduct](#).

Everyone must play by the rules. We have to be serious about implementing, monitoring and enforcing what we agree.

Dear Friends:

Soon, the Minnesota Vikings will select new players in the National Football League. In this American ritual, the lowest ranked team gets first pick, the top team last. This isn't altruism. Smart American football officials understand that if the bottom teams don't get a leg up, and the top teams remain unbeatable, fans will lose faith that their team can win, and will give up on the game. So the system rebalances towards fairness, every year.

We need to do the same. We must not back away from what we know is right – a free, fair, open, rules-based, inclusive trading system that works better for more people.

But only truly integrated domestic and international policies – focused on opportunity and well-being as the ultimate goal – can help trade achieve what our forefathers intended when they crafted the modern international trade and economic system after a bloody war: to bring about better lives for all.

Thank you very much.

[Looking forward to summer following Epic Easter](#)

The Year of Legends 2017 has had a great start with Wales being named as one of the top must-visit destinations globally from the likes of Lonely Planet

TripAdvisor, Wanderlust and Rough Guides. The recently launched Year of Legends campaign, which includes an advert starring Luke Evans has also been hailed as a game changer by industry leaders. With the busy holiday season in full flow, the work of marketing Wales continues.

Economy Secretary, Ken Skates, said:

“Campaign work now continues to convert early interest and opportunities arising from the weak pound into bookings for the summer. A boost to the Visit Wales budget means that there is £26.3m available to invest in marketing and product development this year – this 41% increase has enabled us to pull together a more ambitious programme than ever before for 2017.

“In what is an extremely competitive market place, tourism in Wales is in a strong position. We’ve had two record breaking years and our aim is to sustain growth – being aware that global events and competition will mean that not every year will be a record breaking one. The overall picture – taking into account tourism day visits, international visitors as well GB overnights visits – indicates that Wales saw an increase of almost 16% in overall tourism volumes during the first nine months of 2016.”

Figures published today shows that one of the measures of tourism performance – [The Great Britain Tourism Survey](#) – showed a decrease in the number of British staying visitors. These provisional figures for overnight visits from the GB for the year ending September 2016, are one indicator of tourism performance in Wales. Although they show a fall of 1.5% in terms of trips, this is in line with figures for the GB as a whole.

The Economy Secretary, continued:

“Last week I announced that £24m will be available for the development and marketing of tourism through the Welsh Government Rural Communities – Rural Development Programme 2014 -2020. With the existing EU tourism funded projects currently in development with partners in Wales, we are looking at more than a £100 million investment in the sector up until 2020 which will have a big impact on Wales’ competitiveness in the global marketplace.

“We’re also poised to make the most of one of the greatest shows on earth – the UEFA Champions League Final – coming to Cardiff in June. This will not only mean a boost to visitor numbers and economic impact during the event – but will also have an impact on Wales global profile long after the matches come to an end.

“We look forward to working with the industry on making 2017 a legendary year for tourism in Wales.”

Confidence is high among the industry following the first Bank Holiday of the Year.

The EPIC installation had a great reception at Margam Park.

Margam Park Manager Michael Wynne said:

“We are delighted that Visit Wales chose Margam Country Park as the first stop on the EPIC sign’s tour of Wales during the Year of Legends campaign, and the response has been fantastic. We’ve had a lot of visitors to the park over the Easter Weekend and many selfies have been taken in front of the sign already!

“Margam Park has a long history and more than a fair share of its own myths and legends so this year’s campaign is a great way to showcase what we have to offer. Our bank holiday events saw the park host some epic battles involving medieval knights, archers and horsemen and we are looking forward to welcoming visitors throughout the Easter holidays and beyond to enjoy the beautiful surroundings here at the park.”

Speaking on behalf of The Welsh Rarebits Collection, Wales’ premier marketing consortium for the best independent boutique hotels, Mike Morgan, said :

The whole sector has benefitted from continued capital investment by our member Hoteliers. We know, from over 30 years of marketing high end hotels, that there is always strong demand for genuine quality, but that intangible ‘Croeso’ helps us to compete on the global stage. A notable Year of Legends campaign is the icing on the cake, and Visit Wales has given us all something to get behind and take the Welsh hospitality industry to the world. A strong set of Easter figures usually points to a busy summer season, and we can’t wait to welcome the many new converts to Wales who are visiting for the first time as a result of the exchange rate.

Following refurbishments over the winter months, Folly Farm had a busy start to the holiday season:

Chris Ebsworth, Managing Director at Folly Farm, said;

“We’re feeling confident about the season ahead following heavy investment in a new visitor entrance and gift shop, a new pirate themed playground and improvements to several of our zoo enclosures. Easter is generally a good measure for the season and we’ve had an excellent weekend with visitor numbers up by 25%. Visit Wales’ marketing campaign for this year is bold and confident, building on their success last year and we feel that Pembrokeshire is well placed to play a significant role in helping Wales achieve long term success.”

£422k awarded to Credit Unions across Wales

The funding will help credit unions continue to support financially excluded members as well as help their longer term sustainability. Projects will include schools savings schemes and community engagement programmes.

Carl Sargeant said:

“We know the importance of credit unions in helping people who are struggling to manage their money. The Welsh Government funding provided between April 2014 and December 2016 has helped credit unions support more than 29,000 financially excluded members with just over £23 million provided in loans to those who need this help. This demonstrates the role credit unions play.

“Credit unions are ideally placed through their relationships with local employers, schools and other community organisations to help strengthen the financial resilience of communities, through improved access to responsible credit and saving opportunities. In reaching out to local schools they help to encourage a savings habit from an early age.”

Vale of Glamorgan landmark locations feature in new psychological thriller

Born to Kill, from Line of Duty producers World Productions, was filmed predominantly in the Vale of Glamorgan with scenes shot in Barry and Dinas Powys with the production also using interior sets constructed at Enfys Studios in Cardiff.

Funding support from the Welsh Government helped secure the production for Wales with the four hour-long episodes produced by World Productions using Welsh crews and facilities. Supported by Wales Screen, part of the Welsh Government’s creative industries team, the production is estimated to have spent £2.5m in Wales.

Economy Secretary Ken Skates said:

“This is another example of how support from the Welsh Government is helping to bring productions to Wales that present a range of significant opportunities for those working in the sector. Wales Screen work closely with all these productions to encourage the use of Welsh crews and facilities in order to maximise the benefits and local spend.”

Jake Lushington, Head of Drama/Executive Producer at World Productions, said:

“From the amazing array of locations, to the experience and dedication of the local crew, filming in and around Cardiff has been an absolute pleasure and one World Productions looks forward to returning to on many future projects.”

Born to Kill explores the mind of a teenage boy trying to suppress psychopathic desires while falling in love for the first time. It also follows the teenager’s family and community who are unaware of what he is capable of.

Born to Kill is the first commission for duo Tracey Malone (Silent Witness) and first time TV writer and BIFA nominated actress Kate Ashfield. The four part drama starring Romola Garai and Daniel Mays was directed by Bruce Goodison (Murdered By My Father, Doctor Foster), produced by Lucy Robinson and executive produced by Jake Lushington (The Devil’s Whore).

World Productions is a leading TV drama production company with an impressive track record of producing high quality drama series for all major UK broadcasters having produced hundreds of hours of globally acclaimed drama including the acclaimed drama Line of Duty.

Faster access to surgery to reduce hearing loss – Vaughan Gething

The waiting time targets for adult cochlear implant surgery will be reduced to 26 weeks for standard cases and 36 weeks for complex cases. The Welsh Health Specialist Services Committee (WHSSC) will work with health boards to introduce the new referral to treatment (RTT) targets in a phased approach over the next three years.

This is a significant cut to the current 52 week target for RTT, which was set by the WHSSC. The reduced 26 week RTT target for standard implant surgery will bring the adult target in line with the RTT target for children.

There are specialised Cochlear Implant service providers, located in at University Hospital Wales in Cardiff and in Ysbyty Glan Clwyd, North Wales. These services are planned and commissioned by the WHSSC.

A cochlear implant is a medical device that can replace the function of the inner ear. This surgery can enable profoundly deaf people to hear again and therefore has a significant impact on the quality of people's lives.

The Health Secretary said:

"We want to ensure that people who need cochlear implants are able to have surgery as soon as possible, so their hearing can be improved or restored.

"For many people deafness can have a significant impact on their quality of life, affecting employment, recreation and relationships.

"Restoring people's hearing with cochlear implants as soon as possible will help people who are deaf or hard of hearing to lead more normal lives again."