

# UK helps broker groundbreaking WTO agreement set to cut cost of global services trade by £113 billion

- Landmark deal to streamline licensing and qualification procedures agreed at the World Trade Organization
- Agreement covers 67 countries accounting for over 90% of global services trade and will benefit UK businesses
- As world's second-largest services exporter, the UK has advocated for deal and driven consensus since taking WTO seat as independent trading nation

The UK's world-leading services sector is set to benefit from a landmark deal announced at the World Trade Organisation (WTO) today, (Thursday 2 December) that could cut trade costs by £113 billion per year.

Some 67 WTO members, including both developed and developing countries, have delivered an agreement on Services Domestic Regulation which cuts red tape around licensing and qualifications and is set to reduce services trade costs by up to 7% annually.

The UK has been a strong and vocal participant throughout negotiations since they were launched at the 11th Ministerial Conference in Buenos Aires in 2017, particularly after formally taking up our independent seat at the WTO last year. As the world's second-largest services exporter, the UK is among the countries positioned to benefit the most from its terms.

British businesses consistently cite complex administrative procedures as barriers to accessing international markets. The new rules will make it easier for businesses of all sizes – particularly small and medium-sized enterprises (SMEs) – to navigate foreign markets and obtain authorisation to export overseas.

Once the new rules are in force, businesses can expect licensing applications to be processed in a timely manner, acceptance of electronic copies of qualifications by competent authorities, and an end to unreasonable and hidden fees.

The UK will be among a handful of nations applying the new rules across the broadest possible range of services sectors, including financial services. The biggest savings are likely to be in finance and tech – helping ensure London retains its position as Europe's leading financial centre.

**Secretary of State for International Trade Anne-Marie Trevelyan said:**

“We are delighted to have played our part in bringing about this historic deal, which shows exactly the kind of cooperation we want to see at the WTO

and demonstrates it can deliver trade rules fit for the 21st century.

“As the world’s second largest services exporter, the UK is particularly aware of how important it is to cut red tape and get trade flowing to build back better from the pandemic.”

**Miles Celic, Chief Executive Officer, TheCityUK, said:**

“This agreement will be celebrated by the UK’s financial and related professional services industry. It is an essential step towards removing the types of trade barriers most often experienced by services exporters.

“This necessary and innovative agreement will reduce costs for UK businesses, support women’s economic empowerment, and is a significant win for the WTO and wider multilateral economic cooperation.”

**George Riddell, EY Director of Trade Strategy, said:**

“Sixty-seven WTO members coming together to agree on an outcome which delivers Services Domestic Regulation is a meaningful achievement that has real commercial value for services providers all around the world.

“Services Domestic Regulation brings increased predictability and transparency to the technical standards, licensing and qualification requirements and procedures that affect services providers every single day when they work internationally.”

**I. Stephanie Boyce, President of the Law Society of England and Wales, said:**

“We are delighted to see the approval of rules on domestic regulation. This sends a strong signal about the continuous relevance and importance of multilateral rules for services providers in an increasingly globalised world.

“We believe that rules on domestic regulation will set common principles for enacting laws on the provision of services, which will help create more transparency.

“For the legal sector, this will mean greater predictability and information about the applicable regulatory requirements in various jurisdictions. This, in turn, will help reduce the compliance costs and uncertainty for many services providers.”

**Catherine McGuinness, Policy Chair of the City of London Corporation, said:**

“This is a welcome development for the UK financial and professional services sector, with global services providers set to benefit from the removal of unnecessary administrative processes that can act as barriers to market access around the world.

“Services trade is a key driver of prosperity and this announcement will help to support the global post-Covid recovery.

“We hope that the WTO can carry this momentum into other important future policy challenges.”

In a first of its kind for the WTO, the agreement contains a provision on gender equality. This will support the participation of women entrepreneurs in global services trade and improve the inclusiveness of services trade.

The deal has also created a new baseline in international services trade. The UK has already used it as a foundation when striking free trade agreements with Japan, the European Union, and Australia, building enhanced provisions on services trade upon it.

WTO members aim to bring the new rules into force in 2023.

**ENDS**

## **NOTES TO EDITORS**

- Figures are from the OECD and have been converted from USD to GBP.  
Sources:
- OECD (2021). Lowering trade costs through services domestic regulation reform. [online] Available at:  
[https://www.wto.org/english/tratop\\_e/serv\\_e/210921\\_oecd.pdf](https://www.wto.org/english/tratop_e/serv_e/210921_oecd.pdf).
- OECD and WTO (2021). Services domestic regulation in the WTO. [online] Available at:  
<https://issuu.com/oecd.publishing/docs/oecd-wto-brief-sdr-2021?fr=sMDBjZDQ0NDg2ODk>
- The text of the agreement can be found at  
<https://docs.wto.org/dol2fe/Pages/SS/directdoc.aspx?filename=q:/INF/SDR/2.pdf&Open=True>
- The signatories to the agreement are: Albania; Argentina; Australia; Austria; Bahrain, Kingdom of; Belgium; Brazil; Bulgaria; Canada; Chile; China; Colombia; Costa Rica; Croatia; Cyprus; Czech Republic; Denmark; El Salvador; Estonia; Finland; France; Germany; Greece; Hong Kong, China; Hungary; Iceland; Ireland; Israel; Italy; Japan; Kazakhstan; Korea, Republic of; Latvia; Liechtenstein; Lithuania; Luxembourg; Malta; Mauritius; Mexico; Moldova, Republic of; Montenegro; Netherlands; New Zealand; Nigeria; North Macedonia; Norway; Paraguay; Peru; Philippines; Poland; Portugal; Romania; Russian Federation; Saudi Arabia, Kingdom of; Singapore; Slovak Republic; Slovenia; Spain; Sweden; Switzerland; Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu; Thailand; Turkey; Ukraine; United Kingdom; United States; Uruguay;