

# UK statement on the Joint Initiative on Services Domestic Regulation

Thank you, Chair.

This is the first statement that the United Kingdom is making in the WTO following the United Kingdom's exit from the European Union on the 31st of January.

Of course, the United Kingdom has been involved in this organisation and its predecessor since the very beginning.

Many things have changed since the General Agreement on Tariffs and Trade was signed in 1947, by the United Kingdom and 22 other countries, here in Geneva. But one thing has not – and that is the United Kingdom's commitment to global trade. The United Kingdom has long been a strong believer in the role of the multilateral trading system to unlock growth, reduce poverty and open markets for least-developed, developed and developing countries alike. The stability and predictability of this system remains vital to all of us, and the United Kingdom is committed to supporting the international institution that underpins it.

There are big challenges facing the WTO today. It is important that these are addressed, and the United Kingdom will play its part in doing so. None are bigger than the transformations that have been reshaping global trade in the 21st century. One of the most important of these has been the growth in the global trade in services, from banking, to transport, to IT services. This has far outstripped the growth in the trade of goods in recent years. According to UNCTAD, Africa saw a 10% increase in trade in services in 2018, as did Asia. Even the developed countries, which have seen growth in goods trade stagnating, saw a 7% increase in trade in services in 2018.

In the United Kingdom, services are the predominant driver of our economy. They contribute 80% of GDP, and employ roughly 26 million people. We are the second largest exporter of services in the world. Our professional business services sector generated more than £88 billion in exports in 2018, and we are proud of the contribution they make, enabling businesses and governments around the world to better access the global economy by providing legal, financial, accounting, and other services. One of the United Kingdom's priorities in the WTO will be to increase this global trade in services, to the benefit of least-developed, developed and developing countries, by making services markets more open, more transparent, and more competitive.

Unfortunately, attempts in the WTO in recent years to free up trade in services by agreeing common rules, further unlocking its enormous potential, have come to nothing. Ambitions in the Doha round were scaled right back early on. The separate Trade in Services Agreement negotiations here in Geneva stalled at the end of 2016.

That is why the Joint Initiatives, launched in 2017 at the 11th Ministerial Conference in Buenos Aires, are so important. Transparent, flexible, and open to all Members, they offer the WTO another chance to transform global trade in the 21st century in the way the GATT did in the 20th century; not by replacing multilateral agreements, but by providing the vanguards that can open the way for them.

For all these reasons, the United Kingdom will be a leading supporter of the Joint Initiative on the Domestic Regulation of Services. Indeed, it is particularly fitting that our first WTO statement since leaving the European Union is in the area of services.

This Initiative addresses the barriers that directly affect businesses seeking to offer services around the world. Individuals and firms often lose valuable time applying and waiting for licences from host regulators. Frequently, they have to invest large amounts of money upfront in order to navigate the different and sometimes unpredictable regulatory landscapes. Money that smaller operators can ill afford.

Streamlined procedures for qualifications and licensing, and increased transparency, of the sort that is being discussed in this Initiative, would benefit a broad range of services providers – especially micro, small and medium sized enterprises. The costs and uncertainties associated with trading internationally could be significantly reduced. This would empower innovative firms of all sizes to expand their business overseas, further expanding the global trade in services and the value it creates for citizens.

Chair, we would like to thank you for all your hard work over the last year. We would also like to thank the European Union and Australia for driving forward this agenda.

We are only a few months away from the 12th Ministerial Conference. I am here today to urge all of you to redouble your efforts, and to offer the United Kingdom's support in resolving the small number of issues that stand in the way of agreement.

It is not an exaggeration to say that the credibility of the WTO, indeed the future development of the global trading system hinges on the success of these Initiatives. That is why the work in this room is of such significance.

As part of the European Union, the United Kingdom supported the EU Delegation to the WTO in playing a leading role in this Initiative. Outside the European Union, we look forward to working closely and constructively with our EU colleagues, and with all of you, in bringing this important Initiative to a successful conclusion.

Thank you, Chair.