



## **Statement of the Chairman of the Global Chamber Platform**

### ***“Strengthening Global Trade Through Reform”***

***16th Annual Gathering, 4 October 2018, Buenos Aires, Argentina***

This year’s Global Economic Report released in March, visibly underlined the confidence of the Global Chamber Platform (GCP) in sustained economic growth for 2018. At a juncture in which world growth is slowly picking up steam after a strong 2017 that brought notably recoveries in investment, manufacturing, and trade, the Global Chamber Platform is optimistic that the economic momentum can be sustained throughout 2018. However, in its report the GCP also issued a stark warning against a further trade escalation and rising protectionism, being the number one perceived risk to the global economic recovery<sup>1</sup>.

Since the report was released in March, trade tensions among major economies have unfortunately not eased. In fact, it has worsened, with threats and rhetoric slowly martializing into higher tariffs and obstacles to cross border trade. This poses real risks in dampening growth perspectives and business confidence across the global economy. This past July, the WTO also released its annual report on trade restrictiveness measures of the G20 economies. Its findings further contribute to an increasingly worrying outlook for global business, as G20 economies continue to increase their trade restrictive measures in an already hostile climate for global trade.

In its report, the WTO found that the G20 applied 39 new trade-restrictive measures during the review period, which would equate to an average of almost six restrictive measures per month, a number which is significantly higher than the three measures recorded during the previous review period<sup>2</sup>.

The Global Chamber Platform therefore calls on the G20 economies ahead of their November Summit in Buenos Aires, to reverse that worrying trend without delay by reducing considerably the imposition of new trade restrictive measures, in order to bring back predictability and

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<sup>1</sup> Global Chamber Platform (GCP), Global Economic Report 2018:  
[http://www.eurochambres.eu/DocShare/docs/1/FBGGEMCFAEBCBLPBLIFCHPAL14AB19LSHUHA6S3GAYH/EUROC HAMBRES/docs/DLS/Global-Economic-Survey-2018\\_Report-2018-00043-01.pdf](http://www.eurochambres.eu/DocShare/docs/1/FBGGEMCFAEBCBLPBLIFCHPAL14AB19LSHUHA6S3GAYH/EUROC HAMBRES/docs/DLS/Global-Economic-Survey-2018_Report-2018-00043-01.pdf)

certainty to global trade. By doing so the G20 should commit to expand trade facilitating measures and policies to help sustain the global economic upswing.

At the same time, the Global Chamber Platform expects a clear signal from this year's G20, that political leaders are willing to collectively strengthen and uphold the rules based multilateral trading system by putting forward a credible path for its reform. There is a renewed sense of urgency that challenges to the global economy need to be more adequately addressed at the global level, starting by resolving as soon as possible the deadlock at the Appellate Body and ensuring its proper functioning.

In addition, a series of long-standing systemic concerns underlying the current set of trade rules, a perceived lack of efficiency in the decision-making procedures and governance structures, as well as the need for the negotiation agenda to deliver on the expectation of entrepreneurs, are all vital elements in that equation. In particular, the following deserve increased focus:

- reducing the timeframes for proceedings and consultation procedures at the WTO to deliver results quicker
- ensuring the impartiality of arbitrators and AB members and the improving compliance with its rulings
- improving transparency and compliance with existing notification requirements of WTO members
- enhancing effectiveness in the decision-making procedures where appropriate to strengthen the functionality of the multilateral trading system

At the same time, the negotiation agenda at the multilateral level needs to reflect business needs and be in line with topics that will move the economy of tomorrow. In this regard, the Global Chamber Platform has identified three main priority areas in its report, which can help guide policy makers and the G20 in identifying areas to be tackled at the WTO. These are:

- A better inclusion of SME's (Small and Medium sized Enterprises) in global trade rules
- Rules for digital trade and e-commerce
- Increased services liberalization

The world has changed dramatically over past number of years in economic, political and technological terms. We have witnessed an increased importance of services, which has so far not been matched at the global level by a commensurate increase in commitments by WTO Members. We have equally witnessed the rapid pace of digitalization transforming almost every aspect of business life. However, this development too, has so far not been accompanied by global rules, leading to a fragmentation of rules, as well as risks of discrimination and protectionism.

Lastly, we have also witnessed an exponential development of global value chains over the past years. Yet many SMEs are still struggling to adapt to this reality, with a significant gap between the number of existing SMEs with export potential and those that already export. As it is well

documented by now, SMEs are not only engines for growth and critical to stimulate competitiveness in an economy, they are also one of the main sources of employment across the global economy.

Against this backdrop it is imperative that the policy makers send a strong signal by committing to an ambitious SME agenda at the WTO, to make the system more inclusive for the bulk of global enterprises. By doing so they should build on the outcomes of MC11 and the efforts undertaken by the “Friends of SMEs”.



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