



WTO: GETTING READY TO FACE NEW CHALLENGES BUSINESS SPEAKS IN ONE VOICE

Global Business Coalition issues statement ahead of the MC11 in Argentina

Paris, December 06, 2017 - As the 11th Ministerial Conference of the World Trade Organisation approaches, global businesses represented by the Global Business Coalition speak out in support of the rules-based multilateral trading system and to encourage the WTO to pursue an ambitious agenda in 2018.

Globalisation is undergoing a profound and rapid transformation. In the digital era, trade is not what it used to be a decade ago. New technologies applied to production and commerce have totally changed the needs of business. Non-tariff barriers have become the primary challenge in trade negotiations, since tariffs have been considerably lowered or eliminated in many industrial sectors. Today, the largest potential benefits for companies lie in suppressing localisation requirements, discriminatory procurement procedures, barriers to investment and to trade in services. Obstacles to trade have also emerged in areas that are not traditionally linked to trade policy, such as regulatory divergences. Protectionism is now more harmful, as value chains have become global and interdependent. Subsidies and other forms of intervention from government and related entities who are not economically neutral and distort markets, need to be addressed.

Issues such as food and agribusiness need to be revisited and advanced to achieve UN's SDGs. This period of change must be seen by WTO members as an opportunity to revitalise the Organisation. In our view, this requires:

- **a pragmatic approach** to the immediate issues around global trade and the current stalemate in some negotiations. The 11th Ministerial should be the occasion for members to consider different approaches to negotiations, with the view to achieve a more efficient functioning. Moreover, plurilateral agreements could be developed and negotiated in a more flexible format and decision-making process.

- **extra effort to improve the implementation and adherence to established rules**, while considering updating the rules-based environment in areas such as e-commerce, services and investment. The current rules are insufficient or no longer appropriate. Some are outdated (e.g., intellectual property rules in the context of the digital age, rules on technical barriers to trade and those on sanitary and phytosanitary measures); some may need to be developed (e.g., e-commerce, state-owned enterprises, regulatory coherence and investment facilitation); and others require implementation with quality and enforcement (e.g., WTO's trade facilitation agreement and public procurement agreement). Businesses are committed to the important role that the WTO plays in maintaining a rules-based approach to global trade and the benefits that it provides to all member countries.

- **stronger and clearer messages about WTO's work and the benefits of trade for all.** As a worldwide, respected and legitimate international organisation, the WTO can play an invaluable role in promoting and explaining trade to the global community. It should also focus its attention on small and medium-size enterprises.

- **stronger links between WTO and other international organizations** in order to ensure coherence between different policies, including trade, social, and environmental policies. Greater consistency would allow trade policy to focus on removing discriminatory and unnecessary trade barriers, while at the same time ensuring competition, sustainability and inclusiveness through a rules-based global trading system.

Businesses must be at the core of this modernisation process. As economic operators, we are critically important stakeholders affected by the choices made by decision-makers in the trade policy area. We are also the players, who, in practice deliver on employment and growth. **The Global Business Coalition supports the creation of a Business Advisory Committee to the WTO**, and stands ready to contribute to the important actions that must be taken by governments and businesses to face the growing challenges of a fast-changing economic environment.

This statement is issued by the Global Business Coalition members, in Berlin, Brasilia, Brussels, Buenos Aires, Istanbul, London, Madrid, New Delhi, Ottawa, Paris, Rome, Seoul, Sydney, and Washington, D.C.

ABOUT GBC

The Global Business Coalition (GBC) brings together leading independent business associations from the major world economies and advocates on behalf of more than 6.8 million small, medium and large companies.

GBC, established in 2012, operates as a worldwide platform of exchanges between national business communities, and aims at building consensus and developing common positions on issues critical for enterprises.

Through its broad-based representation, GBC engages policy-makers at a global scale and advocates policies that contribute to growth and job creation at regional and international levels.

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