

## **G20 Trade Ministers Meeting Statement**

9-10 July 2016, Shanghai

1. We, the trade ministers of the G20, met on 9-10 July 2016 in Shanghai, China under the chairmanship of H.E. Mr. Gao Hucheng, Minister of Commerce of the People's Republic of China.
2. The global recovery continues, but it remains uneven and falls short of our ambition for strong, sustainable and balanced growth. Downside risks and vulnerabilities persist. We agree that we need to do more to achieve our common objectives for global growth, stability, and shared prosperity. Trade and investment should continue to be important engines of global economic growth and development, generating employment, encouraging innovation and contributing to welfare and inclusive growth.
3. G20 members agree to provide political leadership by acting with determination to promote inclusive, robust and sustainable trade and investment growth, which is integral to achieving our ambition of 2 per cent additional growth by 2018 set by G20 Leaders in Brisbane in 2014.
4. More broadly, we resolve to step up our efforts to better communicate the benefits of trade and investment openness and cooperation to a wider public, recognizing their important contribution to global prosperity and development. We welcome the continuing inputs from relevant international organizations, which have provided strong analytical support to members, and from the B20 and T20.

### *Strengthening G20 trade and investment mechanism*

5. In Antalya, G20 Leaders reaffirmed their strong commitment to better coordinate efforts to reinforce trade and investment, asked Trade Ministers to meet on a regular basis, and agreed on a supporting working group. We welcome the establishment of the G20 Trade and Investment Working Group (TIWG), and endorse its Terms of

Reference (Annex I). We encourage officials to make good use of the TIWG to better support Trade Ministers Meetings and to further strengthen G20 trade and investment cooperation.

*Promoting global trade growth*

6. According to the WTO statistics, global trade growth has slowed significantly since 2008, from an average of over 7 per cent per annum between 1990 and 2008, to less than 3 per cent between 2009 and 2015. 2015 marked the fourth consecutive year with global trade growth below 3 per cent.
7. To help address the global trade slowdown, we agree to improve global trade governance and remain committed to an open global economy, and will further work towards trade liberalization and facilitation. We endorse the *G20 Strategy for Global Trade Growth* (Annex II). Under the strategy, we will lead by example to lower trade costs, harness trade and investment policy coherence, boost trade in services, enhance trade finance, promote e-commerce development, and address trade and development. We recognize that these activities, by promoting trade opening and integration and supporting measures for economic diversification and industrial upgrading will contribute to global prosperity and sustainable development.
8. We welcome the World Trade Outlook Indicator released by the WTO for the first time at the G20 Trade Ministers Meeting. This can serve as an important leading indicator to help guide the recovery and growth of global trade.
9. The G20 welcomes further joint work by the WTO, World Bank and OECD, in collaboration with other relevant international organisations, within their existing mandates and resources, to measure trade costs and assess the determinants and impacts of those costs, to help improve economic trade modelling and strengthen the evidence base on the link between structural measures, trade, investment and GDP.

10. We recognize that the structural problems, including excess capacity in some industries, exacerbated by a weak global economic recovery and depressed market demand, have caused a negative impact on trade and workers. We recognize that excess capacity in steel and other industries is a global issue which requires collective responses. We also recognize that subsidies and other types of support from governments or government-sponsored institutions can cause market distortions and contribute to global excess capacity and therefore require attention. We commit to enhance communication and cooperation, and take effective steps to address the challenges so as to enhance market function and encourage adjustment. The G20 steelmaking economies will participate in the global community's actions to address global excess capacity, including by participating in the OECD Steel Committee meeting scheduled for September 8-9, 2016 and discussing the feasibility of forming a Global Forum as a cooperative platform for dialogue and information sharing on global capacity developments and on policies and support measures taken by governments.

*Supporting the multilateral trading system*

11. We reaffirm the central role of the WTO in today's global economy. The WTO provides the multilateral framework of rules governing international trade relations, an essential mechanism for preventing and resolving trade disputes, and a forum for addressing trade related issues that impact all WTO members. We remain committed to a rules-based, transparent, non-discriminatory, open and inclusive multilateral trading system and are determined to work together to further strengthen the WTO.
12. We note with concern that despite the G20's repeated pledges, the stock of restrictive measures affecting trade in goods and services has continued to rise, with about three quarters of the measures recorded since 2008 still in place, and the number of new trade-restrictive measures imposed by G20 economies affecting both goods and services has reached the highest monthly average registered since the WTO began its monitoring exercise in 2009. In response, we

recommit to our existing pledge for both standstill and rollback of protectionist measures, and to extend it until the end of 2018. We also commit to improve the track record of notifications related to standstill and rollback efforts, including making better use of existing WTO bodies. We ask the WTO, OECD and UNCTAD to continue, within their respective mandates, their regular reporting on restrictive measures affecting trade in goods and services, and investment.

13. We note the important role that bilateral and regional trade agreements (RTAs) can play in liberalizing trade and in the development of trade rules, while recognizing the need to ensure that they are consistent with the WTO rules and provisions and contribute to a stronger multilateral trading system. We encourage future RTAs by G20 members to be open to accession and include provisions for review and expansion. We appreciate the factual overview of RTAs developments given by the WTO Director-General. We will work with other WTO members towards the transformation of the provisional Transparency Mechanism on RTAs into a permanent one and commit to lead by example in fully fulfilling related notification obligations.
14. In Antalya, Leaders emphasized the importance of the prompt ratification and implementation of the TFA. In the current climate of continuing moderate economic and trade growth, G20 leadership in implementing the TFA could make a significant contribution to lowering trade costs and freeing up world trade. We therefore commit to ratify the TFA by the end of this year and call on other WTO members to do the same. We reaffirm our commitments to providing resources to Trade Facilitation assistance mechanisms designed to help least-developed countries and developing countries most in need in implementing the TFA.
15. Building on the WTO's successful Bali and Nairobi Ministerial Conferences, we commit to implement rapidly the Bali and Nairobi outcomes. To guide and shape the WTO's post-Nairobi work, with development at its center, and acknowledging that provisions for special and differential treatment will remain integral, we reaffirm our

strong commitment to advance negotiations on the remaining DDA issues as a matter of priority, including all three pillars of agriculture (i.e., market access, domestic support and export competition), non-agricultural market access, services, development, TRIPS and rules. We agree to work with all WTO members to set the direction together towards achieving positive outcomes at MC11 and beyond in a balanced, inclusive and transparent way with a sense of urgency and solidarity. We also note that a range of issues, such as those addressed in various RTAs and by the B20, may be of common interest and importance to today's global economy, and thus may be legitimate issues for discussions in the WTO, without prejudice to respective positions relating to possible negotiations in the future. Any decision to launch negotiations multilaterally on such issues would need to be agreed by all Members.

16. G20 members recognize that WTO consistent plurilateral trade agreements with broad participation can play an important role in complementing global liberalization initiatives. In this regard, we note the Information Technology Agreement and its Expansion Agreement, and negotiations on the Trade in Services Agreement and the Environmental Goods Agreement (EGA). WTO members who share the objectives of participants in such plurilateral agreements and negotiations should be encouraged to join. In particular, we note the confirmation by all G20 participants in the expanded Information Technology Agreement of their commitment to implement it without further delay. G20 EGA participants recognize the substantial progress made to date in the negotiations on an Environmental Goods Agreement, and aim to conclude, using best efforts, an ambitious, future-oriented EGA that seeks to eliminate tariffs on a broad range of environmental goods by an EGA Ministerial meeting to be held by the end of 2016, having achieved a landing zone by the G-20 Summit in September in Hangzhou, after finding effective ways to address the core concerns of participants.

*Promoting global investment policy cooperation and coordination*

17. Global investment is an engine of economic growth and sustainable development. It should contribute to building productive capacity, facilitate wider dissemination of technology, creation of employment and, including through Global Value Chains (GVCs), help to connect economies to world trade. Today, however, global investment flows remain well below pre-crisis peak levels. Policy attention and cooperation is required to put investment growth back on track. We welcome efforts to promote and facilitate international investment to boost economic growth and sustainable development, and agree to take actions in this regard, including promoting investment in Low Income Countries (LICs). This in turn should support a recovery of trade growth. We commit to maintaining a supportive business environment for investors, and agree to collectively play a proactive and catalytic role in this regard.
18. We value discussions on investment promotion and facilitation, and encourage UNCTAD, the World Bank, the OECD and the WTO to advance this work within their respective mandates and work programmes, which could be useful for future consideration by the G20.
19. With the objective of fostering an open, transparent and conducive global policy environment for investment, we endorse the *G20 Guiding Principles for Global Investment Policymaking* (Annex III). These principles will help promote coherence in national and international policymaking and provide greater predictability and certainty for business to support their investment decisions.
20. We are committed to ensuring that trade, investment and other public policies, at both national and global levels, remain coherent, complementary and mutually reinforcing. We welcome further research and analytical work in UNCTAD, WTO, OECD and the World Bank, in consultation with the IMF, within their existing mandates and resources, to identify ways and means to enhance coherence and complementarity between trade and investment regimes. In this context, we take note of the B20's recommendation

for the WTO Working Group on the Relationship between Trade and Investment to resume its work.

*Promoting inclusive and coordinated global value chains*

21. We recognize that GVCs, encompassing regional value chains (RVCs), have become an important feature of the global economy, and are important drivers of world trade. We support policies that allow firms of all sizes, including SMEs, in countries of all levels of economic development to participate in and take full advantage of GVCs. In particular, we support policies that encourage greater participation and value addition by business in developing countries, particularly in LICs, in GVCs. We will continue to promote responsible business conduct.
22. G20 members will continue their efforts to enhance capacity building to promote inclusive and coordinated global value chains, and will continue to seek to develop and implement initiatives to assist developing countries, particularly LICs, and SMEs in the areas that matter most to GVCs. Such initiatives could include appropriate infrastructure, technology support, access to credit, supply chain connectivity, agriculture, innovation and e-commerce, skills training and responsible business conduct. Additionally, G20 members with capacity to do so will continue to: assist developing countries' and SMEs' ability to adopt and comply with relevant national and international standards, technical regulations, and conformity assessment procedures; facilitate developing country and SME access to information on trade and investment opportunities, including via increased utilization of information technologies; and provide further information that would help them participate in GVCs and move up the value-chain. We welcome further work, within their mandates and resources, by the ITC, OECD, World Bank and other relevant international organizations in this regard.

*Toward the Hangzhou Summit*

23. In a continuing environment of low global economic growth, the role of the G20 in strengthening trade and investment remains vital. We

recommend that G20 Leaders consider these important issues further at the Hangzhou Summit and we look forward to our leaders' instructions on ways to further intensify G20 efforts on trade and investment. We believe firmly that pursuing robust international trade and investment growth can play a vital part in achieving strong, sustainable and balanced growth.

**Annex**

- I. Terms of Reference of the G20 Trade and Investment Working Group
- II. G20 Strategy for Global Trade Growth
- III. G20 Guiding Principles for Global Investment Policymaking