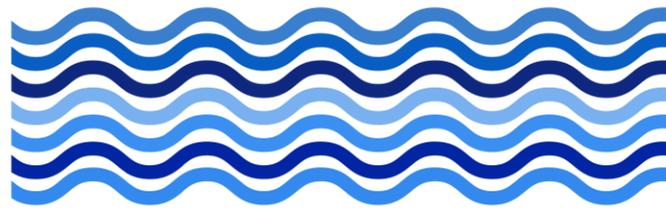


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G7 TRADE MINISTERS' COMMUNIQUÉ

We, the G7 Trade Ministers, met in London on 22 October to build on the initiatives we agreed in our communiqué of 28 May and advance our discussions on reforming the multilateral trading system to address 21st century trade issues and advance free and fair trade. We stand united in our commitment to build back better from the pandemic and provide our citizens with the intended benefits of free, fair, and sustainable trade, including raised living standards, full employment, sustainable development, and a protected and preserved environment. We are grateful for the insights of the Secretary-General of the Organisation for Economic Cooperation and Development (OECD) who participated in the meeting.

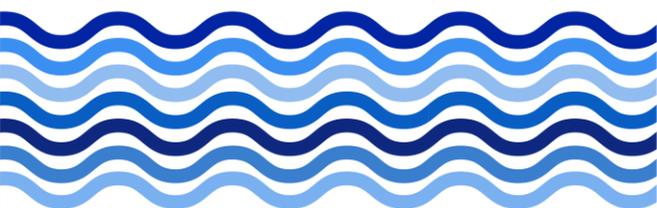
We welcome the presentation by the Chair of the Economic Resilience Panel, Lord Sedwill, and note the panel's suggestions on strengthening the resilience of global supply chains. We commit to closely monitoring issues impacting global supply chains and to continue working together to address these shared challenges.

12th WTO Ministerial Conference

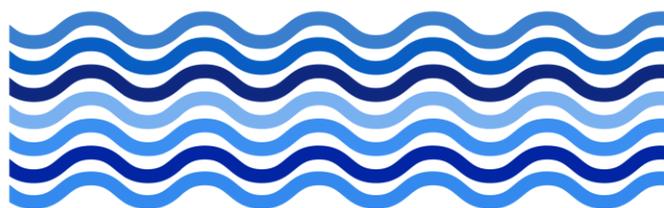
We discussed our priorities for the 12th WTO Ministerial Conference (MC12) building on our Leaders' commitments reached in Carbis Bay in June. Our shared objective is to deliver a successful Ministerial Conference that positions Members to foster a rules-based multilateral trading system, with the WTO at its centre, that is more resilient, sustainable, inclusive, and responsive to the needs of global citizens. We are determined to achieve a multifaceted outcome on trade and health as the response by the WTO to the Covid-19 pandemic, including how the international IP framework can best support the pandemic response. We will work with all WTO Members to resolve outstanding issues so that a meaningful agreement on effective disciplines on harmful fisheries subsidies can be attained, showing that the WTO can contribute to sustainability through its rule-making. We will work to deliver a realistic outcome on agriculture and agree to support a strong outcome in the Joint Initiative on Services Domestic Regulation. We support a permanent prohibition of customs duties on electronic transmissions. We look forward to further work on initiatives such as trade and environmental sustainability, and trade and gender. MC12 should highlight the WTO's ability to contribute to resolving 21st century challenges, including climate change and the loss of biodiversity. We commit to a successful and productive WTO 12th Ministerial Conference as an important opportunity to advance WTO reform to revitalise the organisation.

WTO reform

We are committed to advancing work towards WTO reform in a way that is inclusive and action-orientated, to build a more viable and durable multilateral trading system. A key objective of WTO reform will be to strengthen the organization's three core functions, in an effort to build a free and fair rules-based multilateral trading system that benefits all its members and helps secure shared prosperity for all. This includes advancing the effectiveness of the WTO's monitoring, negotiating and dispute settlement system functions, which requires resolving long-standing issues. We also highlight that the correct implementation and monitoring of commitments are



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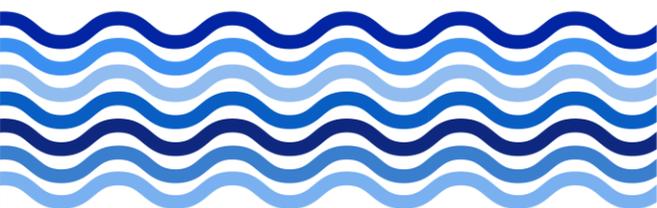
essential to maintaining the integrity of an effective multilateral rules-based system and therefore support and encourage enhanced transparency and dialogue among WTO members in a balanced and inclusive manner. We remain committed to active engagement in this work to provide the political momentum necessary for progress, recalling the points highlighted by G7 Leaders' Carbis Bay communiqué and the Sorrento Declaration of G20 Trade and Investment Ministers.

Free and Fair Trade

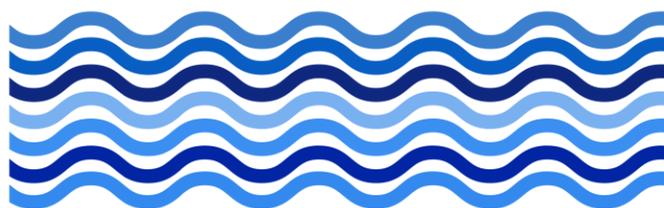
Our discussions today strengthened our resolve to tackle unfair trade practices that threaten the livelihoods of our citizens, harm our businesses, erode trust in, and undermine the functioning of the global trading system. We stand shoulder to shoulder in our commitment to act against these threats and prevent those seeking unfair advantages from benefiting.

Reconfirming our commitments in our May communiqué, we deepened discussions on market-distorting practices and the need to defend the integrity and sustainability of the rules-based multilateral trading system. We noted the continued opaqueness of these practices and the chronically low levels of compliance of some WTO members with regards to providing complete and timely notifications to meet their subsidy notification obligations. An important step in reinforcing the fundamental principles of transparency would be the adoption of the transparency and notification proposal in the General Council. We all endorse this proposal and will encourage the wider WTO membership to support it. We welcome the G20 commitments earlier this month to continue to work to ensure a level playing field, underscoring the importance of fair competition and of tackling distortions in trade and investment. We committed to continue our work together with likeminded partners to identify other ways to address the lack of transparency in government support by some jurisdictions. We reaffirmed the importance of the Global Forum on Steel Excess Capacity (GFSEC) as a forum that can help address the issue of global steel excess capacity in a multilateral framework. We will continue to support and work with the OECD to build on their excellent work undertaken to date, including a continued focus on the analysis of the incidence and magnitude of market-distorting practices and the impacts these may have on issues such as creating and maintaining overcapacity. We will step up our efforts in countering these practices, through appropriate tools and levers, and to develop stronger international rules on practices such as market-distorting industrial subsidies and trade-distorting actions by state enterprises.

We share and are guided by the concern expressed by our Leaders in Carbis Bay regarding the use of all forms of forced labour in global supply chains, including state-sponsored forced labour of vulnerable groups and minorities, including in the agricultural, solar and garment sectors. We affirm that there is no place for forced labour in the rules-based multilateral trading system. We endorsed recommendations to identify, prevent and eliminate forced labour in global supply chains reflected in the statement annexed to this communiqué.



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To further our response to these challenges, we will continue to discuss these important issues and commit to working collaboratively and with the assistance of relevant international organisations to tackle them.

Modernising Trade

We recognise the urgent need to update the rules for global trade to ensure they continue to have a positive impact on the daily lives of our citizens. We oppose digital protectionism and authoritarianism and today, we have adopted the G7 Digital Trade Principles that will guide the G7's approach to digital trade, annexed to this communiqué. We have committed to open digital markets; data free flow with trust; safeguards for workers, consumers, and businesses; digital trading systems; and fair and inclusive global governance. Efforts should be intensified to tackle the digital divide and to build the capacities of developing countries. Furthermore, we are committed to advancing the E-Commerce Joint Statement Initiative towards a high standard and commercially meaningful outcome that works for all. We aim to achieve substantial progress by the 12th WTO Ministerial Conference.

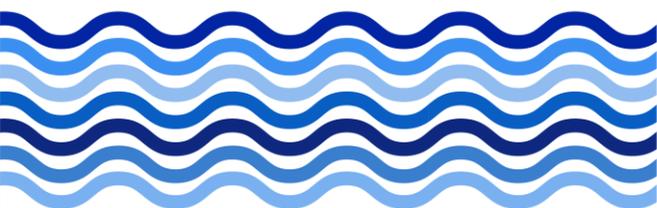
As we implement the Paris Agreement and transition to net-zero emissions, we recognise the negative effect that carbon leakage may have on the climate. We commit to work collaboratively, including with relevant international organisations, to address the risk of carbon leakage, while enhancing international climate ambition. We also recognise the need for dialogue on the domestic solutions that are already being considered. We recognise the importance of ensuring that any approach is, among other things, transparent and WTO consistent. We agree on the importance of any trade solution to carbon leakage being built on a robust evidence base with scientifically sound data. We commit to continuing open, inclusive, and constructive discussions on trade and the environment, including carbon leakage, through fora such as the Trade and Environmental Sustainability Structured Discussions (TESSD), in recognition of trade's important role in tackling climate change.

We reconfirm our commitment to an end to new direct government support for unabated international thermal coal power generation by the end of 2021, including through export finance, investment, and financial and trade promotion support.

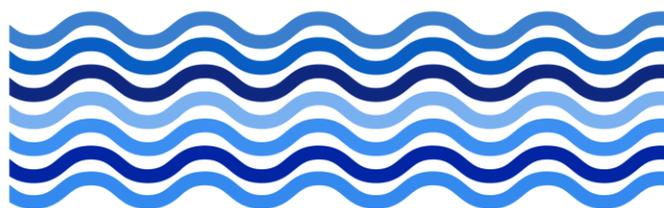
We welcome discussions at the G7 Trade and Environment Officials' Meeting on 30 September regarding supporting sustainable supply chains that decouple agricultural production from deforestation and forest degradation.

Closing remarks

We are committed to continuing our collective work in all relevant fora to champion free and fair trade and to the modernisation of international trade rules. We look forward to continuing discussions under the trade track of the German Presidency in 2022.



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G7 TRADE MINISTERS' STATEMENT ON FORCED LABOUR (ANNEX A)

We, the G7 Trade Ministers, share and are guided by the concern expressed by our Leaders in Carbis Bay in 2021 regarding the use of all forms of forced labour in global supply chains, including state-sponsored forced labour of vulnerable groups and minorities, including in the agricultural, solar and garment sectors. We affirm that there is no place for forced labour in the rules-based multilateral trading system.

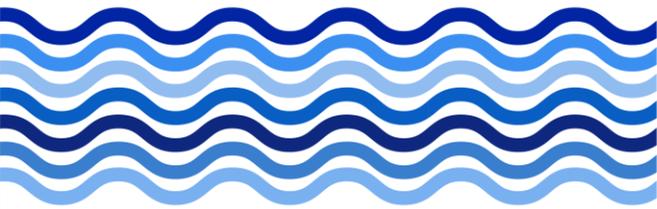
We acknowledge that on any given day there are about 25 million people subject to forced labour worldwide, and call on all countries, multilateral institutions and businesses to work together, including with survivors of forced labour, to eradicate forced labour from global supply chains.

We have taken seriously the task handed down to us by the G7 Leaders to identify areas for strengthened cooperation and collective efforts towards eradicating the use of all forms of forced labour from global supply chains. We recognise trade policy can be one of the important tools in a comprehensive approach to prevent, identify and eliminate forced labour in global supply chains. We further recognise that forced labour is a global problem and effective action should be based on international labour standards, the UN Guiding Principles on Business and Human Rights (UNGPs), and international standards on responsible business conduct, including collective efforts in multilateral institutions such as the United Nations (UN), especially the International Labour Organization (ILO), and Organisation for Economic Co-Operation and Development (OECD). We, therefore, appreciate the years of international cooperation that governments, workers organisations, and employers have undertaken in their own countries and multilateral institutions to comprehensively prevent forced labour and to provide victims of forced labour with protection and access to appropriate and effective remedies.

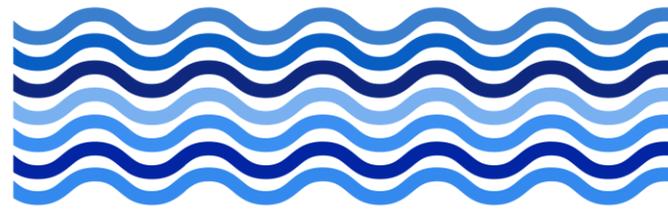
We recall the 2021 G7 May Trade Communiqué and the 2019 Report on ending child labour, forced labour and human trafficking in global supply chains by the ILO, OECD, International Organization for Migration (IOM) and UN International Children's Emergency Fund (UNICEF). We further recall the commitments made by G7 Leaders in Elmau, 2015, to foster sustainable supply chains and by the G7 Social Ministers in Paris, 2019, to promote decent work, responsible business conduct and human rights due diligence in global supply chains and by G20 Labour and Employment Ministers in Mendoza, in 2018, to eradicate child labour, forced labour, human trafficking and modern slavery.

We call on all countries, multilateral institutions and businesses to commit to uphold human rights and international labour standards, and respect relevant principles on responsible business conduct throughout global supply chains to prevent forced labour, protect victims of forced labour and provide remedy to victims of forced labour. This includes adherence to international labour standards set out in the ILO Declaration on Fundamental Principles and Rights at Work and its Follow Up, utilising the ILO Guidelines Concerning the Measurement of Forced Labour, which sets out the Indicators of Forced Labour and implementing the UNGPs.

We recognise the important role of governments to eradicate forced labour, protect victims of forced labour, and improve global supply chain transparency and the



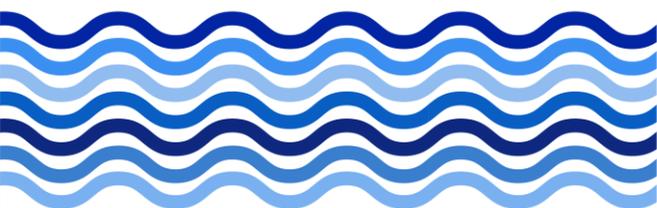
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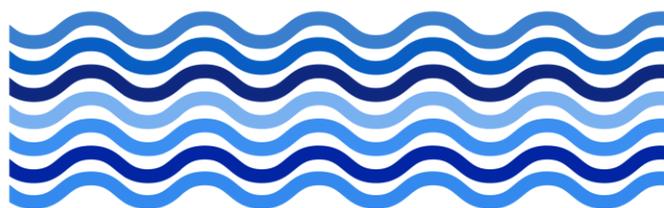
implementation of the principles of business and human rights, as recognised by the UNGP. Governments can help achieve these goals through sharing risk-management tools, encouraging the collection of data and evidence, upholding international labour standards in their own business operations and procurement policies, and including respect for international labour standards in their assessments of publicly funded projects. We further recognise the need to uphold international labour standards in all areas of the economy, including within the digital economy and through the use of emerging technologies to improve the traceability of global supply chains, ensuring developing countries are not left behind.

We commit to further enhancing clarity and predictability for businesses. We further commit to promote guidance on human rights due diligence, including but not limited to responsible recruitment practices, in line with the OECD Guidelines for Multinational Enterprises and Due Diligence Guidance on Responsible Business Conduct, including at sector levels; the ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy and ILO general principles for fair recruitment; the IOM's ethical recruitment standards; and the UNGP. We highlight the role of our National Contact Points for the OECD Guidelines for Multinational Enterprises in this regard. We commit to promote, within the relevant multilateral institutions such as the UN, ILO and OECD, common definitions and guidance to collect and share data and evidence on forced labour, and facilitate business compliance with international labour standards and international standards on responsible business conduct throughout global supply chains.

We will continue working together including through our own available domestic means and multilateral institutions to protect individuals from forced labour, to ensure that global supply chains are free from the use of forced labour and those who perpetrate forced labour are held accountable. We recognise the importance of continuing technical exchanges on how trade policy can contribute to the eradication of forced labour from global supply chains, engaging in dialogue with relevant stakeholders, including in developing countries, to further refine our best practices, and identifying modalities for sharing data and evidence. We commit to working closely with multilateral institutions such as the UN, ILO and OECD to promote effective implementation of the fundamental ILO Conventions, in particular the Forced Labour Convention (No. 29), including its 2014 Protocol, and the Abolition of Forced Labour Convention (No. 105). We will work closely with the G7 Employment Task Force and the G7 Foreign and Development Ministers to promote human dignity, strengthen the implementation of international labour standards and responsible business conduct, and make individuals less vulnerable to forced labour and other labour rights violations.



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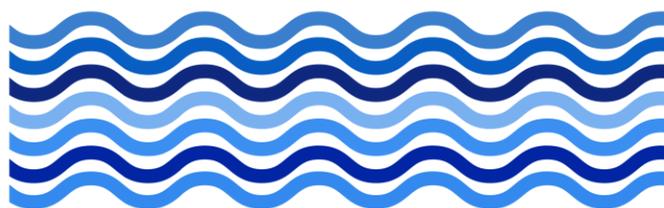
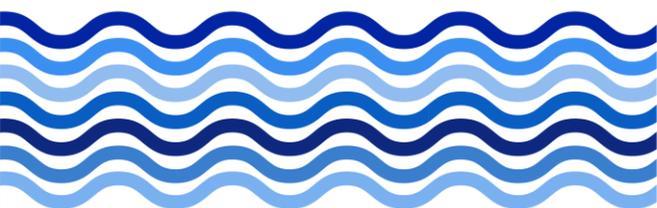
G7 TRADE MINISTERS' DIGITAL TRADE PRINCIPLES (ANNEX B)

Open digital markets

- We, the G7 Trade Ministers, are united in our support for open digital markets and in our opposition to digital protectionism and digital authoritarianism. Digital and telecommunications markets should be competitive, transparent, fair, and accessible to international trade and investment.
- Digital trade – and international trade more generally – must be at the service of our people. It should be used to support jobs, raise living standards, and respond to the needs of workers, innovators, and consumers.
- Digital trade should support entrepreneurialism and empower a full range of businesses to participate in the global economy, notably women entrepreneurs and micro, small, and medium-sized enterprises (MSMEs).
- As the bedrock of a thriving and innovative digital economy, the internet must be open, free, and secure.
- Electronic transmissions – including the transmitted content – should be free of customs duties, in accordance with the WTO Moratorium on Customs Duties on Electronic Transmissions. We support a permanent prohibition of such duties.

Data free flow with trust

- To harness the opportunities of the digital economy and support the trade of goods and services, data should be able to flow freely across borders with trust, including the trust of individuals and businesses.
- We are concerned about situations where data localisation requirements are being used for protectionist and discriminatory purposes, as well as to undermine open societies and democratic values, including freedom of expression.
- We should address unjustified obstacles to cross-border data flows, while continuing to address privacy, data protection, the protection of intellectual property rights, and security.
- Personal data must be protected by high enforceable standards, including when it is transferred across borders. We recognise the importance of enhancing cooperation on data governance and data protection and identifying opportunities to overcome differences. We will cooperate to explore commonalities in our regulatory approaches and promote interoperability between G7 members.



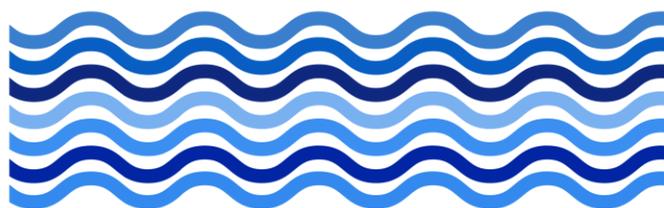
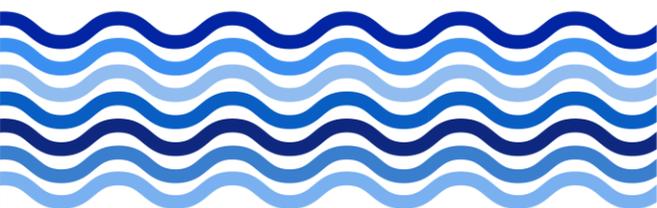
- Non-personal data should benefit from protection, including all applicable protection as intellectual property, such as the protection of trade secrets.
- Achieving consensus on common principles for trusted government access to personal data held by the private sector will help to provide transparency and legal certainty. It will support the transfer of data between jurisdictions by commercial entities and result in positive economic and social impacts. We support the OECD's work on developing these principles, recognising the importance of legitimate access to protect citizens and safeguard national security.
- Open government data can play an important role in digital trade. Where appropriate, public sector datasets should be published in anonymised, open, interoperable, and accessible forms.

Safeguards for workers, consumers, and businesses

- Labour protections must be in place for workers who are directly engaged in or support digital trade, providing decent conditions of work.
- Effective measures must be in place to ensure a high level of consumer protection when purchasing goods and services online.
- Businesses must have a secure digital trading environment, with the highest standards of cybersecurity and resilience against illicit or malign activity.
- To ensure that consumers and businesses can benefit from digital innovation, governments should maintain effective and balanced intellectual property frameworks, with protections for trade secrets.
- Businesses should not be required or coerced to transfer technology or provide access to source code or encryption keys as a condition of market access. At the same time, governments must retain sufficient flexibility to pursue legitimate regulatory goals, including health and safety.

Digital trading systems

- To cut red tape and enable more businesses to trade, governments and industry should drive forward the digitisation of trade-related



documents. This includes through means of addressing legal, technical, and commercial barriers to the digitisation of paper processes.

- Where governments use digital systems for processing imports, exports, and goods in transit, these should facilitate the flow of goods along the entirety of the supply chain.
- Single trade windows should be developed to streamline stakeholder interactions with border agencies. Governments should strive to develop these around common standards, with interoperability as a key goal, and in line with the best practice recommendations of the World Customs Organization.

Fair and inclusive global governance

- Common rules for digital trade should be agreed and upheld at the World Trade Organization. These rules should benefit workers, consumers, and businesses in developing economies, as well as those in developed economies, while safeguarding each country's right to regulate for legitimate public policy objectives.
- To drive growth in an inclusive way, efforts should be intensified to tackle the digital divides between and within countries, taking account of the specific needs of low-income countries, notably the least developed countries.
- The rules governing digital trade should be future-proofed and responsive to innovation and emerging technologies, so that workers, consumers, and businesses can harness their full potential. To assist this process, governments should review evidence and analysis, including from the OECD, where it can help to address rapid developments in digital trade.
- International standards for information and communication technologies should be developed in a way that complies with the six principles of the WTO Technical Barriers to Trade Committee, namely transparency, openness, impartiality and consensus, effectiveness and relevance, coherence, and the development dimension. Such standards must continue to play an important role in supporting an open, free, and fair environment in the digital age.