



Salzburg Global Statement on New Dynamics in Global Trade Architecture: The WTO, G20 and Regional Trade Agreements

RECOMMENDATIONS OF SALZBURG GLOBAL FELLOWS

Our goal is shared and lasting prosperity for the world.

We believe this can best be obtained through sustainable, inclusive and equitable growth in the context of macroeconomic stability, which will require lowering the barriers to trade and investment.

We call for political impetus at all levels to make this happen.

The role of the World Trade Organization (WTO)

We believe that lower barriers to trade and investment are best achieved multilaterally. We strongly support continued action to build a global rules-based trading system through the WTO.

All WTO Members benefit from the multilateral trading system, and thus share the responsibility to comply with WTO rules and contribute to further WTO development. We applaud the success of the 9th Ministerial Conference in Bali in December 2013 and the completion of negotiations on the Trade Facilitation Agreement (TFA), which did much to reinvigorate the multilateral approach to trade liberalization and should ensure that developing countries, especially the least developed, secure a share in the growth of international trade to advance their economic development.

There are three priority actions to maintain momentum post-Bali (and to show that multilateralism can still work):

- Tangible efforts to ensure successful implementation of the TFA as quickly as possible. We welcome especially the donor community's offer to support capacity building for implementation. We recommend that technical assistance offered to WTO Members and those seeking WTO accession should include support, not only for governments but also for the private sector and civil society, as well as contributions toward harmonization of customs procedures to facilitate smoother goods trade across borders;
- Achievement of concrete advances in areas ripe for progress, for example by expanding the products covered by the Information Technology Agreement (ITA); and
- Completion of the Doha Development Agenda (DDA) by focusing on the core topics of agriculture, non-agriculture market access, and services. In parallel, other DDA elements need to be advanced at an appropriate level of ambition. We encourage WTO Members to focus on areas where progress has been made to date and to pursue quick success in these areas.

The DDA should ideally be concluded by the next Ministerial Conference in December 2015. We encourage creativity and re-examination of previous texts to help achieve this. If we cannot succeed by this target date, WTO Members should be ready to try other approaches, recognizing that the WTO Agreement permits plurilateral processes and agreements. We should work to broaden participation in agreements already in place, such as the amended agreement on government procurement, and to advance negotiations currently under way, such as those on information technology and green goods, with a view to making them truly global.

Salzburg Global Seminar is an independent non-profit organization founded in 1947 with a mission to challenge present and future leaders to solve issues of global concern. We design and facilitate international strategic convening to drive progress based on Imagination, Sustainability and Justice.

This session continues Salzburg Global's program on sustainable global economy and governance and builds on its 2012 session 'The Future of the Multilateral Trading System and the WTO'. It launches a special partnership with the Korea Development Institute School of Public Policy and Management and its G20 Global Leadership Program.

The Salzburg Global Statement of shared principles and recommendations will be accompanied by a comprehensive report on the conversations and topics addressed in the session 'New Dynamics in Global Trade Architecture: The WTO, G20 and Regional Trade Agreements' (April 30 to May 3, 2014).

The views expressed in this Statement are those of session participants individually and should not be taken to represent those of any organizations to which they are affiliated.

SalzburgGlobal.org

To the extent possible without prejudicing the conclusion of work on DDA issues, informal, non-negotiation-based discussions on emerging issues like investment, the networked economy and digital trade, sustainable energy, and competition policy should begin now.

We recognize the central role played by the WTO Director General in the process of reaching consensus in Bali, and we urge him to play a similarly central role in assisting WTO Members in preparing the post-Bali work program with a view to implementing the TFA and concluding the DDA.

We agree that sustainable growth and development remain central to all our efforts. The WTO should continue to take into consideration the special needs of Least Developed Countries and should consider allowing them to implement their prospective obligations on a phased basis, commensurate with their development needs.

WTO Members should allocate additional and adequate resources to enable the WTO to continue to tackle emerging issues, and also strengthen its capacity to deliver technical assistance in line with the above recommendations. Additional resources must also be allocated to dispute settlement activities to meet the ever-increasing demand for the WTO's services and to ensure continued high-quality delivery.

The role of regional trade agreements (RTAs)

To achieve our goal of shared and lasting prosperity, the global community should look to other ways of lowering barriers to trade and investment beyond the WTO. These include regional and preferential trade agreements (RTAs and PTAs), as well as unilateral and concerted actions to liberalize trade, such as those undertaken by the Asia-Pacific Cooperation (APEC). These are relevant for global value chains and to contribute towards regulatory coherence and convergence.

We believe that RTAs not only complement the multilateral system but can also address concerns currently beyond the scope of the WTO, such as investment, competition and the business environment. In addition, RTAs can also support the rule of law through innovative reforms that strengthen both investor-state and state-to-state dispute settlement. However, even when tackling these issues bilaterally or regionally, we must never lose sight of our goal of dealing with trade and investment barriers globally in order to avoid discrimination. RTAs should strengthen and not undermine the multilateral trading system.

We recognize that in the past, regional efforts have sometimes led to and helped inspire successful global efforts. WTO Members should instruct the WTO Secretariat to search for practical ways to facilitate the transformation of concessions already made under RTAs into fully global concessions consistent with the fundamental WTO principle of non-discrimination, with a particular focus on concessions under RTAs that are already applied in a non-discriminatory manner.

The role of the G20

The G20 can play a key role in advancing efforts to achieve our goal of shared and lasting prosperity. Whilst it is not a formal international institution and has 20 rather than 193 member countries, the G20 represents 85% of the world's economy and can provide critical leadership and momentum to foster positive change in the global trade architecture, including within the WTO.

We applaud the G20 for having taken a leadership role since 2008 to avert further negative consequences of the global financial crisis. In particular, we also applaud Australia, which currently holds the Presidency of the G20, for promoting the importance of trade as a means to achieve global economic growth. We urge all G20 members to follow Australia's lead and to take affirmative steps on trade liberalization through the G20 and the WTO.

As global value chains are also a high priority in trade, we urge the G20 to encourage more coherent national policies on this issue to enable future multilateral examination. We emphasize the need for continuity, accountability and follow-through in making the efforts of the G20 more effective in achieving shared and lasting prosperity for all.