# Annex II: G20 Strategy for Global Trade Growth (SGTG)

As an integral part of G20's efforts to achieve our ambition of 2 per cent additional growth by 2018 set by G20 leaders in Brisbane in 2014, and as part of its broader efforts to strengthen global growth and to advance the Sustainable Development Goals (SDGs), the following Strategy sets out concrete individual and collective actions to this end. The G20 endorses the central role of the WTO in global trade governance and supports a further strengthening of its functioning.

This Strategy complements the undertakings and commitments set out in the G20 Trade Ministers' Statement, including with respect to standstill and rollback of protectionist measures, trade facilitation, the WTO, other trade agreements, guiding principles for global investment policymaking, and promoting inclusive global value chains.

#### 1. Lowering trade costs

The WTO Trade Facilitation Agreement (TFA), once implemented, will significantly lower global trade costs and positively impact on trade for development and the integration of small and medium enterprises (SMEs) into global value chains (GVCs). G20 members note the importance of individual country actions to address trade costs, and to reduce the time and uncertainty of moving goods and services, including by addressing behind the border measures. Individual actions could be reflected through national growth strategies. G20 members are thus committed to further actions on reducing trade costs and encourage all WTO members to fully implement the TFA, which according to projections by the OECD and the WTO has the potential to reduce global trade costs by up to 15 per cent. G20 members thank the OECD, WTO and World Bank for their work on monitoring trade costs. G20 members agree that capacity building and technical assistance will be critically important to ensure developing countries most in need are able to meet this objective, and will continue to support efforts in this regard.

#### 2. Harnessing trade and investment policy coherence

G20 members will ensure our trade, investment and other public policies are complementary and mutually reinforcing, including through reforms outlined in our national growth strategies. G20 members recognize the particular importance of GVCs as drivers of global trade and investment flows, and commit to adopt policies that support expanded, sustainable and more inclusive GVCs, and that

encourage greater participation and value addition by business in developing countries. With the aim of identifying and addressing policy inconsistencies or gaps and developing suggestions to improve policy coherence, G20 members note the report on the relationship between trade and investment conducted by the WTO, UNCTAD, OECD and World Bank, which suggests a number of important policy options for consideration. G20 members welcome additional analytical work on those important issues to be conducted in the international organizations, within their respective mandates and resources.

## 3. Boosting trade in services

G20 members commit to policies that support an open, transparent, and competitive services market. This will facilitate the participation of service providers, especially from developing countries and low income countries, in GVCs, recognizing that this can contribute to a smooth flow of goods and services along GVCs and support more efficient production and trade, thereby contributing to economic growth and new and better employment opportunities. G20 members agree to consider work on issues that can expand trade in all modes of services, which contribute a significant share to most of our domestic economies and international trade across the globe. The G20 encourages further analysis by the WTO, OECD and World Bank, within their respective mandates and existing resources, to provide G20 members with a clear picture of the role of service sectors in the overall economy and along supply chains, their contribution to trade growth and economic development, as well as to the achievement of public policy objectives. This analytical work by the international organizations will help inform G20 members on policy options likely to improve efficiency, productivity and welfare, while offering the greatest potential reduction of trade costs in G20 services markets, taking into account their different levels of development.

# 4. Enhancing trade finance

Trade financing gaps hamper trade and economic growth. Gaps are highest among the poorest countries, notably in Africa, developing Asia and Small Island developing states where access to know-how and skills in handling trade finance instruments is also a challenge. The G20 takes note of the recommendations included in the study on trade finance and SMEs done by the WTO with the support of World Bank, and of existing trade finance facility programs of the multilateral and regional development banks. G20 members further note the WTO Director-General's call to enhance the availability of trade finance supported by existing multilateral trade finance facilitation programmes.

## 5. Developing a World Trade Outlook Indicator

All countries benefit from having better information on the evolving circumstances that impact trade and economic growth. The G20 welcomes the release of the WTO's first World Trade Outlook Indicator. G20 members expect that the Indicator can provide an "early warning" system for trade, giving policy makers and business more real-time information on trade developments that will help them in their trade decision making and policy design.

## 6. Promoting e-commerce development

In the light of the profound transformation of economic and trade structures triggered by the rapid development of digital trade and technology, G20 members agree to deepen discussions and cooperation on e-commerce issues. G20 members thank OECD, UNCTAD and WTO for their inputs on e-commerce in international trade and related policy matters. G20 members recognize that e-commerce constitutes an important tool to boost the participation of SMEs in global trade. To provide better access for SMEs and developing countries to digital technology to obtain a greater share in its benefits, and to assist in promoting inclusive trade growth, G20 members encourage dialogue among governments and businesses to identify the opportunities and challenges in developing e-commerce, and to research and discuss trade-related policy issues, standards and patterns. By enhancing conversations, collaboration on policy coherence can be strengthened. G20 members take note of the B20's initiative on an Electronic World Trade Platform (eWTP).

### 7. Addressing trade and development

Trade has been a powerful engine for economic development in recent decades. The 2030 Agenda for Sustainable Development also highlights the key role trade must play in achieving inclusive growth, sustainable development and poverty reduction. Given trade's central role in achieving the SDGs, and building on the G20's previous work on the relationship between trade and development, G20 members affirm their commitments to better leverage trade for development as set out in this Strategy, G20 members recognize that facilitating trade and investment will enhance the ability of developing countries and SMEs to participate in and move up the value chain in GVCs, and recognize the importance of economic diversification and industrial upgrading in developing countries. G20 members recognize the importance of initiatives aimed at broadening the participation of low income countries in RTAs, addressing issues related to availability of trade finance, supporting sound agriculture policies, investment and

trade in support of the SDGs, facilitating participation in GVCs, promoting responsible business conduct, enhancing trade-related skills development, and advancing and sharpening the Aid-for-Trade initiative. Additionally, G20 members will make efforts to take steps to operationalize their commitment under the Addis Ababa Action Agenda to "integrate sustainable development into trade policy at all levels". The G20 notes the suggestion by some members that the G20 Trade and Investment Working Group (TIWG) study whether there are trade-related steps that could be taken to alleviate the adverse impact on low and middle income countries hosting an especially large number of refugees.

#### Conclusion

G20 members are confident that, through this strategy as a complement to the undertakings and commitments in the G20 Trade Ministers' Statement, we can meaningfully promote trade opening and integration, thereby contributing to global prosperity and development. The TIWG will continue to work closely with relevant G20 work streams to enhance synergy and avoid duplication of work. G20 members also welcome input from the international organizations, and from G20 engagement partners, in particular the B20 and T20, and will continue to collaborate with them to achieve strong, sustainable, inclusive and balanced growth.