MIKTA Workshop on Trade and Investment

Wrap-Up Session, Monday 20 March, 15:30-16:15

Australian statement

It is clear from the comments of MIKTA colleagues that we've had a very full and interesting day of discussions on trade and investment.

From my perspective, there are four key takeaways from today's workshop.

First is the consistent message about the important role the WTO has to play in discussions on investment. Recognising that trade and investment are increasingly intertwined as the global economy becomes more and more interconnected, with global value chains, "servicification" of manufacturing, and innovative business models changing patterns of trade and foreign direct investment. We have heard that investment is instrumental for trade and economic growth and development and that foreign direct investment is a vital source of external funding for development.

Many of the presenters talked about the need for increased trade and investment policy coherence and international cooperation and particularly in the first session this morning we heard about the vital contribution the WTO could make to these discussions, given its broad membership and as the only global international organization dealing with rules of trade. But it was also emphasised that the WTO should not seek to repeat discussions in other fora including the G20, UNCTAD and OECD. Rather, it's important to identify where the WTO could add value to discussions on investment.

As we heard today, investment is not a new issue in the WTO. Various WTO Agreements deal with investment directly and indirectly, including the GATS, TRIMs, the Agreement on Subsidies and Countervailing Measures, TRIPS, and the GPA. And as Russia highlighted investment-related measures have also been a part of WTO accession negotiations.

I found particularly striking the statistics that showed foreign direct investment (FDI) in services, as covered by the GATS, accounts for two-thirds of all inwards FDI. So it is clear that investment is very much a part of our work in the WTO.

But some noted that the WTO had not kept up with recent developments in international trade and investment regimes, which were highlighted in session 2. We heard interesting examples of how trade and investment flows were changing, with developing countries accounting for an increasing share of both inward and outward FDI .

Some suggested that WTO discussions could focus more on contemporary issues, like how to facilitate trade and investment flows, taking into account the opportunities and challenges presented, particularly for micro, small and medium enterprises (MSMEs), and how trade and investment could be better leveraged for development, to achieve the Agenda 2030 Sustainable Development Goals.

The second takeaway from today's workshop is that discussions in the WTO could contribute to:

- strengthening trade and investment policy coherence;
- facilitating trade and investment flows;
- mobilising trade and investment for development; and
- exploring where multilateral rules could be usefully strengthened or expanded to support these objectives.

The third important message is the high-level of interest and willingness among some WTO Members to engage in discussions on investment in the WTO, recognising that this will not be easy given the long-standing sensitivities around investment in the WTO, particularly in relation to discussions on settlement of investor-state disputes as well as in relation to investment protections. But Members also noted that we should not shy away from investment as discussions on investment support developing country interests, if appropriately framed with a focus on investment facilitation.

The third session highlighted emerging trends in investment facilitation. Panellists discussed how facilitation was a policy tool to maximise the benefits from trade and investment and address challenges, including by providing a transparent, predictable and efficient investment environment; streamlining and simplifying rules and procedures to reduce or eliminate obstacles faced by business when investing or expanding; and, maximising the benefits of investment through policies that promote sustainable development and responsible business conduct.

The presentations were complemented by substantive comments from a number of Members on what the WTO could or should do on investment facilitation. Some recognised that outcomes achieved in the Trade Facilitation Agreement in relation to streamlined administrative processes, improved regulatory transparency and enhanced information sharing were as important to investment flows as they were to increasing trade flows. Others noted that investment facilitation would complement current discussion on trade facilitation for services.

My fourth and final take away from today's workshop is the elements of investment facilitation highlighted during the discussions, which reflect core WTO principles and could form a basis for further discussions, including:

- transparency and accessibility of information on regulatory and administrative frameworks;
- predictability and non-discrimination in the application of investment policies;
- efficiency and streamlining of administrative rules and procedures;
- consultation and stakeholder engagement; and
- international cooperation, capacity building and technical assistance.

In terms of next steps, we hope that the workshop will stimulate further thinking and discussions on what role the WTO should play in investment discussions. We look forward to engaging with interested Members on how we could take discussions forward in the WTO.