



29 June 2020

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## WTO- High level panel Accession week outline of speaking points

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- Praise for the important steps by this WTO DG to bring the WTO closer to the private sector and private sector needs- Trade Dialogues are a good example. Exchange is important for both sides and should continue with the new WTO DG
- A few words about BusinessEurope we speak on behalf of over 20 million European companies not only in EU Member States but also Norway, Switzerland, Turkey, Serbia that is in the process of accession to the WTO and the EU and the UK.
- These are challenging times that we are living both for the WTO but also for the business community and the economy overall. In Europe alone we estimate a GDP decrease of almost 10% this year according to our latest calculations.
- COVID-19 brought about new challenges for global trade and some of them will have long lasting impact.
  - a) Economies are slowly opening but as you know this is not happening at the same time everywhere creating huge challenges for trade especially because we have integrated supply chains- one example air freight severely impacted because of suppression of commercial flights.
  - b) We still need to monitor all the trade restrictive measures that were introduced by Governments to respond to the pandemic. These measures need to be lifted urgently. We highly appreciate the work done by the WTO during the crisis putting together data on all the measures that were taken by Members. Not all countries notify the WTO and it is also up to the private sector to help in tracking these measures and ask for fast removal.
  - c) Countries around the world are now pouring money in the economy and supporting directly many companies to ensure they stay afloat. It is important to trace this subsidies and ensure they comply with WTO rules and don't create additional market disruptions. This is a key point for European business as we need to ensure a level playing field. Roll-back state intervention and preserve a market economy are key going forward.
  - d) Digitalisation is increasingly important. This WTO accession week has gone virtual as most of our day-to-day work. This also presents new challenges and opportunities. It confirms the need to make progress in the e-commerce negotiations but also that we need to work on rules to prevent cyber-theft. Cybersecurity has become an even higher priority in business and governments agenda.
  - e) This crisis is also an opportunity to change our economic models and make them more sustainable. This is a priority in Europe where we see the green transition as number one priority. The WTO also needs to reflect this change. It would be great to revive the discussions on the EGA-Environmental Goods



Agreement with an even broader scope. What trade can do for the environment and climate change is now a top priority- BusinessEurope has just released a position paper “What Trade Can do for Climate”- <https://www.business europe.eu/publications/what-trade-can-do-climate-business europe-position-paper>. This is also important to increase public support for trade.

- f) The Healthcare sector was particularly exposed due to the COVID-19 crisis. Initially many Governments introduced export restrictions but immediately afterwards they understood the benefits of liberalization in this sector to facilitate access to medicines, PPE and medical devices. Also, an opportunity for the WTO to revise the zero for zero pharmaceutical agreement.
- These are all future workstreams that WTO members should explore and that could bring additional benefits to acceding countries.
- Coming back to the benefits of the accession from a private sector point of view. Many of the reasons relate to what I have said before.
  - a) First is about legal certainty. This is important for companies. Knowing that a Government has committed to a certain level of market opening and rules. Example bound tariffs- not increasing the duties above a certain level. It would also be good to reduce the difference between the bound tariffs and the applied tariffs. Above all countries should be revising their tariffs downwards not upwards.
  - b) Increased market liberalization in level and scope. It brings increased competition but also access to more goods and services and it is a good way to access new technologies. Good also for consumers and business as it brings new investments and investment opportunities. It also promotes more resilience and diversification of the economies if it is done well.
  - c) Increased transparency, non-discrimination, good governance and respect of the rule of law. For example, it is very important that Governments respect their notifications’ obligations, so business is aware of regulatory changes.
  - d) Trade facilitation- business specially MSMEs face huge problems with bureaucracy in customs procedures. The last major agreement of the WTO on Trade Facilitation is extremely important and we need to ensure that it is well implemented.
  - e) Capacity building. Supporting governments but also the private sector in the accession countries. It is also a good platform to support stronger dialogue between the private and public sectors that is weak in some countries.
  - f) It is about opening but also ensuring respect of rules including level playing field giving business the opportunity to protect its interests using the WTO rules.



- g) This brings me to a critical point of the WTO that is the dispute settlement. Disputes are among Governments but behind them there are always companies and business. That is why are extremely concerned by what is happening to the WTO Appellate Body. The private sector needs a dispute settlement system that is objective, transparent, effective and takes decisions in a reasonable time. In this context we are concerned about the Airbus/Boeing case and the fact that the award decision in favour of the EU is taking so long. It is important that we maintain the two cases in parallel to avoid that one side takes advantage of the time difference in the decisions. We also believe this is critical to encourage a negotiated solution that can put an end to this conflict that is impacting negatively so many companies.
- Let me finish by saying that it is extremely positive that so many countries are in the WTO accession process. This proves the WTO remains a cornerstone for the world trade and that countries around the world still perceive the huge benefits of becoming a member. If one thing we can draw from the COVID-19 crisis is that we need global responses not national ones to address the current global challenges. We are convinced that Trade will be a key pillar in the economic recovery for both developed and developing economies.

Thank you!