The WTO: A Driver for Inclusive Trade, Growth and Development

Open, rules-based and fair trade promotes prosperity worldwide. The 2030 Agenda for Sustainable Development underlines the crucial importance of trade for inclusive development. But not everybody has benefitted sufficiently from globalization yet. In particular small and medium enterprises still struggle to access global markets. We need to redouble our efforts to ensure that trade works for all. As Director General of the World Trade Organization Roberto Azevêdo recently pointed out trade and investment are increasingly interconnected. The WTO plays a crucial part in this. MC11 should pave the way for a modern trade and investment (T&I) agenda.

SDG 17

“Promote a universal, rules-based, open, non-discriminatory and equitable multilateral trading system under the WTO, including through the conclusion of negotiations under its Doha Development Agenda.”

WTO: Guardian of Rules-based and Fair Global Trade

“Today, it is more imperative than ever to strengthen the WTO and the rules-based multilateral trading system. We need effective monitoring as well as dispute settlement.”

Daniel Funes de Rioja, B20 Argentina Chair

“We need a modern WTO to reflect 21st century trade. This includes digital trade and investment facilitation but also more measures to support SMEs.”

Dr. Jürgen Heraeus B20 Germany Chair

B20 Calls for

- **Strong and balanced WTO Agreements** to reduce obstacles to international trade.
- **Strong legal and institutional framework** for implementation and monitoring.
- **Effective transparency mechanism** to monitor trade policies and to ensure free and fair trade. MC11 should send out a clear signal against protectionism.
- **Effective dispute settlement** to safeguard compliance and avoid escalating trade conflicts.

**SDG 17**

“Promote a universal, rules-based, open, non-discriminatory and equitable multilateral trading system under the WTO, including through the conclusion of negotiations under its Doha Development Agenda.”

**2.5 growth factor of global per capita income**

**5x**

Increase of world trade between 1990 and 2014

**More than 1 billion**

people lifted out of extreme poverty since 1990
**B20 Recommendations: Make MC11 a Success**

1. **Strengthen an open and inclusive global trading system**: Inclusiveness of trade has to be strengthened so that everyone has the opportunity to benefit of its vast advantages. The WTO is the best way to ensure free and fair trade. MC11 is an opportunity to lay the groundwork for a future-oriented multilateral trade agenda. Business needs rules for 21st century trade and investment that strengthen the WTO and the rules-based multilateral system. The WTO monitoring and reports should be reinforced and refined.

2. **Remove market distortions and reduce state interventions**: Trade and investment need to flow freely. Competition needs to be rules-based and fair. MC11 should pave the ground for advancing market access in all sectors and for removing market distortions, including those that limit trade in food and agriculture. We need to tackle government intervention such as support measures and other forms of market distortion by governments and related institutions.

3. **Adapt trade rules to the digital age**: The G20 should instigate a WTO working group on digital trade at MC11, which should address free cross-border data flows, trade in digital products and services, trade facilitation, regulatory coherence, and other identified legal gaps. Digital trade can substantially facilitate the participation of MSMEs and developing countries in global value creation.

4. **Support sustainable investment facilitation**: FDI plays an important role for development. The G20 should enhance international support programs for investment in developing countries to meet the SDGs. WTO member should agree at MC11 to put Investment Facilitation on the future agenda.

5. **Uphold the WTO Dispute Settlement System**: The WTO dispute settlement system is a central pillar of the international trade regime. It guarantees that obligations from international agreements can be enforced when one of the signatories fails to comply with such obligations. At MC11, the G20 must promote that the system is not undermined but rather improved further.

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**Foreign Direct Investment is increasing**

Foreign direct investment is a main driver of globalization. It is the fuel for employment and prosperity. Compared to the growth of the world’s population, global production and world trade, cross-border investment is growing rapidly. The global FDI stock increased elevenfold worldwide between 1990 and 2016. The majority of the 3,300 International Investment Agreements (IIAs) do not deal with questions of investment facilitation. Therefore, it is important to increase political activity in the field of investment facilitation.

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**Voices of Business 20**

*“Trade & Investment are indivisible, they need to be fair and reciprocal and therefore the role of the WTO is crucial. We need to address market distortions including those introduced by governments and those driven by state-related entities.”*

Paolo Rocca  
Chair Trade & Investment  
B20 Argentina

*“It is high time to revitalize the WTO as driver of trade liberalization. Plurilateral agreements could be a good stepping stone towards a modern WTO.”*

Emma Marcegaglia  
Chair Trade & Investment  
B20 Germany

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**Global FDI Stock and Flow (outward, index: 1990 = 100)**

- **FDI Stock (outward)**
- **FDI Flow (outward)**