

Minister Mora, Ambassadors, delegates,

It is my great pleasure to welcome you to this Global Forum on Trade, which is being held under the banner “How to keep pace with new business models and the emerging digital economy”.

This is an important moment to be discussing trade at the OECD and in the wider global context. I am therefore very pleased to welcome representatives from several important partner countries, from the G20 community and from the South East Asia region and from partner organisations the WTO, the World Bank and the IMF.

At OECD level we are about to enter into a new two-year work cycle. Committees have deliberated and have set the general priorities and directions for the work to be done. We now need to translate that into concrete projects. Our aim is to deliver the evidence base that policy-makers need to set their own priorities and define their own reform agendas.

We are planning ambitious new work in two trade-related areas. The first relates to links between trade and investment. Are inconsistencies between trade and international investment regimes getting in the way of trade-led growth, particularly in the context of GVCs? What is the impact of the many ways in which governments intervene to change international investment incentives? We want to hear your views. What are the most pressing policy issues? How can the work of the Trade and Investment Committees serve to clarify them? The second area of new work is about trade aspects of the digital economy. Digitalisation already enables a huge share of trade in goods and services. Increasingly trade itself is dematerialised as intellectual property and data are moved across borders. These developments pose definitional and measurement problems. They challenge governments and the international institutions to provide the regulatory frameworks that will allow their huge potential to be realised. But, at the same time, we have to make sure that legitimate concerns about privacy and security are also taken into account. We want to hear from you about what the pressing analytical and policy issues are? How can the OECD, working collaboratively across the different committees involved, help governments to find solutions?

Trade and international investment are essential channels for innovation which fuels productivity growth. All our economies depend on the free flow of goods, services and investment for their vitality and competitiveness. But trade and investment flows have slowed recently amid signs that both cyclical and structural factors are at play. Today we will discuss two factors which are particularly worrying to policy-makers. The first is the accumulation of protectionist measures, including discriminatory domestic measures. The second is the strength of anti-trade and anti-globalisation sentiment in public discourse. As we have seen so starkly in recent days, this is influencing the capacity of governments to negotiate or ratify agreements.

Clearly we have to do better to demonstrate and explain how openness works for the benefit of countries and populations. We also have to be much clearer about transitions, adjustment costs and losers. In the past trade policy makers have acknowledged this, but left it at that - leaving such issues to be dealt with by others. We need to develop a much more joined up approach. We have to explicitly recognise that without appropriate domestic policies the potential gains of openness will

not be realised, nor will its benefits be shared. This is not just about changing the narrative. It is about changing the way we develop policies. Trade and international investment policies must go hand in hand with efforts to strengthen the supply side of our economies. That may mean paying attention to infrastructure, rule of law, stable institutions, finance and regulation. Economies have to constantly invest in education and training, including for those in need of reskilling. Impediments to mobility need to be examined. And social safety nets need to be adapted to this fast changing world where some firms and individuals may be unable to cope.

OECD is well placed to join up the dots in this way. But, like many governments, we have not done it well enough to re-assure civil society. We need to ask some new questions. How far should cross-border deals go in providing re-assurance on these issues? Lastly, we need to reflect on how to respond to demands for greater transparency in how international trade deals are developed. How can transparency be reconciled with negotiating strategies? Negotiators do not usually reveal their full hand at the beginning of the card game? These are some of the issues we would like to talk about today as OECD reflects on how to respond to the current, unprecedented level of disaffection from trade and globalisation.

You have three important issues for discussion today. They all require us to leave our silos and talk to actors in domains that are unfamiliar and may take us out of our comfort zones. They require us to embrace change, even highly disruptive change. They require us to become inter-disciplinary, collaborative, and joined up, not just in what we say, but in what we do and how we do it.

I wish you very fruitful discussions.